CoreNet Global Research

How Emerging Work Strategies are Changing the Workplace.

Steelcase
Why do the survey?

To understand:

- the degree to which real estate portfolios are likely to change, and what are the key drivers
- how closely linked alternative work strategies are to real estate compression trends
- the adoption levels for alternative work strategies and what the challenges are for implementation
Survey Statistics

- **Survey was launched March 2011**

- **Over 100 respondents**
  - Survey includes end users and service providers
  - Wide range of industries
  - Mostly from North America and Europe
Who Participated?

How would you describe your role in the industry?

Over 75% of respondents are headquartered in North America.
Who Participated?

What best describes your industry?

How many employees?
Key findings

• Most companies implemented an AWS starting in 2005 followed by 2009. It is estimated that about 16% will implement an AWS in 2011.

• Companies have always viewed AWS as a viable way to control costs, the current economic downturn is influencing a high adoption rate.

• Cost reduction and productivity were the two highest reasons for making these decisions followed by attraction and retention.

• Home office, mobile work and hotelling continue to be the methods companies are using to reduce real estate.

• Most companies reduce their real estate portfolio by 6-10%.
Q: What percentage of your office workers are knowledge workers?

- 0-25%: 20
- 25-50%: 25
- 50-75%: 20
- 75-100%: 15
- Unknown: 5

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Q: What percentage of your office workers are transactional workers?

- Unknown
- 0-25%
- 25-50%
- 50-75%
- 75-100%
Results

**Q:** What is the average net usable square footage per employee?

**Q:** How much do you intend to reduce this number this year?
Q: What year did you implement AWS?

Q: Which strategies are you using?

- Home Offices (working from the home on a part-time or full-time basis) 85%
- Mobile Work (consistently using multiple spaces/places to accomplish work) 78%
- Hotelling/Free address work spaces (non-assigned offices that can be reserved) 73%
- Telework (equipping employee’s home with needed technology and expecting them to work from home on a permanent, full time…) 51%
- Satellite Office Space (a smaller office used by employees that live nearby) 23%
- Other, please specify 5%
Q: What are you using the space saved by AWS implementation for?

- Reconfigured to accommodate team spaces: 57%
- Sold/Moved to a smaller more efficient space: 48%
- Subleased/rented: 44%
- Reconfigured to accommodate alternative settings (café, meeting spaces, etc.): 41%
Q: Our initial target reduction in our overall Real Estate by using AWS was...

Q: As we have grown in our understanding of AWS we believe our initial reduction rate was....
Q: Is there a formal process to determine eligibility?

- It's open to anyone pending agreement with manager: 58%
- There are only specific departments or groups who are eligible: 31%
- It's open to anyone in a very unstructured way...very few limits...we expect people to manage themselves in this regard: 16%
- It's open only to people in our formal AWS program: 8%

Q: Our structure is such that we have team members distributed in different locations such that they are not regularly together?

- Yes: 87%
- No: 13%
What percentage of your employees are covered under your AWS approach?
What attracts these AWS employees to the office?

- Office is best place to interact with colleagues
- Office provides access to technology and tools that I need (i.e. projectors, large marker boards, project rooms)
- Only go into office for team meetings (less than 1 per week)
- Required to come into the office multiple days per week
- Required to come into the office at least one day a week
- New to the position and need to be mentored
- Never go into the office
Q: What percentage of the time do employees spend working with distributed teams overall?

26% said 21-30% of the time employees work in distributed teams.
Q: What is your average sharing ratio of people to seats?

49% of the organizations still have 1:1 ratio
AWS Results

- **Q:** Why does your company support working in alternative locations away from the office such as a coffee shop or library?
Q: Why don’t you support it?

- 25% Does not support company culture
- 25% Confidentiality of company data
- 38% Technology limitations
- 12% Workplace collaboration
- 12% Employees need close supervision
- 62% Other, please specify
Q: What is the most important consideration when making real estate and workplace decisions?

- **Efficiency/Cost Reduction**: 48%
- **Effectiveness/Productivity**: 28%
- **Geography**: 13%
- **Reinforce Culture and Brand Objectives**: 10%
- **Employee Attraction and Retention**: 9%
- **Environmental Sustainability**: 2%
- **Wellbeing (Work/Life Balance)**: 2%
- **Generational Diversity in the Workplace**: 1%
Q. What is the least important consideration when making strategic real estate and workplace decisions?
Q: When considering “Geography,” what factor is most important in your decision making?

- Lower Cost Location: 47%
- Locating in Metropolitan Centers: 30%
- Proximity to Amenities for Employees: 15%
- Reduce Employee Transportation cost or time: 9%
Q: How important is a transitional/culture change initiative when planning a work space change?

- Not Important: 5%
- Somewhat Important: 19%
- Important: 28%
- Very Important: 48%

Q: If your company has used a transition/culture change plan, which resources were used to prepare and implement the plan?

- Outside architecture or design firm: 50%
- Outside consulting firm: 47%
- Outside human resources firm: 3%
- Internal organizational resources only: 33%
Concluding Thoughts

- Organizations recognize that there has not been adequate team spaces and have implemented AWS to provide more space for these teams to work together.
- Most organizations stated that the AWS may have started as a real estate strategy but quickly became an overall business strategy.
- Management in some cases is still resistant to allow employees to work anywhere based on historical precedence and entitlement.
- When implementing an AWS strategy it is very important to have a change management strategy.
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