

# Five Trends that Are Dramatically Changing Work and the Workplace

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## The Changing Nature of Work

My wife, a manager at Hewlett-Packard, usually has a two minute commute—a thirty foot walk from the kitchen up to her office. She goes “to the central office” about once every other week, more to keep in touch socially rather than to formally collaborate. Although she only meets face-to-face with her globally-based team members about once per year, she has an audio conference with them weekly. As HP’s work force grows and becomes more global, she is a highly sought after manager. She has learned how to work with her distributed team, setting clear directions, communicating often and clearly, and, most importantly, creating activities to engender team trust and cohesion.

Most workers today do not work like my wife; most still commute to and from traditional, centralized offices and work with teams in close proximity. Nevertheless, more and more of us are—or will be—working in both non-traditional ways and places, ranging from relying on adaptable furniture and hoteling desks at the central office, to satellite offices, offshore offices, and telework from home.

According to a recent benchmarking study by our research consortium, The New Ways of Working, many organizations are formalizing “Alternative Workplace” programs that combine nontraditional work practices, settings and locations.<sup>1</sup> Almost half of the surveyed organizations have started an alternative workplace

*Many organizations are formalizing “Alternative Workplace” programs that combine nontraditional work practices, settings and locations*

program within the past two years and a large majority within the past five years. This is striking as these programs have been around since the early 1980s.<sup>2</sup> The same study indicates that the adoption of such programs has accelerated during the recent Great Recession and shows no sign of letting up. Why, after all these years, is this happening now? Why has the pace of change picked up so dramatically? What does it mean for how and where we will work in the future? This paper identifies five trends that are dramatically changing work and workplaces.

### The first two trends have been around for more than a quarter of a century:

- 1. The continuing distribution of organizations**
- 2. The availability of enabling technologies and social collaboration tools**

Their adoption has pushed alternative ways of working well past the pioneering stage and into the mainstream, when enough organizations “have adopted an innovation in order that the continued adoption of the innovation is self-sustaining.”<sup>3</sup>

### These two trends will be reinforced by three more that will induce further change:

- 3. The coming shortage of knowledge workers**
- 4. The demand for more work flexibility**
- 5. Pressure for more sustainable organizations and workstyles**

Collectively, these trends are most pronounced in technology companies, the sector that has historically led the way in adoption of new technologies and workstyles that go with them. However, as technology has become more integral to the operation or mission of organizations, these themes are permeating the larger work community.

Importantly, these trends generally don’t impact the workplace directly, but have more to do with affecting how we work. The physical workplace is far more than just furnishings and real estate; it is also about how people work and are managed, the technologies that enable the work, and how the organization employs the workplace for its own ends. Going further, the workplace even reflects forces of the larger social and economic environment.

## Trend 1: The Continuing Distribution of Organizations

Organizations are becoming more spatially and organizationally distributed. Within central offices, work is less concentrated in individual, dedicated workspaces as collaborative activities gain greater significance. More broadly, dispersion is driven by the outsourcing of functions to service providers, the relocation of work to lower cost locations, the push of responsibilities to lower organizational levels, and the ever-present imperative to lower non-direct costs.

It's no secret that companies are shrinking their own staffs (workers employed directly by the organization). More non-core functions, such as IT, human resources, accounting, purchasing, and corporate real estate, are being outsourced. And remaining functions are continuing to be distributed nationally and globally, primarily driven by lower labor costs in other regions, proximity to internal or external customers, and access to talents and skills not available locally. As a result, organizations increasingly represent a complex web of employees, suppliers, and customers both collocated and dispersed around the world.

Organizations are also pushing decision-making wider and lower in the organization. Companies can't just cut costs; they have to continually extend into new markets as well as protect their existing ones. To do this, they have to react quickly to local conditions and not wait for decisions to go up the management chain and then down again. Decisions are often now being made by people closer to customers, housed in smaller satellite offices embedded in the markets they serve.

Organizations have discovered that they can cut huge amounts of indirect costs by limiting travel—about a \$100 million annual expense for a \$10 billion company—and reducing square footage dedicated to the individual worker. They are replacing expensive face-to-face meetings with remote technologies, and combining centralized workplaces with alternative workplace programs. Despite their fears, many managers have found that workers are able to remain productive, thus encouraging further reduction of travel budgets and the conversion of more static, individually-oriented space to collaborative work settings.

However, you can't simply transfer existing ways of working—management styles, work practices, collaboration technologies and workplaces—into newly distributed organizations and be successful. As explained later, you have to adopt new management policies, work behaviors, collaborative technologies, and workspaces that support the diversity of needs of the contemporary organization.



*Organizations increasingly represent a complex network of employees, freelancers, customers, and suppliers, both collocated and distributed around the world*

### CASE STUDIES

#### Best Buy's "ROWE" (Results Only Work Environment)

Distributing decision-making wider and lower in the organization takes on many flavors. Best Buy originally piloted "ROWE" (Results-Only Work Environment) wherein employees are paid for results rather than the number of hours worked. It effectively pushes decisions about how to do work down to the personal level as "each person is free to do whatever they want, whenever they want, as long as the work gets done."

*From Tim Ferriss, "No Schedules," fourhourworkweek.com, May 21, 2008. <http://www.fourhourworkweek.com/log/2008/05021/no-schedules-no-meetings-enter-best-buys-rowe-part-1>*

#### European Quasi Governmental Research Organization Goes Global

A European quasi-governmental research organization, prominent on a regional level but striving to be one of the top three global players, is trying to expand in the U.S. and China through acquisitions. To be successful, it will have to change from a reliance on traditional collocated workplaces within its home country to working with globally distributed groups across different cultures and time zones.

*From Joe Aki Ouye interview*

## Trend 2: The Availability of Enabling Technologies and Social Collaboration Tools

Using technological tools for communicating, storing, and managing shared data for distributed work is not new. What is new is the extension of those capabilities to cheaper and more ubiquitous devices. To access work materials and interact with colleagues on a 24/7 basis, all one needs is a smart phone or any other wired device that reaches the Internet.<sup>4</sup>



*Technology tools are being consolidated into easy-to-use platforms that let workers collaborate in both a synchronized and non-synchronized manner*

Moreover, according to David Coleman, a consultant with Collaborative Strategies, these tools are being consolidated into easy-to-use collaboration platforms.<sup>5</sup> They help workers collaborate asynchronously—that is, not simultaneously with others—to check in and respond to message threads and document changes as their schedules allow. This is becoming almost essential as teams become more distributed across multiple time zones as well as for busy workers juggling multiple teams and projects. And now synchronous—or simultaneous with others—tools are being added: video and audio conferencing, data sharing, instant messaging, presence detection, availability status, reputation, and knowledge capture. And collaborative technologies are reaching new levels of ease-of-use, fidelity and ubiquity as they combine synchronous and asynchronous tools, merge and consolidate to fewer, stronger providers, and converge to standard platforms (for example, Google and its suite of search, email, document sharing, groups, etc.).<sup>6</sup>

While collaborative technologies are fine for exchanging formal knowledge, they don't work well to help you get to know colleagues on a personal level (their passions, their family, where they went on their last vacation, etc.)—in other words the dialogue that used to take place around the company water cooler. The so-called social media technologies are going to help fill this gap: “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0,

### CASE STUDY

#### Social Media at IBM

IBM has been aggressively using social media to tie its far-flung and huge workforce together and, without a doubt, also with a mind towards selling these technologies as part of its service offering. IBM's Beehive Social Network is a glimpse of how social networks might be used and received in the future. It is an Internet-based social networking site that gives IBM'ers a “rich connection to the people they work with” both professionally and personally. Using it, employees can make new connections, track current friends and co-workers, and renew contact with people they have worked with in the past. In the first nine months of use, over 35,000 registered IBM employees created

over 280,000 social network connections to each other, posted more than 150,000 comments, shared more than 43,000 photos, created about 15,000 ‘Hive5s,’ and hosted more than 2,000 events. Beehive seems to be succeeding “to help IBM employees meet the challenge of building the relationships vital to working in large, distributed enterprises.”

*From IBM Watson Research Center, Project: Beehive, <http://domain.watson.ibm.com/cambridgeresearch.nsf/0/8b6d4cd68f> and Toby Ward, Blog, Behind Beehive's Social Success@IBM, [http://intranetblog.blogware.com/blog/\\_archives/2008/7/7/3781562.html](http://intranetblog.blogware.com/blog/_archives/2008/7/7/3781562.html)*

## CASE STUDY

### The HP Virtual Room Collaboration Platform

Team members can host team meetings, customer briefings, and training events in one convenient online location with this product. Users can show and share their desktop to review presentations and documents, store team documents, work together using a white board with editing tools, chat privately with other members or in a group, enhance interaction with in-room video and audio, and schedule meetings with flexible scheduling and integration with Microsoft Outlook. Products such as this were once only realistically available to large companies, but prices are rapidly coming down to the low hundreds of dollar per user so that even small groups can afford them.

From [http://www.shopping.hp.com/store/product/product\\_detail/WF722A%2523B1K?jumpid=reg\\_R1002\\_USEN](http://www.shopping.hp.com/store/product/product_detail/WF722A%2523B1K?jumpid=reg_R1002_USEN)

and that allow the creation and exchange of user-generated content.”<sup>7</sup> Many organizations are starting to explore Web 2.0 and social media to connect their employees to each other and, especially, to the mutual third person—the person your colleague knows but you don’t who shares your interests.

Examples of social media are Internet forums, weblogs, blogs, wikis, podcasts, pictures, video, rating and social bookmarking, wall-postings, email, instant messaging, music-sharing, and crowd sourcing, to name a few.<sup>8</sup> These are much more useful for the exchange of personal information as they rely on the users themselves to generate the content, which can connect them to their peers and then the next level of social connections. Social media also take advantage of higher speeds and capabilities so that users can interact through more enticing video and audio content.

## Trend 3: The Coming Shortage of Skilled Workers

As we are still easing out of the shadow of the Great Recession, it may be difficult to comprehend, but there may be a shortage of skilled workers in the near future. The basic problem is that there will be fewer younger people to replace those of the Baby Boomer generation who will be retiring over coming years. Barry Bluestone, a prominent political economist at Northeastern University in Boston, encapsulates the challenge:



*A looming shortage of skilled workers will require both the embrace of Generation Y’s distinct workstyle expectations and, also, the active participation of older workers*

*“There could be 14.6 million new nonfarm payroll jobs created between 2008 and 2018 ... Given projected population growth and current labor force participation rates, assuming no major change in immigration, there will only be about 9.1 million additional workers to fill positions. Even taking into account multiple job holders, the total number of jobs that could be filled at current labor force participation rates is 9.6 million, leaving anywhere from 5.0 to 5.7 million potential jobs vacant.”<sup>9</sup>*

As with many projections, Bluestone’s is controversial. And the projected labor shortage may be softened by Boomers deciding to work longer to make up for losses to their personal portfolio during the Great Recession. But it’s difficult to argue with the projection that smaller number of younger workers will be coming into the workforce and will not be able to fully replace the larger number of Boomers retiring over coming years.

There will be a higher percentage of older workers (55 years and older) who are on the whole much healthier than previous generations and for various reasons—keeping busy, wanting

more in their nest egg—will continue working. The Bureau of Labor Statistics projects the share of older workers in percentage terms in the next several years:

*“The share of the youth labor force, workers aged 16 to 24, is expected to decrease from 14.3 percent in 2008 to 12.7 percent by 2018. The primary working-age group, those between 25 and 54 years old, is projected to decline from 67.7 percent of the labor force in 2008 to 63.5 percent by 2018. Workers aged 55 years and older, by contrast, are anticipated to leap from 18.1 percent to 23.9 percent of the labor force during the same period.”<sup>10</sup>*

Bluestone is not worried whether there will be enough jobs for older workers, but whether the jobs will be rewarding enough to keep them in the labor force. Given the shortage of workers in general, it will take nearly all of the projected increase in job participation of the older workers to fill the available jobs.

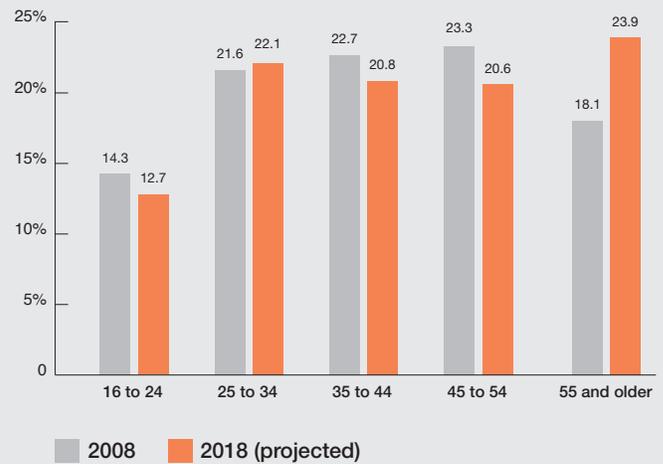
The implication is that your organization will have to pay more attention to the needs of these older workers. According to the Canadian researcher, Antoine Laville, there are advantages to having older workers. They don't job hop as much, are more dedicated to the organization and the work, have more positive work values, and don't miss work as often. In addition, older workers generally perform as well as younger workers, although their performance suffers (just like anyone else) from lack of recognition, too much job stress, and poor support from supervisors and coworkers. While older people don't have the physical and psychological development of a 30-year-old, this should not make too much difference for knowledge work. However, older workers require other considerations: they may need better lighting for reading and may have difficulty hearing a particular voice or sound in a noisy environment.<sup>11</sup>

Even with the higher percentage of older workers, more than 75% of the workers in 2018 will still be younger (under 55 years old). And Generation Y (those born 1979-1997) are, according to Dr. Marie Puybaraud, Director of Global Workplace Innovation for Johnson Controls, “on the leading edge of transformational attitudes towards work and the workplace ... because they have grown up with the Internet and mobile communications and are digitally, globally and constantly connected. They are driving how mobile communication technologies are used, and they are setting behavioral trends that ripple and influence social behavior in other generations.”<sup>12</sup>

Puybaraud's recent study sheds some light on the work preferences of Generation Y. Based on an online survey that included more than 3,000 Generation Y'ers, this generation embraces greater work autonomy and flexibility and yet still holds on to some traditional values about work and the workplace.

Some of their preferences are inconsistent, perhaps because young respondents don't have enough experience to know how the implications of one choice may obviate another. A majority (54%) want their own, assigned desk that they can personalize, situated in a relatively large 170 to 225 square foot space. Forty percent want to be able to drive a car to and from work. On the other hand, 56% want to work flexibly, 79% prefer to be mobile rather than static workers, and an overwhelmingly 96% want an environmentally friendly or aware workplace—even though driving to and from their large, personal workspaces is not environmentally friendly or mobile.

**Percent of US Labor Force, by Age Group**



By late in this decade, almost a quarter of the US workforce will be 55 or older, a dramatic increase over the past. The percentage of younger workers, ages 25-34, will also rise—albeit at a smaller rate.

*Percentage of labor by age group from Bureau of Labor Statistics, Occupational Outlook Handbook, 2010-11 Edition, <http://www.bls.gov/oco/oco2003.html>*

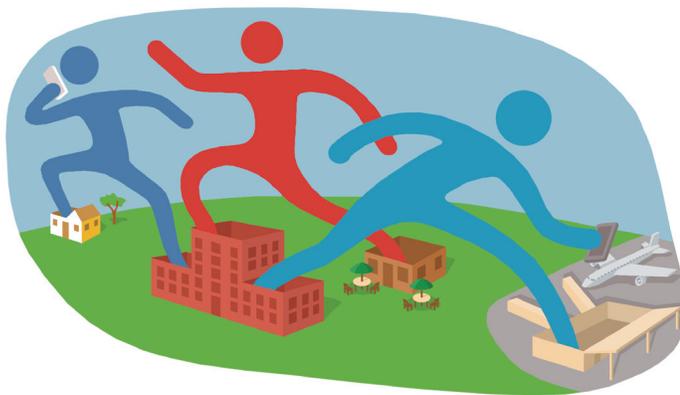
*Your organization will have to pay more attention to the needs of older workers*

A Knoll study further details Gen Y's workplace preferences to include "multi-tasking, working from non-traditional settings (i.e., cafes, lounge environments, project rooms, etc.) and using the latest technology." The study also revealed that this generation is more likely to come to a well-designed office, but also views "office space not as a symbol of hierarchy, but as a tool to get the job done."<sup>13</sup>

Generation Y'ers are young and often viewed as idealistic so it's no surprise that in studies they value quality of life, meaningful work, colleagues, advancement and promotions, and opportunity for learning over compensation.<sup>14</sup> Without a doubt, this generation is more comfortable working collaboratively as a team with a variety of technologies. It's difficult to say how this generation will choose between options when they can't have it all. However, my sense is that many Generation Y'ers would pick working flexibly and collaboratively with colleagues while leveraging technology instead of being tethered to a traditional, assigned desk and solo activities.

## Trend 4: The Demand for More Work Flexibility

Organizations may currently enjoy being able to choose from a surplus of qualified workers, but in the coming years they will have to compete again for the best workers. Your organization, will have to focus on compensation to keep valued employees, but you will also have to be more sensitive to the preferences of existing and potential employees—especially for what has been called "work flexibility," the ability to choose how, when and where to work.



*Organizations will have to offer less traditional ways of working and more flexibility to attract and retain their best talent*

Recent research in the United Kingdom indicates that workers want more autonomy and flexibility. Based on extensive interviews of thought leaders, business leaders and the general public, researchers from a leading British think tank found in a project for Orange, a UK telecom company, that workers "want an experience of work that aligns with their values. They want a workplace forged in the image of their identities, not a workplace that tries to define them. They want organizations that can let go, and grant them a greater say in how things are run."<sup>15</sup>

Another study by the consulting firm Deloitte found that even though salary is still on top, work flexibility—when, where and how you work—is an increasingly prominent consideration. In a compensation survey of 1,400 CFO's in 2009, 46% replied that telecommuting is second only to salary as the best way to attract top talent and 33% said that telecommuting was the top draw.<sup>16</sup> These results are reinforced by the findings of the Orange Future Enterprise Coalition, a research forum

sponsored by the telecommunications company, that 50% of workers consider the potential for work flexibility as very important for their next job move.<sup>17</sup> Organizations will have to offer less traditional ways of working and more flexibility to attract and retain their best talent.

## CASE STUDY

### Netflix Has Work Flexibility but Expects über-Performance

Netflix may be the ultimate company for work flexibility. The movie distribution company famously has no vacation policy. That doesn't mean that employees don't get vacation time. They can have as many vacation days as they feel they need. However, there is another side of this coin. Netflix is ultra-demanding of its employees. The company pays their people lavishly, gives them unlimited vacations, and lets them structure their own compensation packages. In return, über-performance is expected. Reed Hastings, the founder, calls this approach "freedom and responsibility." Employees are given the flexibility to do what they do best. The catch is when employees don't live up to expectations; they get "a generous severance package." All this adds to a highly talented and motivated workforce who Netflix will need to survive and triumph in its battle with tough competitors such as Apple and Amazon in the battle for online movie distribution.

From Michelle Conlin, "Netflix: Flex to the Max," *Bloomberg Business Week*, September 24, 2007. [http://www.businessweek.com/magazine/content/07\\_39/b4051059.htm](http://www.businessweek.com/magazine/content/07_39/b4051059.htm)

The desire for more work flexibility is also a reaction to the rigors of working for globally distributed organizations. Working beyond normal office hours—a 6 am meeting on the US West Coast with colleagues in Europe or a late 9 pm meeting with those in Asia—has become the norm for many in order to coordinate with colleagues in widely differing time zones. Workers can't maintain these hours on a regular 9 to 5 schedule and attend to personal family needs easily. At the first opportunity, these workers will look for jobs that give them the flexibility to allocate their work hours and locations. In some countries, such as Great Britain, employers are already legally required to offer flexible hours to select employees, such as those with child or elder-care responsibilities. This flexibility will very likely be commonly available to most knowledge workers by year 2020 in Great Britain.<sup>18</sup>

## Trend 5: Pressure for More Sustainable Organizations and Workstyles

As consumers, employees and government steadily act to discourage wasteful and environmentally unsustainable work practices, companies will have to reconsider the sustainability of how and where their workers work.<sup>19</sup>



*Societal and regulatory drivers will pressure organizations to improve their sustainability work practices*

The consulting firm Deloitte describes a "perfect storm" that will result in significantly increased corporate attention on environmental sustainability. This storm is being generated by a dramatic increase in climate change regulations and heightened media attention by leading publications such as *The Wall Street Journal*, *The Economist*, and *Newsweek*. These are accompanied by increasing consumer and shareholder awareness of the social and environmental responsibility of companies; increasing risks to access emerging markets, operating permits, and capital loans; a clear consensus within the scientific community linking human activities with climate change; and growing pressures on suppliers to be sustainable by global retailers.<sup>20</sup>

How and when this storm will translate to significant commitments and legislation is unclear—especially in the United States where global warming and sustainability remain controversial. However, it is probably safe to say that there will be more stringent legislation to limit greenhouse gas emissions in the future.

In addition, organizations will be pressured by "ethical consumerism"—the purchase of social, ethical and

environmental products, and the investment in socially responsible companies. In Great Britain before the Great Recession, ethical consumerism was growing at the compound rate of 19% per year, roughly three times faster than the economy.<sup>21</sup> A rapidly growing group of socially responsible investors seek out social businesses and enterprises (SBEs), organizations that generate social, ethical and environmental (often described as “social”) returns and many do so at sub-market rates of return.<sup>22</sup>

*If companies are going to comply with potential future environmental restrictions, they will have to reach beyond “low hanging fruit” to review and re-think where, when and how their employees work*

Many corporations have responded to sustainability concerns by reducing energy consumption and greenhouse gas emissions through improving building efficiencies, revised product designs, operational management, recycling and reuse. But even the best companies in this regard are still focusing on this lower hanging fruit. If companies are going to comply with potential future restrictions, they will have to reach beyond to review and re-think where, when and how their employees work.

For example, an employee who is telecommuting or working from a satellite office close to his home three days per week and is sharing a desk with four others (that is, five persons per workstation), is reducing greenhouse gas emissions of his personal workplace footprint by 80% and his emissions from commuting by 60%. Granted, this savings is attainable only if the worker gives up his personal workplace and shares it with others. It is further moderated by the emissions used when working at the alternative location and auto trips used for personal trips during the work day for shopping, driving kids to school or after-school activities. And missing the face-to-face social contact, alternative workers may be more inclined to “go out” and meet friends. But in the end, researchers have found that working in dispersed satellite offices or telecommuting is more sustainable than working in a single, highly centralized office requiring long commutes.<sup>23</sup>

We get a sense of the future of what organizations will have to do in Northern Europe. There, organizations must submit their greenhouse gas emissions impacts for approval of significant real estate portfolio changes—for example, the options for consolidating office locations, including the use of alternative workplaces and telecommuting.

**CASE STUDY**

**“Eye-Opening and Astonishing” Sustainability Results of Consolidating Hewlett-Packard Sites in the Netherlands**

Led by Jyrki Laurikainen, head of corporate real estate in Northern Europe, and Ron Moelijker, head of corporate facilities in the Netherlands, the company and a group of university students evaluated the sustainability impact of consolidating two of Hewlett-Packard’s sites into a single Dutch facility. In the words of Ron, the results were “eye-opening and astonishing.” The team found that consolidating into a single site with greater workplace density would reduce CO<sup>2</sup> emissions by 12%, but consolidating into a single, densely populated site *and* adding a telecommuting component would reduce emissions by almost 30%. These results were very useful for HP as it moved into the planning and regulatory process, which is very sensitive to sustainability issues in the Netherlands. The ultimate outcome was HP’s successful consolidation into a single site with a telecommuting component.

*From Rob Glas and Sierk Reinsma, The Netherlands Carbon Footprint Study, Hewlett-Packard, 2009. Prepared in collaboration with the university Hanzehogeschool Groningen, Vastgoed & Makelaardij*

**CO<sup>2</sup> Savings of Consolidating HP’s Netherlands Sites**

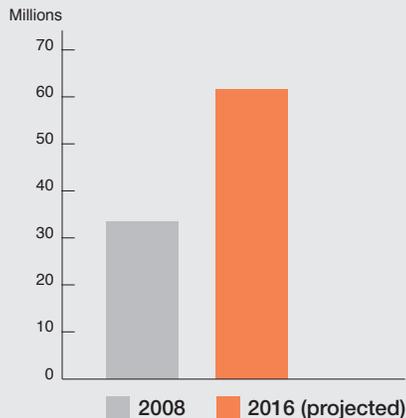


## What these Trends Mean for Work and the Workplace

### Implication 1: The Continued Distribution of Workplaces

These five trends will push work and workplaces to be more global across time zones, distributed within regions, and personalized. Centralized offices are not going away; however, they will be different, with a greater variety of work settings to support a greater diversity of need. The corporate office will transition to a meeting or collaboration center for critical face-to-face meetings, such as customer sales and training, intensive work sessions and social events.

#### Mobile Workers in the US



By 2016, 63 million Americans are expected to telecommute, representing 43% of all US workers. Another study indicates that over next five years, white collar workers plan to increase their time working remotely by 50%, resulting in average white collar workers spending 30% of their time working out of the central office.

*Based on Forrester Research, US Telecommuting Forecast, 2009 and The Future of Work, Adobe Systems, May 13, 2009*

Corporate offices are already shifting away from emphasizing solo work, turning the percentage of personal space from 60% to 30% of the floor plan. This shift enables meetings of different degrees of formality and sizes with drop-in workstations for checking email, doing some quick personal work, or making a phone call in between meetings. The exceptions will be high-cost resources such as R&D laboratories and customer sales centers.

### Implication 2: The Challenge of Keeping Workers Engaged and Connected

When I interviewed a senior vice president of human resources for a large technology company about its remote workers, he asked, "How do we make sure that the employee in their fuzzy bunny slipper and pajamas is still engaged with his/her co-workers and with our company?" Indeed, this may be a growing concern as more workers spend part of their time away from the office. This is a problem from the organization's perspective, but it's a problem for employees as well. People identify themselves by their work and with their work groups, and still want to engage with others, to meet and to catch up on each others' lives and families. The question is how and where will they do this as more workers work remotely and rarely meet others face-to-face.

That senior vice president was right to be concerned about employee engagement. In our research, we found that 30% of the technology company's employees were mobile workers, and many rarely returned to the office once they were "untethered." As more and more people worked away from that company's central office, there were fewer and fewer colleagues left to visit. In response, the company is creating "magnet spaces" to entice employees: formal and informal collaboration areas, hoteling workstations, and destination resource centers with copiers, supplies, etc.

To be successful, the initiative will need to link the physical design solution with technological and work policies (as outlined in implication 4: "Adopting New Work Practices").

As many workers become tightly connected to globally dispersed work teams, where there is no convenient place to meet other team members, they will have to start relying more on technologies such as video conferencing and social media or plan occasional face-to-face meetings to keep in touch with others. However, it remains to be seen whether these tools will be sufficient to engender the social trust necessary for effective team collaboration.

### Implication 3: The Difficulty of Changing Culture

The hardest part of workplace change is not the physical environment or technology, it's the people—their culturally conditioned attitudes about how they should be managed, how and when they should work, and their attachments to the traditional, centralized workplace (or rather the values they associate with it). This is not surprising. Edward T. Hall wrote long ago in his classic books about space and culture, how we relate and use space is a part of our culture, as basic as our concepts of time or language. These are learned informally in the first ten years of our lives and rarely change.<sup>24</sup>

Resistance to cultural change or some variation of it is consistently at the top or near the top of the barriers to alternative workplace programs.<sup>25</sup> But, many of the managers and workers who are more comfortable with traditional workstyles and workplaces are of the older, Baby Boomer generation and are retiring in coming years (even though they may do so slowly because of trend 2, “The Coming Shortage of Knowledge Workers”). In the meantime, if Baby Boomers don't embrace new ways of working, they will find it increasingly difficult to retain their jobs. More workers are seeing the new reality that organizations will continue to be more distributed and they have to change their ways of working to mirror this reality. As Chris Hood, former Workplace Strategist for HP and now Managing Director for Workplace Innovation at CB Richard Ellis, put it, “New ways of working are no longer issues. Most of our people get it.”

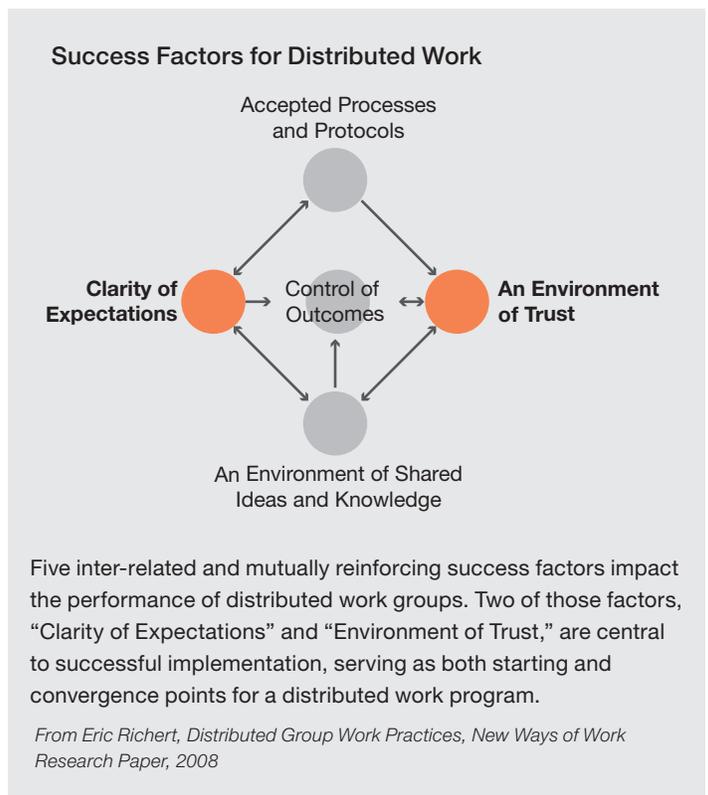
*The key to success is to understand that people know best how, when and where to work. The best way to help them perform to their highest levels is to give them choices.*

That said, there are basic strategies workplace leaders can deploy to facilitate change: both involve workers in the planning process and give them choice over their individual work process. Develop new ways of working by involving employees in interviews, focus groups, and surveys. First, participants need to understand the organization's values, culture and business goals. Second, the participants need to: assess how existing ways of working are helping or hindering their achievement; think through new policies, work practices, and technologies; and prepare a strategy for rolling out new ways of working.

Whatever the eventual approach, it bears repeating what Eric Richert, the former senior vice president of Sun Microsystems' pioneering iWork group and now principal of the Co3 Group consulting firm, has said is the most important lesson he has learned: the key to success is to understand that people know best how, when and where to work. The best way to help them perform to their highest levels is to give them choices.

### Implication 4: Adopting New Work Practices

As our workers become more geographically dispersed, work practices—the policies, attitudes and behaviors we use to do work—have to shift. You can't necessarily assume that the same work practices in a collocated workplace work as well for a distributed group. Richert describes the problem: “As groups become more distributed, formality in practices is increasingly necessary, mainly because it's no longer possible to communicate more casually or informally. In addition, even though good work practices for working with remote workers are pretty much the same



as for collocated workers, they become essential for remote workers. In other words, you may be able to get away with poor practices when you are all in one location, but you must establish good work practices if your group is distributed.”<sup>26</sup>

*“You may be able to get away with poor practices when you are all in one location, but you must establish good work practices if your group is distributed”*

These work behaviors are necessary for what Richert calls “Success Factors” for outcomes such as engagement, productivity, satisfaction, and the specific outcomes that are the reason for the group’s existence. (See diagram on page 11).

Having clarity of expectations is the starting point for success. John Gabarro of Harvard University suggests “the structuring of expectations is the single pattern that contributes positively to productivity and satisfaction.”<sup>27</sup> An environment of trust, or rather the lack of it, is commonly cited as the root cause of many difficulties of remote teams. If you don’t trust others on the team, you are not likely to freely share information, cooperate in controlling the outcomes, or perhaps more inclined to subvert group protocols and expectations.

Trust can be encouraged by team members getting to know each other beyond their formal work roles: where they live, their kids, the last vacation, and their favorite restaurants. In other words, by having the social exchange that takes place around the old water cooler. A team has to agree on how decisions are made and how things are done. And the group has to share information and ideas as the domain of all, not a select few.

### **Implication 5: The Emergence of Other Alternative Workplaces**

We are already witnessing the diversification of traditional corporate offices to other alternatives: non-assigned workspaces, completely mobile furniture systems with wireless voice and data connections, dispersed satellite offices, and traditional telecommuting. These will increase in the future. Other new workstyles and workplaces will emerge. One of these is co-working. Many workers—mostly freelancers and entrepreneurs—are joining this new and growing work arrangement.

*Whether co-working centers or other new forms of work and the workplace, grassroots trends are spreading more quickly than ever before*

If you can and do work anywhere, you still may want to connect socially with others. You can work at the local coffee hangout, but may be too distracted and may wish to connect on a longer and deeper basis.

Patterned after the long-standing tradition of shared artists’ studios, co-working centers offer a community of similarly minded workers, but also practical perks you may not get at home, such as conference rooms, espresso machines and opportunities for socializing. While co-working centers may be similar to more traditional office-sharing arrangements, such as business centers or business incubators, co-working is aimed at mostly solo freelancers, and centered around the idea of creating communities of like-minded users. You can rent a desk at a co-working center on a monthly, hourly, or even drop-in basis for modest amounts. Most users combine work in a co-working location as another option to their home office, and, of course, the local coffee shop.<sup>28</sup>

We don’t know whether these co-working centers or other new forms of work and the workplace will be ultimately successful, but grassroots trends are spreading more quickly than ever before. My advice is to keep your ears close to the ground to both learn from and leverage ground up phenomena for your corporate workplace initiatives. There is nothing as powerful as a ground-swell, but they can also be short-lived; nonetheless, they are instructive indicators of what people want and are doing.

## Summary Thoughts

The rate of change of work and the workplace is shifting into a much higher gear. Today, work is conducted across an increasingly broad range of settings, geographies, and time frames, propelled by five major trends that offer a context for organizational strategies:

### Five Major Trends

- 1. The continuing distribution of organizations.** Ultimately, workers, work and workplaces serve the needs of the organizations, and they will reflect the continuing spatial and organizational distribution of these organizations with more distributed workstyles and workplaces.
- 2. The availability of enabling technologies and social collaboration tools.** Technologies for collaborating with co-workers wherever they are will continue to become cheaper, easier-to-use and ubiquitous. They are already being combined and synthesized into platforms which feature a wide range of tools to collaborate asynchronously and synchronously, cheaply and ubiquitously.
- 3. The coming shortage of knowledge workers.** There will be a shortage of younger knowledge workers in the coming years as the Baby Boomer generation retires and younger workers take their place. Organizations will have to compete for workers who are more comfortable with and seek flexible work, including alternative workplaces.
- 4. The demand for more work flexibility.** Workers will demand more work flexibility—the ability to decide how they should define and tackle specific problems and tasks, and when and where work is done.
- 5. Pressure for more sustainable organizations and workstyles.** Perhaps the 800-pound gorilla is the push for organizations to drastically reduce their carbon footprint, whether through regulations or market-driven incentives and disincentives. Organizations will have to examine all major sources of greenhouse gas emissions to comply, including tapping the potential of how, where and when we work: group locations, building efficiencies, commute patterns, and air travel practices.

### Five Implications for Work and the Workplace

These trends, in turn, are producing five major implications for organizations:

- 1. The continued distribution of workplaces.** Centralized offices will evolve, providing a greater variety of work settings to support collaboration and diversity of needs. Simultaneously, workers will increasingly work in other distributed workplaces: at satellite offices, supplier and customer locations, off-shore locations and home.
- 2. The challenge of keeping workers engaged and connected.** As workers are more physically dispersed, it becomes more difficult for them to engage with one another. To encourage socialization, planners need to link conscious workplace strategies with social technologies, and work policies.
- 3. The difficulty of changing culture.** The hardest part of changing the workplace is not the physical environment or technology, it's changing the people. The key to success is to give employees a voice in the planning process, and allow them the choice of when, where, and how they work.
- 4. Adopting new workplace practices.** With workers increasingly scattered geographically, work practices need to adapt. Because it is no longer possible to communicate casually with a distributed work team, leaders need to formalize good work practices for the team.

**5. The emergence of other alternative workplaces.** Workplaces and workstyles are not static, but continually evolve. New trends are percolating at the grass roots level that may influence larger organizations over the coming years.

New ways of working and workplaces are no longer just the trials of the innovators and early adapters. They are quickly becoming mainstream and rudimentary for most companies. Get ready to embrace these new approaches or you may find that most other organizations “got it” and moved on.

## About the Author

Dr. Joe Aki Ouye is co-founder and partner of the New Ways of Working, LLC (“New WOW”), a community of experts devoted to researching and exploring the integration of organizations, technologies and places for new ways of working. New WOW draws on the expertise and insights of its forward-thinking members, including close to 50 academic, corporate and consulting organizations in North America and Europe. Ouye is known for applying planning techniques from his systems engineering and planning background to real estate and workplace problems and has written and published numerous articles on this topic, ranging from dealing with uncertainty in strategic planning to using the workplace as a business tool.

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## End Notes

- 1 The New Ways of Working (“New WOW”) is a research consortium of experts for researching and exploring holistic new approaches to work and the workplace. For more information, visit [www.newwow.net](http://www.newwow.net).
- 2 103 major organizations participated in this Web-based study, representing more than 4.5 million employees across a broad range of industries and geographic areas. Among the leading business sectors represented were communications, technology and finance, collectively representing close to half of participating organizations. One-quarter of participants were from outside North America, largely in Europe but also in South America and Asia-Pacific.  
  
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- 6 All these trends are from Coleman, *Ibid*.
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- 24 Edward T. Hall, *The Silent Language*, 1965 and *The Hidden Dimension*. 1969.
- 25 In the recent *Alternative Workplace Strategies in the Current Economy: Results from New Ways of Working’s Benchmarking Study*, New Ways of Working Research Report, 2010, organizational culture was identified as the top barrier to the development of alternative workplace programs.
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*Knoll research investigates links between workspace design and human behavior, health and performance, and the quality of the user experience. We share and apply what we learn to inform product development and help our customers shape their work environments. To learn more about this topic or other research resources Knoll can provide, visit [www.knoll.com/research/index.jsp](http://www.knoll.com/research/index.jsp)*