2016 Trends in the Workplace

By: Jodi Williams, Senior Workplace Strategist

INTRODUCTION

CallisonRTKL's workplace interiors experts come together annually to examine trends across our broad, diverse client base and beyond. This is the third year in a row that we have published our findings and each year, we learn a little bit more and think a little bit differently based on lessons learned, new research and new information that becomes available.

The trends identified for 2016 are an evolution of the issues that have defined the workplace over the last decade. In the past, we identified five overall trends, but this year, in addition to those five trends, we have pinpointed three underlying themes as well.

The underlying themes differ from the trends in that they have been consistent talking points about the workplace beginning in the post-World War II era. These themes not only connect to each other, but also significantly influence the five 2016 trends.

THEMES

1. GENERATIONS AT WORK
2. IMPACT OF TECHNOLOGY
3. EVOLVING FURNITURE SOLUTIONS

FIVE KEY TRENDS FOR 2016

1. WORKPLACE AS COMPETITIVE ADVANTAGE
2. STAYING WELL AT WORK
3. WORK ANYWHERE AND EVERYWHERE
4. WORK / LIFE INTEGRATION
5. CULTURE OF SHARING

THEMES

THEME 1: GENERATIONS ARE STILL AT WORK

Generations at work[1] has been a topic of conversation for what seems like generations, but the challenges and advantages of a multi-generational workplace are more relevant than ever. The workplace is primarily composed of individuals from four separate generations: the Silents (also known as Veterans), the Baby Boomers, Generation X and the Millennials (also known as Generation Y). While the differences in the way these various generations collaborate, learn and work is still critically important, there are three generational elements impacting workplace trends in 2016:

- Retiring Baby Boomers
- Incoming Generation Z
- Expat Upsurge

Unlike what we've seen in previous years, the Baby Boomers are finally starting to retire in large numbers (3.6 million are expected to retire in 2016[2]). There has been widespread concern over the last decade that the retirement of the Boomers would lead to a gap in leadership and knowledge, but as it turns out, because Boomers have delayed retirement, they have had time to mentor their Gen X and Millennial juniors and have given Millennials time to mature into leadership positions.
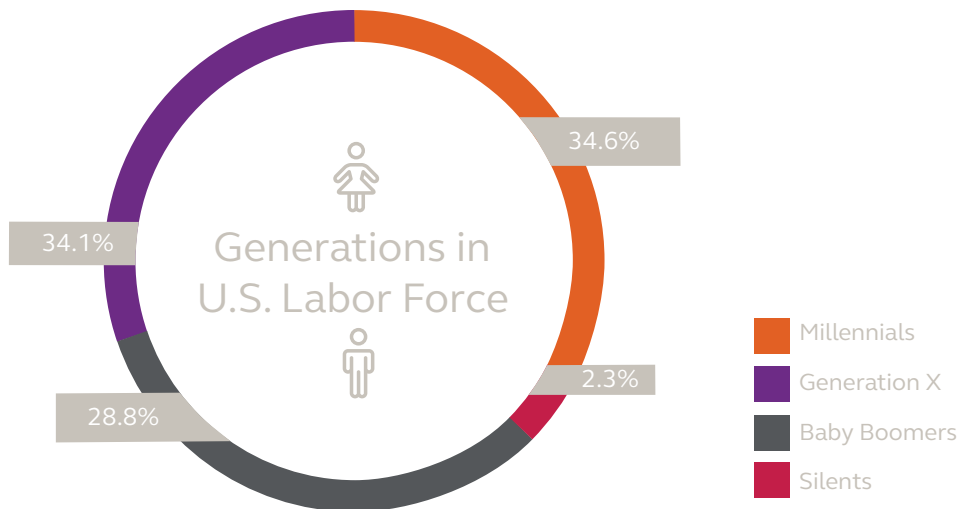
Generations in U.S. Labor Force

34.6%
34.1%
2.3%
28.8%

- Millennials
- Generation X
- Baby Boomers
- Silents

The oldest members of the Millennial generation are now in their mid-thirties, and many are in middle management and even senior leadership positions, and they are doing well.[3] According to EY, 62% of Millennials around the world are managing the work of others.[4] Knowledge gaps are also less of an issue than previously anticipated because many Boomers are coming back as part-time employees or consultants. This is driven by the desire to continue to earn money, retain benefits, and also simply because they enjoy working.[5]

The chart below shows top reasons for returning to work, based on SHRM's 2015 survey on the aging workforce.[6]

The SHRM survey found that 40% of employers hired retired employees as consultants or temporary workers, and 30% offered phased retirement.[7] While this can be a good stop-gap for certain scenarios, it is not always a desirable method for stopping brain drain; some experts argue that rehiring retirees actually prevents the transfer of knowledge and is a costly practice for employers.[8]

The new and exciting part of the multi-generational workplace is the arrival of Generation Z (born from 1996-2010).[9] Gen Z currently makes up about a quarter of the U.S. population and 20 million of them are entering the workforce in internships and entry-level positions.

SHRM's Findings of Why Boomers Stay in the Workforce[6]

Money	72%
Enjoyment/occupy their time	58%
Healthcare benefits	45%
Social interaction	42%
Challenge	28%
Retirement benefits	16%
Alternative career - older workers	13%
Wellness programs -older workers	3%
Other	8%
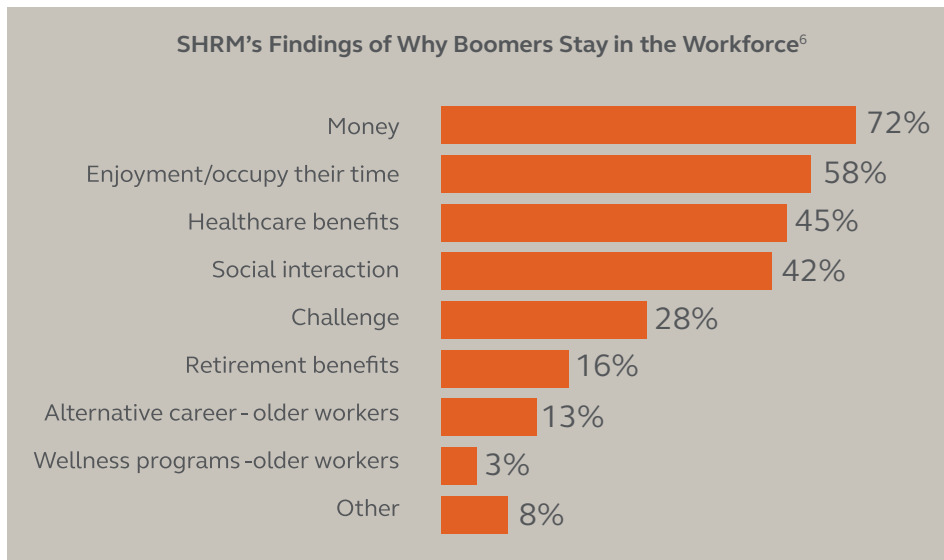
[3]Capital One's *Spark Business Barometer* found that Millennial small business owners outperform older business owners.
[4]EY. "Global Generations: A Global Study on Work-Life Challenges across Generations." 2015.
[5]Kelly, Kip. "The Aging Workforce: Four Steps to Maximize Older Workers in Your Organization." UNC Kenan-Flager Business School 2015.
[6]SHRM Foundation. "SHRM Survey Findings: The Aging Workforce – Recruitment and Retention." January 12, 2015.
[7]SHRM Foundation. "SHRM Survey Findings: The Aging Workforce – Recruitment and Retention" January 12, 2015.
[8]Leonard, Dorothy, and Labate. "Rehiring Retirees as Consultants is Bad Business." Harvard Business Review. March 29, 2013.

By 2019, Generation Z will make up over 20% of the workforce.[10]

Generation Z is fairly similar to the Millennials, but there are some notable differences:

- More "command and control" (greater respect for authority)

- More entrepreneurial – 17% indicated that they would like to start their own businesses[11]

- Value structure and predictability

- Focus on safety and cautious behaviors[12]

- Desire to be heard by management and receive greater mentoring

- Concerned about finding stability/career trajectory

- Need more heads-down time to think

- Strong online work collaboration skills and lower quality of face-to-face collaboration skills

- Less motivated by money (Only 28% of Gen Z said money would motivate them to work harder and stay with their employer longer, as opposed to 42% of Millennials.[13])

The other key element is increasing reliance on expatriate labor to fill gaps in both white and blue collar job markets.

Many industrialized countries such as the United States, Japan, and nations across the European Union, find their populations aging, thus reducing the available work population. While use of expatriate labor for blue collar job functions has long been popular in industrialized nations, white collar work has traditionally been filled by native-born citizens.

With labor shortages and skills gaps looming, companies are looking outside their borders. Many industrializing nations have an abundance of young, highly educated workers looking to come into the workplace, and more than 800,000 international students were found to be enrolled in U.S. colleges and universities in 2013, with over half of STEM masters' and PhD students born outside the U.S.[14]

While this can have great advantages in terms of filling skills gaps and creating a diverse, globally minded organization, bringing in large populations of expatriates can also challenge company cultural norms and have implications for workplace design. When companies anticipate hiring considerable numbers of expats, it is important to think about and plan for the ways that different people work. This may mean changes to space design (such as adding faith rooms for populations with religious needs) or increasing opportunities for socialization and community building to help new employees adapt and build support networks in their new country.

[9]Williams, Alex. "Move Over Millennials, Here Comes Generation Z." The New York Times. September 18, 2015.
[10]Adecco Staffing, USA. "Generation Z vs. Millennials." 2015.
[11]Schwabel, Dan. "Gen Z Employees: The Five Attributes You Need to Know." September 2, 2014.
[12]Williams, Alex. "Move Over Millennials, Here Comes Generation Z." The New York Times. September 18, 2015.
[13]Millennial Branding and Randstad. "Worldwide Study Comparing Gen Y and Gen Z Workplace Expectations." September 2, 2014.
[14]Baker, JW. "Why Expats/Immigrants are the Driving Force of Today's Global Economy." October 30, 2015.

THEME 2: IMPACT OF TECHNOLOGY

Technology is a major enabler of work and a huge driver of workplace design and strategy; according to Cisco, 64% of companies identify providing more mobility support to employees as a top priority.[15] This can be costly, but when done properly, pays off in a more productive, more engaged workforce.

Whenever an organization is looking to change how its employees work, it is critical to consider technology early in the planning process, throughout the design process, and as the building lifecycles, with a focus on connecting devices, services, and people (Internet of Everything!). This is in respect to the building infrastructure (how is it wired? Does it support cell service?), the technology in shared spaces (are they provisioned and easy to use?), software solutions, and what type of end-user devices are provided (does everyone have a laptop? A mobile phone? If not, do they need one for the new workplace?).

Key considerations include:

- Environmental Media (Visitor Experience)
- Smart Conference Room Technology
- Real Time Collaboration
- Virtual Presence
- Network Convergence
- Passive Optical LAN
- Mobility
- Wi-Fi
- Cellular, LTE
- Mobility (Wi-Fi, Cellular, LTE)
- Real Time Location Services
- Evolving Security

The Edge in Amsterdam, commonly referred to as "The Smartest Building in the World," takes integrated technology to the highest levels. The building is not only designed with top-of-the line technology infrastructure, but is also linked to users through a smartphone app that helps make the end-user experience easier by finding parking spots, and adjusting light and temperature, for example. In addition, the building and app collect data that measure how the building is performing and what should be adjusted for better utilization across the board.[16]

There is no doubt that as the workforce becomes more global and more mobile, technology will become more and more critical to the success of companies:

- In 2016, video will become the #1 communication tool (#2 email, #3 phone)[17]
- By 2020, the number of physical objects connected to the internet will grow to 50 billion[18]

Companies that expect to grow with the future of workplace technology should start planning now if they want to compete in the future.

[15]Cisco Systems. "The Expanding Role of Mobility in the Workplace." February 2012.
[16]Randall, Tom. "The Smartest Building in the World: Inside the Connected Future of Architecture." Bloomberg Business-week. September 23, 2015.
[17]Polycom. "Global View: Business Video Conference Usage and Trends." October 2013.Businessweek. September 23, 2015.
[18]Gartner. "Gartner Says 4.9 Billion Connected "Things" Will Be in Use in 2015." November 11, 2014.

THEME 3: EVOLVING FURNITURE SOLUTIONS

Over the years, there has been a reversal between furniture solutions and hard-wall solutions in office design. The pendulum is currently swinging toward increased investment in furniture due to a continued focus on providing flexible, cost-conscious solutions.

Furniture solutions are flexible not only in terms of demountable systems for creative enclosed spaces, but also for open teaming and collaboration areas. Demountable systems have a poor repuation due to their cost and perceived issues with acoustical properties, but technology has improved tremendously and acoustical privacy is no longer the issue it once was, particularly when using higher-end systems. In some cases, demountable walls can provide greater acoustical privacy than standard hard-wall offices.

The cost of demountables is still higher than drywall construction, but if a company expects an office to undergo substantial change over the lifecycle of the facility or lease, investment is often worthwhile.

Demountables make it very easy to change office size and configuration over a weekend using a skilled facilities team. If partitions become unnecessary, companies may be able to return unused product or sell it on the secondary market.

With regard to teaming and collaboration areas, companies are using furniture solutions rather than hard-wall rooms as they are more flexible, adaptable and ideal for testing new ideas: is a high-top table going to work for our company? What about soft seating? Do we need a high-tech or low-tech solution?

Furniture cost is a major consideration; while prices are normalizing as more vendors come to the market with comparable products, furniture solutions typically mean a shift in budget from construction to FF&E. On the upside, furniture can be written off more quickly (typically seven years), while real estate is typically written off over a longer period of time.

What do these themes mean for the workplace today and tomorrow?

Choice and control for employees will continue to grow as a priority for companies of all sizes.

Flexibility, in the way people work and in office layouts and uses, will become the best way for companies to make the most of their workforces and real estate portfolios.

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FIVE KEY TRENDS FOR 2016

2016's five key trends are an evolution of what has been happening in the workplace over the last decade. These are concepts that are being implemented across the world of real estate, from tiny startups to mid-size companies and multinational corporations.

1. **Workplace as Competitive Advantage**
Companies around the globe are seeking to improve the bottom line and finding that investing in real estate (or at the very least, thinking about real estate more holistically) is a worthwhile way to add value instead of just cutting costs.

2. **Staying Well at Work**
Promoting health and well-being is a win-win for employers and workers.

3. **Work Anywhere and Everywhere**
With more technology, more tools, and more choice, 2016 is the year of more.

4. **Work/Life Integration**
Time to get social at work, but set boundaries to improve productivity. Good design helps employees do both.

5. **Culture of Sharing**
The idea of using resources better resonates well with both clients and employees – from a financial perspective, from a social perspective, and from an environmental perspective.

TREND 1: WORKPLACE AS COMPETITIVE ADVANTAGE

Companies are truly beginning to see their workplaces as a source of competitive advantage, not simply a cost burden. Facility costs, including design fees, construction, and operations and maintenance, are a small part of the overall corporate cost; staff costs, including salaries and benefits, typically account for about 90% of business operating costs.[19] With this knowledge, companies are looking for ways to make real estate assets work better, rather than simply cost less.

Competitive advantage is typically considered the extent to which real estate/work space supports a company's vision, brand and values. Some companies may choose to examine this in a Balanced Scorecard framework.

Business Process	Human Capital
Customer Stakeholder	Finance
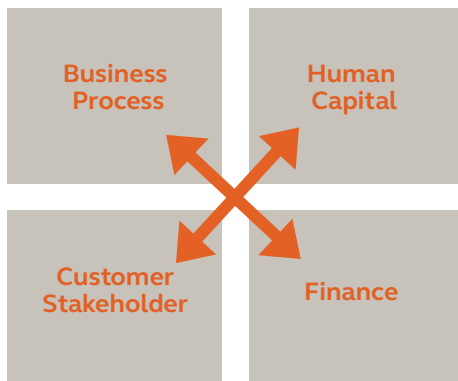
There are two ways companies typically measure competitive advantage: productivity and utilization.

- Productivity – how much is the space supporting the people and helping them collaborate better, work more efficiently and effectively, and innovate more?

- Utilization – how frequently and how well is the space being used?

Productivity is difficult to measure for the range of companies who do not have a specific set of measures, such as number of widgets made (manufacturing), average time to resolve customer issues (call centers) or total sales (finance and sales). Typical productivity measures used by companies with knowledge-based work include:

- Self-reported (survey – do you feel more productive?)

- Human resources (fewer sick days, better performance review scores)

- Customer-related (improved sales, increased stock price)

[19]World Green Building Council. "Health, Wellbeing & Productivity in Offices: The Next Chapter for Green Building." September 2014.

While productivity is difficult to measure, there are many ways to measure utilization. Hundreds of utilization studies across industries show individual workspaces at 40% average utilization, meaning that at any given time, only 40% of desks have a human being sitting in them. Right-sizing real estate based on utilization can reduce costs by up to 30%.

There are three primary types of utilization studies:

- Remote Data Collection: existing devices and systems can often be used for gathering utilization data; two of the most common are badge swipe and computer log-on analyses.

- Human Observation: many studies employ human observers to gather data about how, when, and where work is accomplished, including time utilization walk-throughs, ethnographic/ anthropological studies, and job shadowing.

- Electronic Sensor: these studies use tools specifically developed to assist in observing the way teams work, such as occupancy sensors, video/ photographic studies, or wearable badge studies.

Utilization studies can be used to set a baseline understanding of how a workspace is used, and also to validate assumptions.

Many workplace strategy diagnostics rely on self-reporting, whether in interviews, focus groups, or surveys. Third-party observation collects both quantitative and qualitative data to validate work and collaboration patterns, uncovering the reality of how space is being used. These studies can be used pre- and post-occupancy.

Utilization studies can also help convert "non-believers" by demonstrating to both leadership and staff that the design is based on real data gathered through clearly stated methodologies. This can help impacted users understand that changes in the office are based on how they work and will benefit their work processes in the future, and help employers get buy-in from employees.

Not all utilization studies are created equal; there is a wide range of costs and benefits. It is important to understand the difference between studies in order to decide when, why or what type of study to undertake.

To help clarify the differences, CallisonRTKL developed the matrix shown below. The X-axis represents "gain," or what type and value of information is gathered. This includes occupancy data (in or out of the office?), utilization data (at the desk or somewhere else?), activity (collaborating? Heads down? In person? Virtual?), and collaboration (where? How many? What tools? Formal or informal? Planned or spontaneous?). The Y-axis represents the "pain," or what level of effort is required to implement the study: how much time does it take, what does it cost in terms of dollars and staff time, how disruptive is it, and whether or not a consultant is required.

While this matrix provides some insight into the costs and benefits of each type of study, it is important to note that the pain and the gain are going to vary tremendously based on the individual project; time and budget constraints, staff and consultant capability and availability, and various decisions made around the study parameters are all factors to consider.

PAIN

☐ WEARABLES

☐ BED CHECK
☐ ANTHROPOLOGY
☐ SENSORS

JOB ☐
SHADOWING

☐ VIDEO STUDY

GAIN

BADGE ☐   ☐ IT LOGIN
SWIPE

TREND 2: STAYING WELL AT WORK

The second trend, staying well at work, relates particularly to the underlying themes of generations and furniture. Last year, we focused on the concept of well-being overtaking wellness in the overall discussion of workplaces. Companies are rapidly coming to the realization that people are their largest asset and keeping them healthy and happy are interrelated and crucially important to the success of the business. Healthier people have:

- More dynamic brains

- Better attention spans

- Less downtime/sick time

A healthier population also results in lower healthcare costs and less lost time to illness. U.S. employers lost $1,685 per employee due to health-related productivity losses, or $226 billion annually.[20] It is incumbent on companies to help employees stay well at work, as the average work week is now 47 hours, not 40;[21] good workplace design can help do this efficiently and thoughtfully.

The first step is acknowledging that a physically safe and healthy environment contributes to employees' psychological health, and that well-designed offices have a positive effect on mood, well-being, and productivity.

Then, we look at how we can design safe and healthy buildings to support those goals. That means good indoor air quality, as well as access to daylight and views, are a priority.

Many studies have proven the importance of access to daylight and views:

- Exposure to greenery and sunlight yields a 15% increase in well-being and creativity and a 6% increase in productivity. [22]

- Office workers with access to windows get 46 minutes more sleep per night [22]

- Computer programmers with views spent 15% more time on their primary tasks, while equivalent workers without views spent 15% more time talking on the phone or to one another.[23]

EXPOSURE TO GREENERY & SUNLIGHT YIELDS

+15%
WELLBEING & CREATIVITY

+6%
PRODUCTIVITY
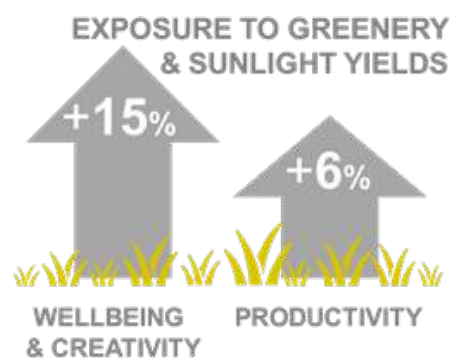
[20]Stewart, Ricci, Chee, and Morganstein. "Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit." Journal of Occupational Environmental Medicine. December 2003; 45(12): 1234-46.
[21]Saad, Lydia. "The '40-Hour' Workweek is Actually Longer – by Seven Hours." Gallup. August 29, 2014.
[22]Humanspaces. "Biophilic Design in the Workplace." 2015.
[23]Heschong Mahone Group. Windows and Offices: a Study of Worker Performance and the Indoor Environment (Technical Report). 2003.

Air quality not only affects how employees feel, it actually increases their productivity: up to an 11% increase in productivity has been reported as a result of better air quality.[24] Indoor air quality measures typically focus on contaminants such as formaldehyde, particulates, volatile organic compounds (VOCs), 4-Phenylcyclohexene (4-PCH), and carbon monoxide (CO).

Carbon dioxide in the air (CO_2) is also becoming a bigger topic of conversation: while long known that high levels of CO_2 negatively affect human health, even elevated levels of CO_2 have recently been found to decrease cognitive function. In a study published in *Environmental Health Perspectives*, workers were found to score 50% worse on cognitive tests on the highest CO_2 day than the lowest.[25] Alarmingly, it is important to note that the highest CO_2 day was 250% *lower* than the maximum allowed CO_2 by OSHA (1,400 ppm/5,000 ppm). This leaves little question that having stringent standards for air quality is vital to helping employees feel better and work better.

Most new office designs are typically created with issues like access to daylight and views and improved indoor air quality; however, many existing spaces are less successful, particularly if they have not been renovated in a long time.

In addition to tackling basic healthy building concepts, many companies are turning to active design to enhance well-being. The Centers for Disease Control and Prevention (CDC)

recommends 150 minutes of moderate-intensity activity per week.[26] Active design takes into account not only the desire to encourage greater movement, but also the growing trend that work does not happen in one place, but in a variety of spaces around the building.

Some of the top active design elements include:

- Centralized resources: by providing a single "town center" or large break room rather than multiple small galley kitchens, employees are encouraged to get up and move around. Similarly, centralizing conference resources provides reasons to get up and move.

- Open staircases: visible open stairs are used nine times more frequently than enclosed fire stairs.[27]

- Active elements: many furniture solutions are available to help encourage movement, such as treadmill workstations, height-adjustable sit-to-stand desks, and stability seating.

Employees frequently struggle with mental exhaustion at work,[28] and workplace design can respond to that. Ways to provide relief from stress include:

- Design to allow changes in scenery. Providing access to spaces that provide opportunities to work differently can have an impact on the ability to concentrate. These can be spaces that reduce stimuli, or simply spaces that are not a typical work environment.

- Incorporate areas of respite. Designs should include retreat areas that feel like part of the community; if they are too isolated they will feel taboo and may be underutilized.
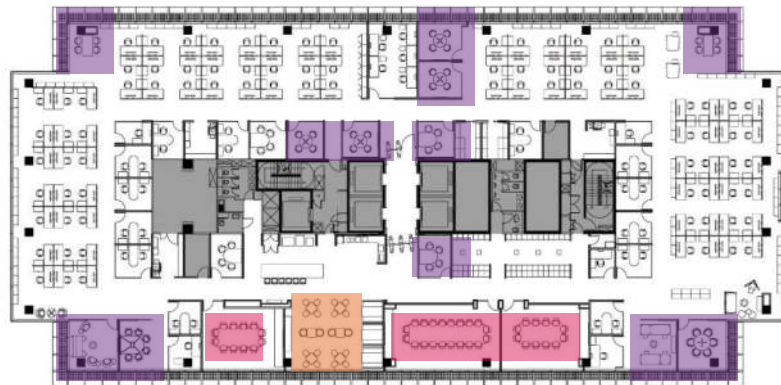
Example Floorplan with Centralized Resources

[24]World Green Building Council. "Health, Wellbeing & Productivity in Offices: The Next Chapter for Green Building." September 2014.
[25]Sneed, Annie. *"The Air in Your Office Is Making You Bad at Your Job."* Fast Company. December 2, 2015.
[26]Centers for Disease Control and Prevention. "How Much Physical Activity do Adults Need?" Online at http://www.cdc.gov/physicalactivity/basics/adults/index.htm.
[27]Bassett, Browning, Conger, Wolff, and Flynn. "Architectural Design and Physical Activity: An Observational Study of Staircase and Elevator Use in Different Buildings." Journal of Phys Act Health. May 2013, 10 (4):556-62.
[28]Schwarzy, Tony and Porath. "Why You Hate Work." The New York Times. May 30, 2014.

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- Provide areas to retreat from noise. Noise is often correlated with stress hormones (impacting both introverts and extroverts). One study found that office workers experience a 66% drop in performance when exposed to distracting noise.[29]

- Arrange access to nature. This can be as simple as including plant life in the office, or as complex as developing entire green walls and living ecosystems within the workplace. A recent study found that working in the presence of plants can increase information processing speed 15 to 20%. [30]

- Indulge in play. 81% of employees of companies denoted as great in Fortune 100 Best Companies to Work For indicated they work in a fun environment.[31] Does this mean every office needs a foosball table? No, but offices can be designed in ways to promote fun, create connections, and help engagement – whether through colors, provision of space, furniture selection, or specific fun zones.

Wellness and well-being are also becoming more formalized elements of the design process. As mentioned in our 2015 Trends, the WELL Building Standard® is a new rating system (established in 2013; the first project was certified in 2014) to standardize and encourage healthy buildings and healthy occupant outcomes through project documentation and project audit. WELL® is designed to complement existing green building rating systems such as LEED®, Living Building Challenge, and BREEAM.

The WELL Building Standard® is set up similarly to the LEED® certification program, but focuses on wellness within the built environment. This system uses a holistic approach to measure various elements impacting occupant wellness:

- Air

- Water

- Nourishment

- Light

- Fitness

- Comfort

- Mind

WELL® is scored similarly to LEED®; projects can achieve Silver, Gold or Platinum ratings based upon the number of points earned. Unlike LEED®, WELL® requires a passing score in each of the seven categories, and every project must be reevaluated to renew the WELL® certification every three years.

The principles behind WELL® are admirable, but it remains to be seen how many companies will choose to pursue certification versus examining the principles and working toward the guidelines without certifying (similar to the "LEED® shadowing" concept). That said, third party certification is the best way to keep everyone on target and ensure that principles are implemented. We foresee many more designers becoming WELL® Accredited Professionals in the coming years.

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[29]World Green Building Council. "Health, Wellbeing & Productivity in Offices: The Next Chapter for Green Building." September 2014.
[30]Nieuwenhuis, Marlon, and Knight, Postmes, and Alexander. "*The Relative Benefits of Green versus Lean Office Space: Three Field Experiments.*" Journal of Experimental Psychology: Applied. July 2014.
[31]Measley, Nat. "The Benefits of Fun in the Workplace." May 20, 2015.

TREND 3: WORK ANYWHERE AND EVERYWHERE

Because people are working anywhere and everywhere, the role of the office is changing in peoples' lives. They are no longer simply places to go to do work, but instead are becoming hubs of activity that support collaboration, knowledge sharing, and innovation.

One of the key drivers for the need to work anywhere and everywhere is the transition to a performance-based culture that is "always on." In fact, 64% of managers expect employees to be reachable outside the work day.[32] Workplaces are responding in a number of ways, encompassing virtual connectivity, collaboration, and global mobility.

In order to establish a successful "work anywhere" culture, companies must invest heavily in virtual connectivity. Elements include standardized, integrated web and audio at desks and in conference rooms; seamless document sharing and management; pervasive, robust Wi-Fi; discarding hard-wired telephones; and a consistent set-up in every space and location. To support this, companies are designing spaces with an increased variety of space types and a greater emphasis on technology. Companies are investing in:

- More touchdown spaces to accommodate virtual employees, mobile workers and clients/partners

- Less dedicated space with fewer assigned offices and workstations, and very few "departmentally owned" space

- Enhanced technology solutions both in the office and end-user distribution

- Design to support technology: not only rapid changes in technology, but also increased reliance on technology, such as consideration of how to reduce visual and acoustical distractions in desktop video conferences

To incorporate these trends, many companies are turning to activity-based work – a strategy that provides employees with choice and control over the environment in which they work. In this type of environment, individuals do not necessarily have an assigned workstation, but instead are provided with multiple different work environments from which to choose.

Activity-based work enables individuals to work collaboratively or independently, or even to step away for a small personal matter, in a "just-in-time" type of environment. Many companies are moving toward this model; an Australian study estimated two-thirds of organizations will support activity-based working by 2020.[33]

This concept has even greater implications for organizational changes. As companies grow and client bases change, large companies are looking toward a "hub and spoke" model, where larger "hub" offices are supported by increasingly dynamic and virtual "spoke" locations. This enables more client-focused, highly branded real estate solutions at the hubs, and flexible, cost-effective solutions at the spokes. In order for this model to work, companies are embracing the idea that different people and different functions work differently and require varying spaces to support their unique workstyles. Additionally, it is becoming critical to teach individuals how to work in alternative environments, and how to manage others in alternative, and often remote, locations.

[32]"The 2015 Workplace Flexibility Study." February 3, 2015.
[33]Telsyte. "From Hot Desks to the Connected Office, Activity-Based Working is Driving Business Outcomes." 2015.

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TREND 4: WORK/LIFE INTEGRATION

Increased connectivity and an increase in work hours have led to many discussions regarding work/life balance, or more realistically, work/life integration. This is incredibly important for companies to address; Right Management's study finds that employees are more concerned with work/life balance than with making more money.[34] And in sad news for CFOs around the world, only one in ten employees define success at work as high performance and high productivity.[35]

Ernst & Young's research corroborates these findings, indicating that flexibility and a work/life balance are high on the list of employee priorities, and granting this flexibility has positive implications for productivity. [36] In fact, the BLS American Time Use Survey indicates that 23% of employed persons did some or all of their work at home.[37] Unfortunately, many companies are not set up for workers to do their best work or have the right amount of flexibility while remaining productive.

Office design can help workers achieve better work/life integration. First, implementing designs that provide choice and control. Behavioral choice and control has long been identified as a driver of productivity.

Telstye found that employees in activity-based work environments are 16% more productive, which is equivalent to an additional 6.4 hours of work per week per employee.[38]

Another way in which office design can improve work/life integration is by including places of respite. The intent of places of respite is to provide areas with reduced stimuli. Biophilic design principles are integral elements to consider when designing these types

DEFINING SUCCESS AT WORK

10% say High Performance

46% say Work-Life Balance

[34]Right Management. "Only 1 in 10 Employees Define Success at Work as High Performance." April 20, 2015.
[35]Right Management. "Only 1 in 10 Employees Define Success at Work as High Performance." April 20, 2015.
[36]EY. "Global Generations: A Global Study on Work-Life Challenges across Generations." 2015.
[37]U.S. Bureau of Labor Statistics. "American Time Use Survey – 2014 Results." June 24, 2015.
[38]Telsyte. "From Hot Desks to the Connected Office, Activity-Based Working is Driving Business Outcomes." 2015.

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of spaces, such as providing views of nature and animal life – perhaps a view out the window to trees or a field, or the presence of plants or a fish tank within the space. Places of respite and refuge are typically small areas with substantial coverage, particularly without a way to be approached from behind, while still providing some contact with the surrounding environment. This may be a visual connection, or an acoustical property. Places of respite typically offer visual and acoustical privacy and access to natural light, and are often muted in color, temperature, and brightness.[39] Allowing people opportunities to "recharge" results in better memory and attention.

Providing social environments at work is another important way to help integrate work and life. It's not just good for employees; it's good for business, too. Social interaction helps with effective communication, increases knowledge-sharing networks, and enhances individual memories.

And going beyond coworkers simply talking over coffee, cohesive social networks are incredibly important to business success. Cohesion is about how many people talk to each other. Each individual needs to network with many others, and those within the network must all talk to each other. This connectivity helps create high levels of trust and appreciation between team members. Additionally,

cohesive networks communicate more effectively. In a study of an IT company, it was found that when an employee spent 10% more time interacting with her core group of contacts, her impact on the company was $100,000 greater per month.[40] Cohesive networks are not without flaws – without outside influence, "groupthink" can become an issue, and it can be hard to reach external stakeholders, but in our view, the benefits outweigh the potential costs.

EXAMPLE COHESIVE NETWORK DIAGRAM
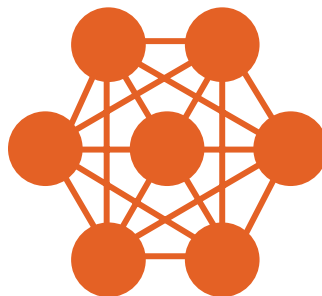
In addition to improving productivity, social networks can help reduce stress. The Gallup-Healthways Happiness-Stress Index finds that Americans are happiest when they spend time socializing. According to Gallup, full-time workers experience the most happiness when they spend more than seven hours of time with family and friends.[41] In a 24-hour day, assuming eight hours of sleep, 16 hours remain for work, socializing, and other tasks, meaning some of the seven hours of social time needs to happen during the work day.

[39]Terrapin Bright Green. "14 Patterns of Biophilic Design: Improving Health & Well-Being in the Built Environment." 2014.
[40]Waber, Ben. *People Analytics: How Social Sensing Technology Will Transform Business and What it Tells Us about the Future of Work.* New Jersey: Pearson Education, 2013.
[41]Harter, James and Raksha Arora. "Social Time Crucial to Daily Emotional Wellbeing in U.S." Gallup. June 5, 2008.
[42]Commungs, Jonathan, and Butler, Kraut. "The Quality of Online Social Relationships." Communications of the ACM. Vol. 45 No. 7, Pages 103-108.

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In the workplace, companies are responding to this with several design elements:

- Social hubs with desirable and varied seating

- Stable neighborhoods that enable creation of strong relationships. 30 to 50 people per neighborhood is best, and consistent neighbors build familiarity and trust, as well as cohesion[42]

- Space and opportunity for mission-driven groups such as weekly yoga classes or volunteer events, which are more effective at building community than a typical happy hour

As mentioned previously, humans have a distinct preference for views of nature. Companies are providing more outdoor design elements. These range from exercise-oriented areas such as walking trails and playing fields to social areas such as outdoor café seating. Human preferences are also leading companies to make outdoor spaces more work-friendly:

- Covered zones to protect from weather elements such as sun and light rain

- Robust Wi-Fi access (both secure and guest)

- Access to power

- Comfortable, ergonomic seating

- Areas to support individual work and group meetings

- Outdoor meeting areas, including walls designed for display

To further support work-life integration, employers are providing a greater variety of amenities. Some of these are geared toward providing spaces to make individuals happier and healthier, while others serve to improve efficiency.

More companies are providing spaces and services that help employees stay at work longer or spend less of the day running errands, such as food services ranging from full-service cafés to micro vendors like Tiny Grocery; elements that support daily errands such as a concierge desk that will take dry-cleaning, or an on-site ATM/bank branch; and, health-related amenities, such as on-site clinics or regular visits by a medical professional. When providing these amenities internally is not feasible, companies are spending time and energy thinking about location and leasing sites that provide easy access to these types of amenities and services.

TREND 5: CULTURE OF SHARING

For many years, the workplace industry has discussed the benefits of "me space versus we space," or simply put, the balance of allocating individual spaces (offices and workstations) compared to community spaces (cafes, pantries, conference rooms, etc.). Overall, the shift has been toward providing more shared space that benefits a greater number of people and supports collaboration, while providing fewer and smaller individual spaces. That said, there is no "right" answer and each company has to come to the balance that supports their work processes and culture.[43]

The trend toward more shared spaces and fewer individual spaces is extending beyond the confines of a single office, or even a single company, and more into the concept of the "shared economy." Why? Different workers have different needs and wants. Technology makes sharing easier than ever. And, companies are trying to do more with less in order to benefit the bottom line.

This means sharing of internal resources first. No longer are there departmentally dedicated conference rooms, separate reception areas for varying groups, or break rooms in every wing of the building. Companies are looking to best utilize resources and are consolidating into fewer (but nicer) spaces.

This not only reduces the real estate footprint requirement, but also improves informal collaboration, and can positively impact employee wellness and well-being as mentioned earlier.

At the next level, sharing is happening throughout multi-tenant buildings and even campuses. Shared fitness centers have long been a sought-after building amenity. Tenants are now looking for buildings or campuses where other amenities and high-value resources can be shared:

- Conference centers and specialized training rooms

- Cafes/break areas

- Outdoor amenities

Sharing is also happening in a different way through co-working facilities. Co-working is not a new concept, but in the past few years, companies like WeWork have brought co-working into the office market mainstream. Co-working facilities go beyond simply providing a space in which to work, and instead create a synergistic community that brings together people from various backgrounds – often through shared amenities such as serviced cafes and game areas, as well as special affinity groups and activities for members.

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[43]Congdon, Flynn, and Redman. "Balancing 'We' and 'Me': The Best Collaborative Spaces Also Support Solitude." Harvard Business Review. October, 2014.

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In previous years, co-working served as a one-off solution for small startup companies, independent consultants in search of a community, or home-based workers looking for the social environment of an office, but the reach of co-working is expanding. Much of this is due to convenience, in addition to the community-building benefits.

Small companies who do not want to invest in developing long-term real estate commitments, or in the day-to-day operations of managing an office (reception, phone and internet service, deliveries, maintenance, cleaning services, etc.) are looking to co-working spaces to provide these services at a limited cost included in their rent. Location plays a role in the expansion of the reach of co-working as well: large companies are looking to co-working facilities to expand their presence. In some cases, this is short-term usage of shared spaces, such as conference areas. In other cases, co-working spaces provide a nearby home for a project team working away from the office for a set period of time. It is also a low-risk way to explore investing in new markets.

KEY TAKEAWAYS FOR 2016

The 2016 office is radically different than the typical office environment in 2000 or even 2006. Some of the issues we were concerned about ten years ago, such as the Baby Boomers retiring, have already taken hold. Other global issues, like the Great Recession, were not even on the horizon a decade ago, but were a catalyst for radical change in the office and how we work. Companies are dealing with challenges in the new workplace with grace and aplomb, not to mention design solutions.

The bottom line for our clients is enhancing employee performance and getting the most value from their real estate assets, while maintaining core values and attracting and retaining talent. The details of trends come and go, but we see the future of the office as being more flexible, more mobile and more customized to each individual employee and each unique path.

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Jodi Williams
SENIOR WORKPLACE STRATEGIST

AICP, LEED AP ID+C, PROSCI

Jodi Williams brings over 15 years of experience in workplace strategy, facility planning, and change management. She leads strategic planning efforts for public and private sector clients, and has been a featured speaker at industry events such as IFMA World Workplace, Greenbuild and NeoConEast. In her spare time, Jodi enjoys playing with her daughter, long walks on the beach with her husband, being judged by her cat, and expending excess energy on the soccer pitch.

"I strive to help our clients develop solutions that enhance functionality, sustainability and efficiency by creating synergies between systems and spaces. Successful system design begins with a coordinated approach—a balance between tomorrow's technology and the time-tested, robust solutions of today."

EDUCATION

University of Virginia
Bachelor, Sociology

Catholic University of America
Graduate Studies, Urban Planning

University of Virginia
Graduate Studies, Sociology

LICENSES AND CERTIFICATIONS

AICP, LEED AP ID+C

PROSCI Certified Change Management Practitioner

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