



Design for Business Transformation

A Ryder Alliance publication led by Ward Robinson

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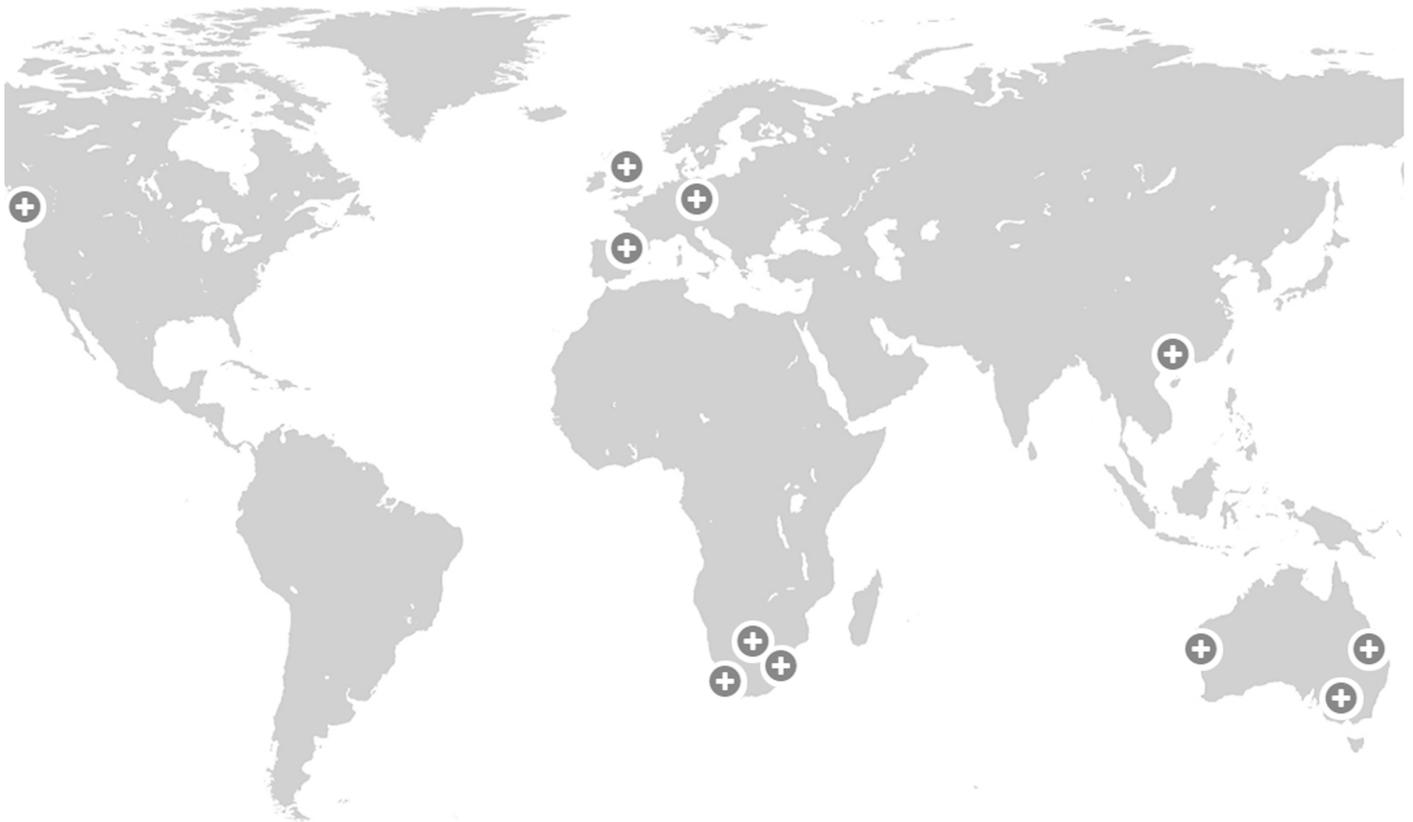
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CONTENTS

WHAT

What is agile working?
Where are you now?



WHY

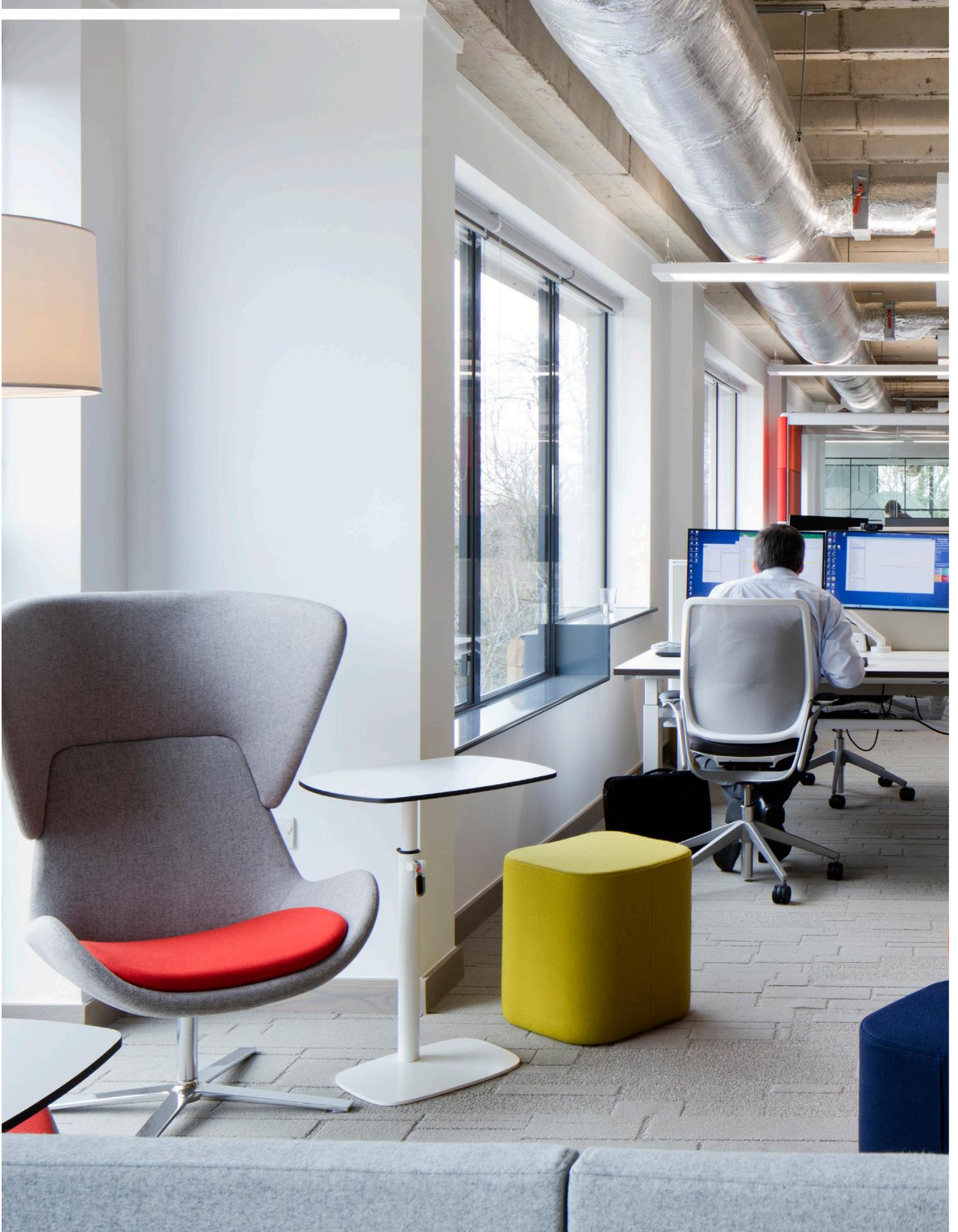
Why go agile?



HOW

What to consider?
How the process works?

WHAT



WHAT IS AGILE WORKING?

Agile working is a way of working that allows people to do their best work by providing a range of spaces in the workplace for them to choose from. This may depend on the nature of the task itself, as well as individual working styles, personality type or even mood. As space in agile work environments is allocated based on need rather than status, each person has the ability to work in the way they feel is best.

Most people's working day is filled with different tasks, requiring varying levels of focus, privacy or collaboration and yet the typical worker uses their desk for all tasks. A desk in an open plan environment is ideal for tasks requiring light concentration such as responding to emails but less suitable for problem solving or creative work. This is why agile working is sometimes referred to as activity-based working (ABW) or smart working.

The success of an agile working environment depends on two things - firstly, a range of spaces for people to choose from such as focus rooms and semi-enclosed breakout areas and secondly, having a workplace culture that encourages people to use those spaces.

Although the principles of agile working remain largely the same from workplace to workplace, one size does not fit all and there is no standardised design. Implementation can be tailored for each organisation, based on the working practices and culture.

Common features of agile working environments include:

- desk sharing (a desk to employee ratio of less than 1:1) to increase space utilisation
- unassigned desks within defined team areas (neighbourhoods) which differentiates desk sharing from hotdesking
- a range of enclosed meeting rooms, semi-enclosed spaces and open collaboration areas for different types of collaboration
- smaller enclosed spaces to fit 1-3 people comfortably for those who do not want to be disturbed or disturb others
- larger social spaces for people to meet
- a focus on access to space rather than ownership of space to improve space efficiency and fairness
- lockers for personal storage
- mobility-enabling technology

DEFINE : NEIGHBOURHOOD

A group of desks or area on the floorplate designated to a department or team. This ensures that people can find each other within the workplace and retain a sense of ownership of space.

WHERE ARE YOU NOW?

Traditionally workers have been tethered to their desks and it is still the most common way of working. This is a hangover from the 20th century when work tools, such as a typewriter, were positioned on the desk and were immovable. Since work could only be done at the desk, time spent there was used as a way of measuring performance. A culture of management by observation flourished. Things are different now. Rather than completing repetitive tasks, most people add value by working with others in teams and within an ethos of collaboration. The desk does not support either of these functions very well. Technology enables us to do what we need to do from almost anywhere, which results in a culture of management by observation becoming obsolete.

To determine an organisation's starting point and where they see themselves in the future, it is helpful to consider people's mobility within the workplace i.e. how far and how frequently people move during the working day, as this significantly affects the design.

Levels of mobility can be simply viewed as:

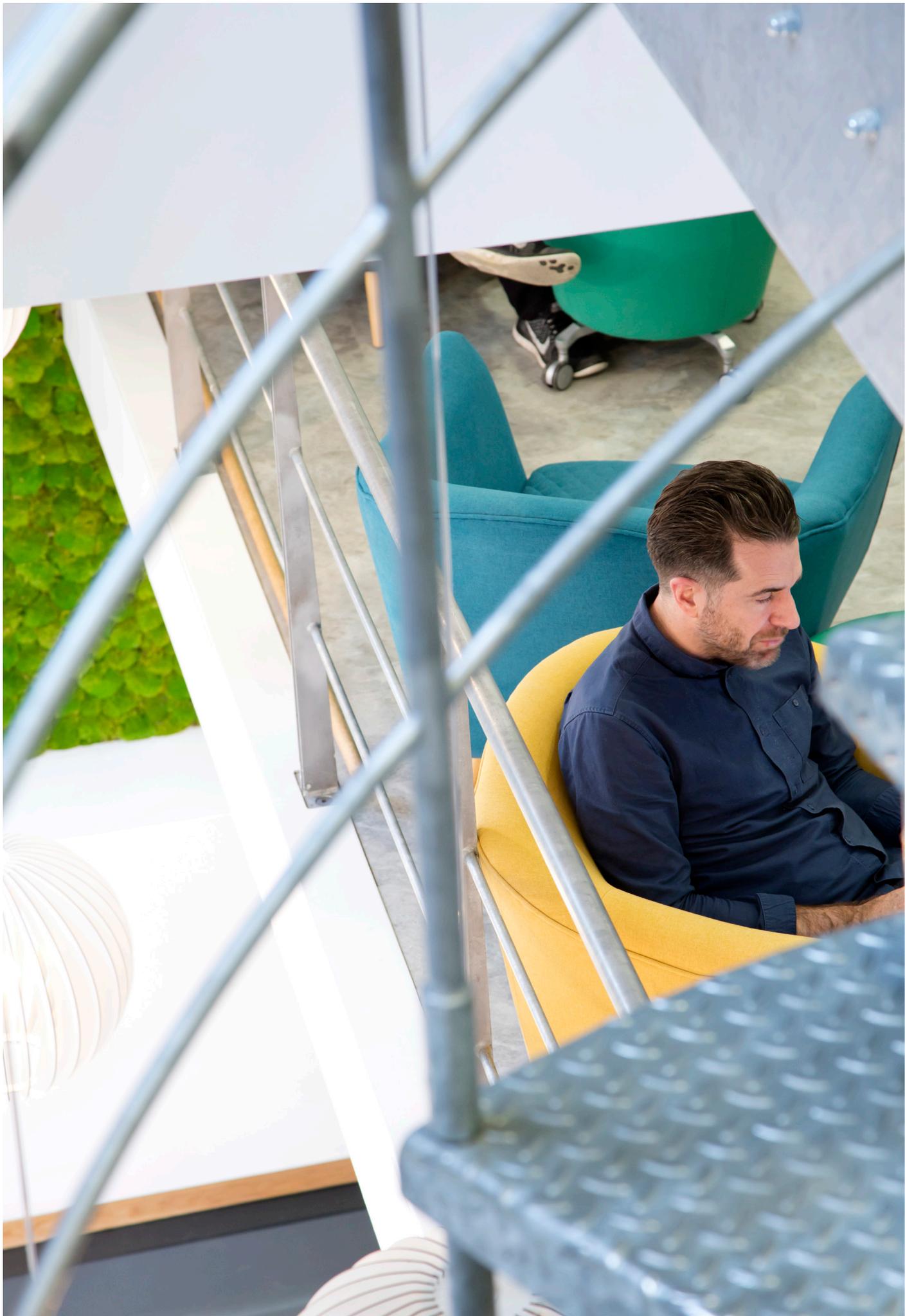
- tethered - this person completes almost all work at their desk
- internally mobile – this person uses a range of space within the office building
- internally and externally mobile – this person uses a range of space both within the office building and outside e.g. client sites, on the road or from home

Research suggests that since 2008 levels of internal mobility in the workplace have doubled, reflecting the increased popularity of agile working, whilst external mobility has remained the same (ref: Advanced Workplace Associates, 2018). Internal mobility is critical when one considers that all forms of communication (including virtual) reduce drastically once the distance between people is more than just a few metres (ref: Allen and Henn, 2006). The design of agile workplaces encourages movement to help mitigate this aspect of human behaviour by giving people greater opportunities to be near each other and meet spontaneously.

The reasons for external mobility remaining the same are less clear. It is an apparent truth that if people are allowed to work remotely, they will do exactly that. Remote working certainly has benefits for employees' work-life balance by reducing commuting time, which in turn enables them to carry out non-work activities more easily, such as picking up children from school, attending gym classes or running personal errands. Remote working can also benefit the employer by reducing the strain on the occupation and density of usage of their real estate.

So why has external mobilities not increased? It could be one unexpected side effect of the popularity of agile working.

As a result of more variety of work settings the agile working environments are generally accepted as being more attractive workspaces by employees and provide what people really want in a workplace - a convivial atmosphere with colleagues, opportunities to socialise and privacy when needed. Research is suggesting that even when given the choice to work elsewhere, people choose to come into the office if the office is an agile work environment. The preference that employees have for internal mobility provided by an agile working environment has resulted in take up of external mobility remaining static.



WHY



WHY GO AGILE?

In a bid to reduce real estate space requirements, cost savings were certainly the original driver of many agile working projects and they were considered to be purely the remit of real estate or facilities professionals. Over the last few years, HR and management professionals have become increasingly involved, as they see the potential of agile working environments to attract and retain the best talent, as well as being an embodiment of organisational brand and values.

TOP 5 BUSINESS DRIVERS

The Fifth Biennial Global Benchmarking Study 2018 shows us that of companies with agile working programmes, the top 5 business drivers of the programme were:



PRODUCTIVITY

We most commonly associate productivity with what we achieve as an individual in a normal day and consider distractions or interruptions by other people as damaging to our productivity. For this reason, many people claim to be most productive at home. However, productivity can be considered in three ways - individual, team and organisational.

Research from the Centre for the Built Environment at Berkeley University found that whilst participants complained that distractions reduced their productivity,

those same distractions actually increased the overall productivity of the team, which in turn increased the productivity of the organisation. Some distractions can be good distractions but the traditional workplace has some people continually exposed to them and others continually shut away from them. The key to productivity is having some control over one's own accessibility but being available for at least some of the time because, especially senior or experienced colleagues, can significantly boost team productivity with only a small contribution.

ENGAGEMENT

A significant driver of productivity is employee engagement - something that goes much further than team drinks or a futsal table. Gallup define engaged employees as those who are involved in, enthusiastic about and committed to their workplace (ref: Gallup, 2017). They also found that, dismally, only 8% of UK workers met this criteria in 2016. The remainder are either unattached to their work, putting in little effort or noticeably resentful about their workplace needs not being met. Although the quality of management will normally have the greatest impact on levels of engagement, the workspace also plays a part, especially if employees are involved in the creation of it.

When people feel that a workplace change is an investment in them and not simply a cost saving exercise, it makes them feel valued. If, through a change management programme, they can also influence the design of their

new workplace, they will feel more excited about and invested in that space.

As agile working encourages people to work away from their desks, it also encourages managers to manage their people based on those people's output rather than time spent at the desk. This can be liberating for both managers and the people they manage, leading to greater trust and engagement.

Not only are more engaged employees more productive, they are also more likely to stay with their employer. Research suggests the physical workplace is becoming increasingly important to employees when deciding whether to accept a job offer (ref: Coster and Govan, 2014).

8% OF UK WORKERS ARE DEFINED AS 'ENGAGED' AT WORK

- Gallup Engagement Survey 2016



TALENT

Most agree that the competition to attract and retain the best talent has intensified in recent years and the data shows that the workplace itself and ways of working have become a factor in people's decision to join a company, along with remuneration and other benefits. Cushman & Wakefield identified talent as being top of corporate real estate (CRE) executive agenda in 2018. Previously, cost efficiency had been the leading item (ref: Cushman & Wakefield, 2018).

In terms of younger talent, those who study generational differences in the workplace report that while salary is still important, younger generations view work as something they do rather than somewhere they go. By prioritising face-to-face communication, younger generations are less likely to associate space with status. They choose where and when to work at university and expect the same in the workplace - to be expected to sit at a desk all day is a turn-off. However, it's not all about Millennials and Gen Z, employees at all ages and levels of experience are demanding more flexibility in how they work and meeting this need will ensure a diverse generational range of talent.

The finance sector is a perfect example of a sector that was once considered traditional but in an effort, to differentiate themselves and meet graduate expectations, organisations in the finance sector are leading the way in creating workplaces that are a powerful recruitment tool. Virtually all the major financial organisations in the

UK have some form of agile working - Citi, Credit Suisse, HSBC, Lloyds, RBS, UBS to name but a few.

As technology becomes increasingly enmeshed with other sectors (e.g. fintech, proptech), artificial intelligence (AI) has the ability to take over repetitive tasks and help with decision-making, many more sectors will need to recruit those with the skills to work effectively with current technology. The Law Society has issued a stark warning to legal firms - embrace technology or die (ref: The Law Society, 2017). There is software now that can complete a task in a few minutes which previously may have taken a team of people several hours or days to complete. The result is that the work of a lawyer, the talent required and therefore their workspace is on the brink of significant change.

As an example of how organisations are addressing the need for flexibility for their talent, PWC recently launched the Flexible Talent Network, which offers a range of non-traditional working patterns such as only working part of the year. They previously found that 46% of people prioritise flexible working arrangements and work-life balance most when choosing an employer (ref: HR Magazine, 2018). By offering virtually unprecedented levels of flexibility, they hope to benefit from talented people who have other responsibilities such as freelance work, caring for relatives and even those who live abroad for part of the year.

A MORE EGALITARIAN SYSTEM MAKES ALL EMPLOYEES FEEL EQUALLY VALUED AND SUPPORTED IN THEIR WORK

FLEXIBILITY

Agile working environments allow for continual change of headcounts as business needs fluctuate. Unassigned desking means that teams can expand and contract without any need to change the environment. If one team expands disproportionately, it is likely another team is shrinking and the neighbourhood can extend into that area. Teams may need to move around but when desks are already unassigned, a move is relatively straightforward.

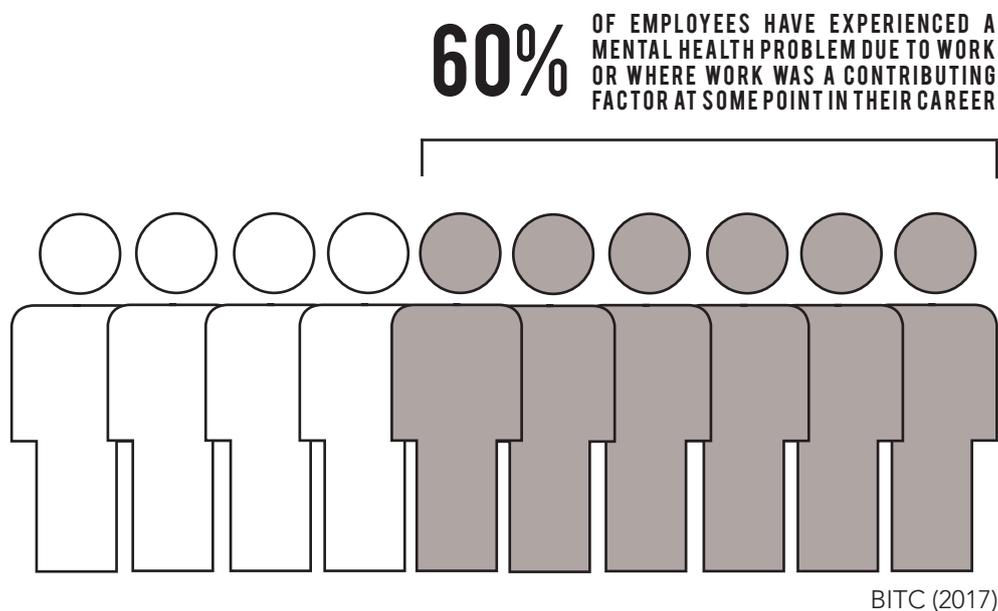
In workplaces where downtime is particularly costly, it can also be reassuring to know that if employees are not able to get into the office or any part of the office is out of action, people can easily work remotely or work in other parts of the building with no negative impact on productivity.

WELLBEING

Much research has been done in recent years, showing the benefits of investing in employee wellbeing, although most of it has focussed on physical wellbeing. Agile working environments do encourage people to move around more and commonly include sit-stand desks, which help to combat the known effects of sedentary lifestyles. Less is known about psychological wellbeing in the workplace and yet stress, depression and anxiety accounted for at least 15.4 million lost working days in the UK in 2017/18 which accounts for 57% of all lost working days (ref: HSE, 2018). It has become evident that one of the ways we can combat poor psychological health is to give people more control over when and how they work, so that they feel trusted and secure. Agile working encourages a culture of trust and autonomy and although it can be psychologically challenging in other ways it ultimately contributes to greater psychological safety. If

a desk sharing ratio has been applied and the meeting rooms correctly sized, more space will be available for wellbeing amenities such as social space, rest rooms, prayer rooms and mothers' rooms. Spaces such as these allow employees a better work-life balance and the feeling that they can be authentic at work i.e. that their personal lives are respected and supported.

One of the challenges in an agile working environment is allowing each person to feel a sense of belonging, which in the past has meant to own a desk or an office. Fortunately, there are other ways of creating a sense of belonging and allowing people to express their identities at work such as team display areas or personalised lockers but the strongest sense of belonging is generated by the team ethic.



EFFICIENCY

As noted earlier, agile working was initially driven by cost saving measures and economic pressure. These benefits still exist - real estate and staff costs are normally an organisation's two largest areas of expenditure and so if the same number of people can be accommodated in less space, agile working becomes an attractive and cost-effective option.

When a desk sharing ratio has been applied, fewer desks are needed, which reduces the space requirements even once the necessary alternative work settings are allowed for. In this way, organisations have been able to drastically reduce their space requirements and therefore their costs. Alternatively, they can increase their headcount without moving to larger premises.

Space is also saved by reducing the number of enclosed

offices, previously normally reserved for senior staff. Activity analysis studies across many sectors show that in traditional workspaces, those who are in the office the least are often the ones allocated the most space and this can be a source of discontentment for other employees. Private offices in agile working environments are rare and where they do exist, there are methods for increasing their accessibility and utilisation. A more egalitarian system makes all employees feel equally valued and supported in their work.

It is worth keeping in mind that when agile working programmes are framed as purely a cost saving measure, it has the potential to make people feel less valued, which can have a negative impact on engagement and productivity.

HOW



WHAT TO CONSIDER

When embarking on an agile working project, there is no one-size-fits-all solution. Each workspace is designed to suit how the organisation works now, how they want to work in the future and be mindful of the gap between the two.

Whilst traditional open plan offices are an efficient use of space, they cater poorly for how departments and individuals might work differently. The real estate focus has widened in recent years to include space effectiveness as well as space efficiency.

DEFINE : WORKSETTING

A worksetting is any space that can be used for work tasks, including desks and enclosed meeting rooms as well as focus rooms, semi enclosed furniture pods and the like.

THE VISION

Each leadership team will have a unique vision for the business and the workplace should support and reflect that vision. The first step towards agile working is to determine the drivers of the project, which could be one or more of the following:

- productivity
- cost savings
- talent attraction and retention
- improved collaboration
- employee work/life balance

The vision remains high-level and serves to guide the design process it will also include organisational values, how people should work in the future, how the organisation responds to change and how the organisation wishes to appear to the outside world.

HOW PEOPLE WORK

When at work people are normally in a state of concentration, collaborating with others (in person or virtually) or socializing. All are important for productivity, innovation and people's wellbeing. Finding a balance between concentration and collaboration spaces is particularly important because the two cannot be done effectively in the same space.

Most people are familiar with the benefits of collaboration in terms of knowledge sharing and problem solving but there is a chance that we are underestimating the importance of concentration. Being able to focus is still people's top priority in the workplace and is critical for work involving logic, fine detail and some types of creativity. The amount of time spent on concentration and collaboration will vary from team to team - some may need better access to focus spaces than others and therefore the right balance will differ.

Some teams will also work on sensitive material or have a greater need for confidential meeting spaces and therefore need a tailored environment. Across all sectors, the typical meeting size is 2-4 people but requirements for confidentiality are low in all but exceptional case.

TECHNOLOGY

Technology has shaped the workplace for decades and although it can enhance our work greatly, all too often it becomes a hinderance. Designers need to be aware of the most advanced technology available as well as future technology so that workplaces can be designed to accommodate it.

Technology has enabled some organisations to become completely paperless and drastically reduce their need for storage but this is not achievable or even desirable for others who may need to keep documents for legal reasons. In these instances, a 'paper-lite' approach is still worthwhile as it still has a significant impact on storage reduction, which allows for a more efficient and attractive floorplate.

DESIGN, LOOK & FEEL

Design, look and feel covers the layout, materials, colours, lighting and environmental quality of the workspace - all of which have an impact on people's productivity and wellbeing. The design look and feel can also convey organisational values which could be as diverse as a commitment to sustainability or the region that the organisation is located in.

CULTURE, BRAND & CHANGE

The design should be aligned with an organisation's own ways of working and its culture. Many organisations also want their brand to be understood through the design of their workspace. Communicating a brand is now more about an organisation's values than company logos or colour schemes. Workplaces are now recognised as a marketing tool and many organisations have received global press attention for having an exemplary workplace.

In terms of culture, the design of the workplace can support an existing culture but also act as a catalyst for cultural change. A change of environment is the ideal time to encourage new behaviours and attitudes.

People can be territorial by nature and form strong attachments to space – the workplace is no exception. When an organisation evolves towards a more agile working environment the change must be carefully managed. Ownership, previously provided by a fixed work setting, must be fully superseded by the sense of ownership from the team ethic.

HOW THE PROCESS OF DESIGN FOR BUSINESS TRANSFORMATION WORKS

The entire process could be considered in the following stages:

- discovery
- design
- construction
- completion
- post-completion

DISCOVERY

The design required for change within an organisation should be captured within a design brief. The discovery stage is used to gather information from and engage with all stakeholders - departments, employees and managers to inform the design brief. The brief must describe the management vision that the organisation wishes to achieve together with the operational and functional requirements. Committed stakeholders engagement during the discovery stage is critical to the success of the organisational change.

Cranfield University cites a lack of communication and consultation with stakeholders as one of the four top reasons why workplace projects fail (ref: PM Today, 2014). Far from being soft or fluffy, stakeholder engagement is fundamental and sometimes difficult.

The data collected from the discovery stage forms a valuable benchmark for post completion analysis.



Engagement activities include:

LEADERSHIP VISIONING SESSION

This is a high-level and interactive session with senior leadership at the very beginning of the project, to help create a vision that will direct the project based on organisational strategy and goals.

INTERVIEWS

One-to-one interviews with representatives of each part of the business, help designers to gain a deep understanding of how each department contributes to the overall organisation, how they currently use space and technology and how they would like to work in the future.

ONLINE SURVEY

The workplace experience survey is a way of engaging with every single stakeholder, across all levels of seniority. The data is collected anonymously, allowing each person to be entirely honest about how they experience their current workplace. Informative surveys look at the following topics:

How people currently work – to understand how people currently use space and where there is variation between departments or roles.

How the existing workplace is performing – to understand which features of the current building support people in their work and which are restrictive. Designers also learn about people's priorities in the workplace.

Culture and wellbeing – space can support positive workplace cultures and people's wellbeing. Responses highlight any challenges and opportunities for improvement.

Aspirations for the future workspace – when thinking about the future workplace, designers can be guided by people's aspirations and priorities.

The data can be split by department, job level, tenure and so forth to reveal patterns in workplace experience that designers can respond to.

ACTIVITY ANALYSIS

An activity analysis (sometimes referred to as a utilisation study) is a way of objectively observing how people work. This is usually assessed over a two week period. By recording how each space in a building is being used, designers have access to data that reveals how efficiently and effectively the spaces are being used.

The data can reveal trends that the people using the space are unaware of themselves which helps the designers predict which ways of working are achievable in the new environment. For instance, this can result in a suggested desk sharing ratio for each department which can have a great impact on the spatial layout of the space.

Not every team will be able to achieve a high desk sharing ratio. Implementing a sharing ratio which is too high will cause unnecessary anxiety amongst employees who need certainty that they will be able to find somewhere suitable to work when they come into the office.

However, an activity analysis does not explain why people use space in the way they do and so it should be supplemented with focus groups.

FOCUS GROUP

Focus groups are a good opportunity to feedback findings from the other discovery tasks to small, representative groups of end-users. Not only is it good practice for participants to find out the results but it is very helpful for designers to ask for more context where results may be contradictory or unexplained. Designers can also gauge their response - are the results from the discovery tasks surprising? If so and if applicable, communications or change management programmes can be tailored accordingly.

DESIGN

The outcome of the discovery stage, when all data is analysed and considered together, will allow the generation of a design brief.

As decisions need to be made during the design process, the designers will refer to the design brief. Stakeholders can also be involved in the design process by way of workshops or polls, the information from which all helps to establish the right look and feel for the project.

Once the correct look and feel has been established and a space plan, furniture and finishes agreed, a set of technical information is created.

CONSTRUCTION

Various professions and expertise come together to implement the project - this team might include project managers, designers, mechanical and electrical engineers, lighting consultants and change managers. Everyone will be guided by the findings of the discovery stage and the design brief.

Construction has the potential to be disruptive to employees and the business generally, so the process should be managed carefully to avoid dips in productivity.

COMPLETION

The time spent in preparation for move-in is critical, as stress or excitement is likely to become a lasting memory of the whole process. Disruption that causes stress will also affect people's productivity and satisfaction with the project, even if they had previously been excited about the change. It is possible for the experience of move in to affect people's workplace satisfaction for months afterward.

POST-COMPLETION

Post-occupancy evaluation (POE) is now a standard procedure for many organisations as a way of measuring the success of a project and learning from the process. A POE should be undertaken between 6 and 12 months after move-in and involves repeating the discovery stage activities. Those findings now act as a baseline for the POE.

Benefits of a POE include:

- measuring the project against the original aims
- quantify savings / improvements
- learn from anything that could have been done better
- recommend any remedial actions



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Ward Robinson

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Workplace sector skills

Ward Robinson are a highly focused team of designers and project managers and have extensive experience in workplace design and deliveries of projects.

The workplace experience within the team covers works for The United Nations, UN Refugee Agency, Microsoft, Facebook, LinkedIn, Citibank, Anon, HSBC, gsk, Westminster City Council and Baltic Business Quarter.

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