

The New Now, the New Next, the Next What If

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By: Kay Sargent, ASID, IIDA, CID, LEED® AP, MCR.w, WELL AP
Senior Principal | Director of WorkPlace

HOK

The Case for Change

For the past several years we have watched as industry after industry has disrupted and forced to evolve. The retail sector has been rocked by Amazon, the hotel sector by Airbnb, and the taxi service by Uber and Lyft. But there has also been disruption in the commercial real estate industry, thanks to coworking and now COVID-19. **The whole world is asking a fundamental question “what is the future of work?”** If we are myopic and focused too narrowly on addressing only the challenge COVID has presented us with regarding how and where people work, we will miss the bigger opportunity to address the real challenges we are facing today.

The “Aha” Moment:

The notion of “returning to the office” is flawed. We need to acknowledge the things that weren’t working before COVID-19 and instead of returning to them, address them as we move forward. We need to evolve beyond the notion of “an office” to **“reimagining an ecosystem”** of spaces that truly addresses our needs - now and in the future.

What we Know:

- People can be productive working remotely, if they are trusted, have the right tools, and the right mindset.
- Not everyone can or wants to work remotely. Some jobs are not well suited for remote work nor are some people. And many do not have the right space or tools at home to do so and long for access to mentors and others in the organization. That is particularly true for the younger workforce.
- Even for those that can, studies show they are the most engaged and happy when doing so 1-2 days a week. People that always work on-site or always work remotely are the least engaged.
- While working from home movement and physical activity has plummeted. Sedentary work and being isolated negatively impact wellbeing.
- People want options and choices. We are more engaged with we are active.
- Proximity and social accountability boost productivity.
- Individual task work is up. Collaboration and creativity are down.ⁱ
- Productivity isn’t the only thing we should consider. Collaboration and the ability to innovate are harder to do when not together. The future of many companies depends on

their ability to innovate to stay relevant, so bringing people together is essential. Remote work can erode culture, hamper innovation, and negatively impact social capital if individuals are connecting back into the organization and their colleagues on a regular basis.

- Access to downtown areas will be challenge until there is a vaccine. Many people will likely want to avoid mass transit which will just make the commute worse and unpalatable.
- Pre-COVID burnout and stress were major concerns for the workforce. The anxiety and heightened sensitivity that COVID has added to that makes us even more deposed to negative attributes.
- People miss interacting with their colleagues, but they don't miss the commute.
- The environmental impact of many of the COVID era recommendations is not sustainable. Increased individual commuting, single use utensils, increase use of chemicals and cleaning material, the use of plastic PPE and shielding, increased HVAC – all have a negative impact on the environment.
- Technology continues to advance at a rapid pace.
- Companies will have increased economy pressures due to the fiscal impact of COVID-19.

Key finding

We have the opportunity for **disruptive creativity**. The challenge is to look beyond today and see what lies ahead so we can adapt accordingly. Afterall, we don't get the opportunity to rethink everything often. But going back to the same situation that brought us to this point is not the answer.

1. We need to evolve to a new system where the “office” is replaced with an “ecosystem” of spaces that meet the needs of the day.
2. We need to empower people with options and choices to fit the array of needs today.
3. We need to shift from fixed to fluid and create environments that agile enough to meet our needs as they evolve.
4. We need to rethink the purpose of place and create compelling environments, fit to purpose, that entice people to be there.
5. Access is the new ownership. If you don' need to own it – don't. Consider leveraging the community and the shared economy or emerging membership model to meet your large conference or training needs, to provide services and access to amenities and even to meet your furniture needs.
6. Leverage technology to reduce touchpoints and create space that are more responsive to individuals then forcing us to adapt to the space. We have an opportunity to transform the user experience and transform the IoTs to the IoE(xperiences) where information is put into the hands of individuals so they can curate their own experience.

Mind the gaps

Let's acknowledge that there are other factors and influences at play here in addition to the challenges COVID has pointed out.

1. **Stress and burnout** are at an all-time high
 - reduce work-life balance is out of sync
 - unengaged, presenteeism
 - work, live, play, learn are intertwined
 - sensory intelligence
 - health and wellbeing
 - a new employment model - just-in-time staffing
 - sabbaticals for refresh and reskilling

In a workforce study, global advisory firm Willis Towers Watson found that the number one lifestyle risk impacting the workforce today is stress — yet stress is the factor to which we pay the least attention.

We are living in a constantly connected world, with a seemingly never-ending flow of information coming at us. The inability to disconnect is causing a dramatic increase in stress levels among workers today, with 70% reporting that they feel overwhelmed daily. The World Health Organization (WHO) projects that “technostress,” the stress of constantly being on and overwhelmed by technology, will be one of the biggest health issues in the coming decade. By WHO estimates, technostress will cost businesses more than \$300 million in that timeframe.

Today's successful spaces will need to account for the new office psyche. Maslow's Hierarchy of Needs, a motivational theory in psychology, suggests that until a person's physiological and safety needs are met, they would be incapable of thinking about the kinds of things we now know to be prerequisite to employee engagement and well-being.

To create spaces that meet our psychological needs, we should start with the basics. We need to ensure that spaces provide optimal ranges for temperature, lighting, air quality, and noise, and that they are a safe haven for workers. Beyond the basics, we need to meet ergonomic, privacy, and safety ideals for wellness. But to go beyond that basic need and achieve wellbeing, we need to create spaces that enable individuals to find the right level of engagement, interaction, and connections, as well as reinforce the values and culture of the organization.

The growing gig workforce creates opportunities for companies to rethink their hiring practices and create pools of just-in-time workers to supplement a core group. This enables them to tap into a variety of skill sets without having to hire full-time employees or overburden current staff because of conservative hiring philosophies.

2. Climate change environment

- unsustainable commute
- energy consumption
- regenerative practices
- adaptive reuse
- resiliency

Recent reports have outlined the threat of climate change and noted that a government-led, war-like industrial and economic mass mobilization effort can potentially transform our global society to help avoid global catastrophe. But to do so the impacts on corporate real estate and the design and construction industries would be profound. Initiatives would entail eliminating carbon emissions, greening the energy grid, encouraging a shift to electric vehicles and mass transit, densifying existing cities and retrofitting the existing building stock.

Rather than simply addressing environmental sustainability, companies need to create high-performance spaces that generate their own energy, treat their own water, and prioritize human health and wellness.

The incorporation of biophilia and authentic, natural elements into high-tech work environments mitigates the negative impact of stress and enhances the well-being of occupants.

Circularity is created when we take materials and elements from an existing space and give them a new purpose, leading back to the point from which they originated. When reclaimed or repurposed materials are given new life, we create a link back to our heritage and legacy while contributing to a more sustainable future.

3. Under-utilized, inflexible office space

- using the space we have effectively
- purpose of place
- creating compelling spaces people want to be in
- enabling more rapid change than a typical 10-year lease terms allow
- sharing economy

- space fusion
- economic pressures

Our new mobility will challenge employers to create compelling spaces that draw people to them and offer benefits, access or amenities that convince them to stay.

The emergence of the sharing economy has created a new reality – access is the new ownership. Just as people don't need to own a car anymore, companies don't need to own all the services and amenities they offer their teams. Why have an expensive, large, under-utilized gathering space on every floor when you can share one with others in the building or the extended community that has all the bells and whistles, all the latest technology and someone that knows how to use it at your service and all you need to do is pay for it when you need it. In the age of the sharing economy we need to be smarter about what we need to own and what we just need access to.

4. Social inequity

- Humanity
- Neurodiversity
- Racial, regional and social economic divides

We are living in a time of increased numbers of neurodivergents and awareness about ADHD, Dyslexia, Autistic and others neurological states. In fact, 1 in 8 people are considered neurodiverse but fewer than 50% know it. Neurodivergents tend to be high energy, out of the box thinkers, excel in a crisis, and be bold problem solvers, but navigating the modern workplace can be a challenge. Not only is designing space to be inclusive the right thing to do, there is a compelling business case for it as well. Space today needs to reflect the diverse makeup of organization to set all up for success.

Neurodivergent thinkers often have a heightened response to how a space is designed, be it the temperature, lighting, air quality, noise, overall sense of security, or a combination. But in the era of COVID-19, we all have a heightened sensitivity, specifically to touch and proximity.

5. Social connection yet safety

- creating space where we, as social creatures, thrive when we are together
- provide balance, options, choice and control
- prospect and refuge
- culture

We are social animals. We thrive on being together. But as a global community, we are now all embracing the concept of social distancing to prevent the spread of COVID-19.

One consequence of distancing is that many of us are now experiencing feelings of isolation, loneliness and cabin fever. While remote working is proving to be a viable alternative for some people, it lacks the important social and collaborative aspects found in the workplace. And let's be real, who among us doesn't yearn for the day we can return to the office and a sense of normalcy?

We are human. We are social animals. We thrive on being together. But as a global community we are now all embracing the concept of 'social distancing' as a way to prevent the spread of COVID-19. Many will experience a feeling of isolation, loneliness and cabin fever. Some can't wait to get to the office, not just for work but the social aspect of being together. Others are realizing that working remotely is viable and for some, it might actually be beneficial if not preferred.

We also need to address the need of safety within the workplace and create opportunities for prospect and refuge. Enabling clear vistas and areas to retreat into is critical to make those that have been through some form of drama or distress feel at ease.

6. Rapid evolution of technology

- Virtual Reality, Augmented Reality
- automation, AI balance of man and machine
- biometrics
- robotics
- augmentation
- holograms

Technology is the biggest disruptor today. Sixty percent of business leaders said they struggled to respond to disruption and only 21% of them believed they had the internal expertise and talent to deal with disruptive technologies.ⁱⁱ Companies that proactively embrace new technology and digital transformation have a 50% higher return on investment than those doing so reactively.ⁱⁱⁱ Emerging technologies have the potential to reshape how we approach work and the design of the workplace and position savvy companies with a distinct competitive advantage.

When it comes to embracing technology for the sake of progress it's important to remember the words of Stephen Hawking, *"Our future is a race between the growing power of technology and the wisdom with which we use it."*

Today's emerging technologies will have an impact on work, the workforce and the workplace. Be it targeting CAPEX expenses and reducing the need for owned, fixed assets or reducing OPEX, but providing ways to be more efficient and effective via tools or automation. Technology can also help improve the human experience and leverage machines to do the routine mundane task while freeing up people to focus on higher value or more rewarding pursuits. Future work will likely be the balance of man as the "art of work" and machine as the "science of work." In that scenario man will focus on judgment, emotional intelligence, empathy, ethics, social context and doing the right thing. Machines for their part will focus on computational capabilities, data analysis, pattern recognition, and what is the logical thing to do.

We have the ability to do so much more in the workplace and to create an autonomous environment and improve the user experience. The COVID- 19 pandemic will impact us in ways none of us can fully realize or understand now. But one thing is almost certain, people will no longer view the workplace the same way as before.

One aspect that is sure to change is how we approach high-touch areas of the workplace. The desire, if not need, to reduce the number of touch points in our work environments could be the first factor that leads us to truly autonomous, hands-free environments.

In this new scenario we'd leverage the technology already available to create spaces that are responsive to us instead of us having to respond to them. These solutions will no longer be "luxury" solutions but rather essential requirements of the modern workplace. Why? Because the cost to create hands-free solutions enabled by technology is minimal compared to the price of having to shut down a business due to contamination or illness.

7. Shift from productivity to innovation

- silo-busting
- divergent creativity

Speed. Complexity. Need to innovate. These are all things companies are grappling with today. So how do we enable organizations to embrace disruption and innovate? As we shift away from "*incremental productivity*," where it's about things faster, better, and cheaper, a new model is emerging. "*Divergent creativity*" leverages ideation and co-creation to drive to more game-changing creations that break through boundaries. The "democratization" of meeting where everyone can contribute, leading to inclusive ideation and speed to innovation. This approach to working requires a renewed focus on teamwork. People working in teams innovate faster, achieve better results and report higher job satisfaction accordingly to a recent Steelcase report.^{iv} But we also need time to be mindful,

so we can get to deep meaningful thoughts, so we need to create environments that provide a balance of team and individual settings. After all, ideas often originate when we are alone ... but they germinate when we are together.

“Silo syndrome” exists when teams have inadequate information, insufficient accountability or a lack of coordination—hindering their ability to act. One of the lessons of COVID-19 is that in time of crisis we have the ability to make quick decisions and act accordingly. “Necessity is the mother of invention.” The stay-at-home orders forced everyone out of their silos and put everyone on equal footing. Many noted the access to leaders improved during the past several months as decisive action and communication was imperative to navigate through the COVID-era. Now many of looking to retain the ability to make fast decisions and avoid the creation of new silos that may emerge during these times of physical isolation. The age of digital transformation is blowing up silos and their associated complex structures in favor of nimble organizations that embrace cross-disciplinary teamwork, creativity and divergent thinking. The workspace can aid in breaking down barriers and enabling meaningful gatherings.

“If you want to go fast, go alone; if you want to go far, go together.” - Vanessa Van Edwards

8. Cleanliness

- inherent cleanliness and durability
- reduce touchpoints
- ease of cleaning
- opportunities for improved hygiene

As we return to the workplace, we must be proactive and create healthier environments with reduced opportunities to transmit germs and viruses. This will be a change from “business as usual.” But “business unusual” won’t seem so strange after we all adopt these safety measures.

Enhanced cleaning protocols will be an essential component for a safe return to offices. That will likely come in a variety of forms including disposable desk pads, clean desk policies that allow surfaces to be properly cleaned after use, reducing elements at work points that require cleaning, limiting touch points, and shielding, amongst other strategies. There will also be an increased need for access to hand washing opportunities. Companies are also reviewing material specifications to include anti-microbial treatments and ensure surfaces and furniture are bleach cleanable.

9. Need to upskill/ retain workforce to keep them relevant over the course of their careers

- embed life-long learning opportunities
- enable mentoring and transfer of knowledge
- different tasks require different spaces
- enable both in-person and remote collaboration

We are entering an era where continuous improvement and life-long learning will not only be sought, it will be necessary. There is a need to upskill the abilities of the current workforce to be more prepared with the right skillset to meet the job demands of the future. Under or unemployed individuals will be looking for ways to reskill themselves to be more viable candidates for higher-paying jobs. These people (both students and people in the existing workforce) will likely be seeking a combination of online learning and convenient learning centers to meet those needs.

The New Ecosystem of Work

1. **HUB** - The heart of the organization. The physical embodiment of the culture and the place where staff come together to connect with each other and clients. The hub serves as an engagement center and innovation hub.
2. **SPOKE or SATELLITE** - Serves as a place where staff can come together in a casual atmosphere to connect primarily with colleagues and clients. This space also serves as a gathering space and individual workspaces for those not needing to be at the Hub and seeking more than the home environment may offer.
3. **HOME** - Remote work capacities for those that either can't or choose not to come into a centralized location. These spaces serve as a place where staff can do heads-down concentrative work, focus or remote into virtual meetings when a physical presence is not required.

Call to Action:

We need to embrace the opportunity to address the disruption being brought forth and proactively rethink how we can best serve our clients, companies and the workforce. We need to innovate and evolve. If we fail to seize the moment and realize the shifts in the market and user demands that were already occurring and are on the horizon then this might be our Kodak moment.

RESOURCES

ⁱ Steelcase WorkSpace Futures research - Competing in the Post-COVID Era

ⁱⁱ "The Beauty of Disruption," BCG.

ⁱⁱⁱ "The Beauty of Disruption," BCG.

^{iv} <https://www.steelcase.com/teams/>