Image: Cresa Headquarters

Fostering the Office Employees Actually Want to Use

By Craig Zodikoff and Gillian Baikie

> **How might the existing work environment be re-imagined, pulling employees out of their remote settings and back into the office?**

As companies start to put teeth into their return to office (RTO) strategies, tying attendance to reviews and emphasizing how visibility contributes to a better career path (a/k/a If you don't show up, you won't move up), employees are still pushing back. Employers are being asked for a value proposition in exchange for the expectation of attendance. This question becomes particularly tricky when managers are supervising disparate groups of employees, many of whom have scattered during the pandemic to lower cost suburban communities. In some cases, they have left the state altogether. So, what makes the commute worth it?

As a tenant advisory firm, Cresa asks employees how they work from home, and where. For many, they start the day at a desk, then move around the house, likely spending hours in an easy chair or at the kitchen table. They behave in many ways like the internally mobile office employees of the pre-pandemic. Until 2020, companies were touting neighborhoods, soft seating, library space, and open desking as the solution that tied together productivity and wellness. So what is preventing companies from taking this model in which they heavily invested pre 2020 and asking their people to simply use the darn thing? The answer is in applying the elements that already exist, but with more intentionality. Meaning, many organizations are paying closer attention to the comforts of working from home and incorporating them into their office design while raising the bar. Words like "hospitality suites", or "clubhouse" are being used. Think about what brought you to trudge through the snow or rain to your university library? What is your favorite chair at home? What does your Pinterest dream living room look and feel like? Which airport club has the right mix of energy and quiet when you travel? These are all places where you sought to work.

Picture this: sofas, bench desking with low partitions, uber private cocoon chairs all enveloped in a pleasing moody color palette and soft lighting. Conference / team rooms can offer a variety of configurations from traditional conference room tables, to split tables, to sofas, ottomans and white boards on wheels. The common feedback from employees within these environments is, "this is what I wish my house looked like".

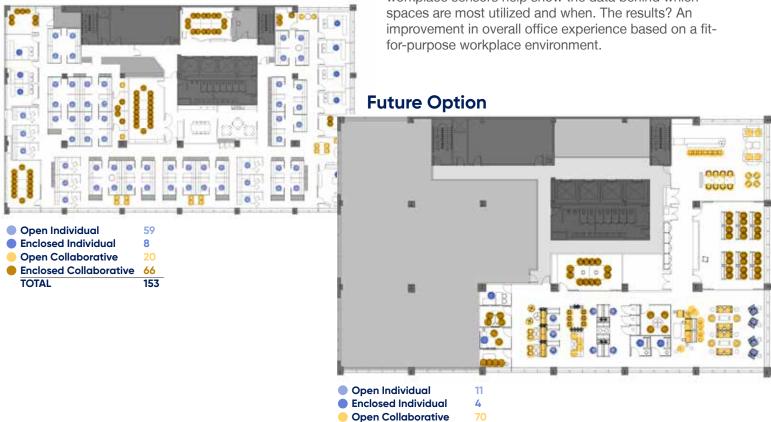For one Non-profit client, an in-depth study and future of work analysis helped solidify their approach to hybrid work and spurned the need to re-think their office space. This organization embraced remote work and identified employee homes as the most appropriate place for individual work to occur. At the same time, they committed to their physical office space as being the best place to gather and fulfill their externally facing needs. With this strategy, they reduced their individual employee square footage significantly while intentionally increasing their shared and communal spaces designed to foster collaboration, learning and development and hospitality functions. Their new workplace paradigm incorporated amenities, space types, and furniture that matched their workplace's purpose. The financial savings from less square footage will allow the organization to re-invest into other areas that support their mission and team.

Cresa in our own offices decided to test drive this concept in its new Chicago headquarters. The Green Street location was selected since the building was in a vibrant area with an abundance of food options (another key component to encourage commute). The common amenities of the building included a spectacular roof deck with an open fireplace, a glass enclosed basketball court, a gym and event space. Cresa's own office mimics the vibe of the building in its earthy color palette, brown leather sofas, comfy chairs, and small gathering tables with a huge coffee bar. Desks are interspersed along the window line with intermittent soft seating. The first impression is more like a private club or Starbucks Reserve than a real estate firm. Company badge data suggests that utilization improved materially, and active workplace sensors help show the data behind which spaces are most utilized and when. The results? An improvement in overall office experience based on a fit-for-purpose workplace environment.

Current

🔵 Open Individual	59
🔵 Enclosed Individual	8
🟡 Open Collaborative	20
🟠 Enclosed Collaborative	66
TOTAL	**153**

Future Option

🔵 Open Individual	11
🔵 Enclosed Individual	4
🟡 Open Collaborative	70
🟠 Enclosed Collaborative	50
TOTAL	**135**

Image: Cresa Client/TradeDesk - Lounge

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By reconsidering that "work" in a workplace may not always be occurring at an individual's desk, the possibilities for choice and variety are introduced into the mix. So how do you program for this approach? In the context of workplace design and strategy, "workpoint" is often used to describe a flexible workspace that features power and Wi-Fi to accommodate work activities and preferences. It emphasizes the idea that work can occur in different locations within the office environment, rather than being confined to traditional desk-based settings.

The math behind this may be less simple than the math of real estate days gone by. For example, in the past, if a company had 200 employees, benchmark data for SF per person would lead you to believe that you needed 30,000-40,000 SF. This math however assumed that employees were working from the office and space types were programmed without much variance.

Image: Cresa Client/Indeed - Common Area

Looking at workplace design through a more strategic lens, the focus shifts from traditional square footage per person to a more calculated consideration of workpoints. Workpoints encompass various flexible workspaces ranging from a soft chair and ottoman to a desk. Programming for this approach involves identifying different workpoint types, assessing work patterns, considering technology requirements, understanding goals for promoting collaboration, balancing privacy and transparency, supporting well-being and comfort, and continuously iterating based on feedback. Some organizations begin with a pilot study approach before a major commitment is made. By prioritizing flexibility, choice, and employee well-being, organizations can create a dynamic and responsive workplace environment that enhances productivity, collaboration, and overall satisfaction.

What does this look like in a workplace setting? In one case, a government agency is currently assessing their space against evolving work patterns in order to determine "where should we go from here?" For this organization, their space data might suggest they were out of space in their building to accommodate their full headcount, however, with utilization patterns in the 20-25% range, they were acutely aware of the large gap that occurs in a space's supply and demand model depending on if you are looking at seating capacity, or actual utilization.

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As this government agency identifies the best scenario, they are considering how a largely underutilized space on one floor might be re-purposed and made rich with comfort and amenities to better support the way their employees are now working. A space that once featured approximately 40 assigned spaces for individuals (40 workpoints) can be redesigned to reflect more of a co-working atmosphere with a variety of space types. With this redesign, the same square footage can accommodate 80 or more individual workpoints offering the ability to choose more open and collaborative options, or private, enclosed spaces.

Once directions are determined and these new spaces come to life, the challenge of helping people adapt, engage and utilize spaces in new ways is also part of the recipe. It's easy to forget that human behavior may be a hurdle when new innovations arise. It takes time for people to adapt to the new, even when benefits may be clear. Think back to life before ride share apps. The cultural mindset change that had to occur that no longer made getting into a car with a stranger from the internet a terrifying thought didn't happen overnight.

The ability to complement new workplace initiatives and modifications with a structured change management plan can decidedly be the difference between successful adoption or resistance.

As with any solution, this is not a one size fits all. Many companies want and need more traditional open office spaces, including one-to-one, dedicated seating. This is particularly true for younger companies who have yet to build a culture and a solid business foundation. Established companies often still feel that productivity may be better served with a more structured environment. For others, however, the culture of their industry demands flexibility and yet there is risk. While working from home is here to stay, to separate the organization entirely from the employees through a lack of an enforced RTO policy has the effect of reducing employees to their tasks. Recent research suggests that among white collar workers, fully remote employees are 35% more likely to be laid off than those who show their face. [1] Proximity bias is real. Technology tools certainly help mitigate this, but in person attendance on a regular basis not only promotes visibility, it gives people a sense of belonging, which ultimately is good for everyone. A sound real estate strategy coupled with a gravitational pull to company culture is the answer. The solution is part residential, part corporate, part change management, and candidly it isn't that onerous to pull off with the right plan.

[1] Source: Live Data Technologies as sited in Bloomberg, WSJ, January 2024

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