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Reinventing Workplace: The Impact of Office Design on Business Performance

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Abstract:

In year 2003, a virtual survey was held by management today magazine in which 97 percent of respondents said that they regarded their workplace as a significant symbol even if they are or they aren't valued by their employer. Yet only 37 percent employers thought that their offices were designed with keeping their work people in their perspective, and others were just ashamed of their offices to bring back clients or colleagues. Like other gaps that occur in any other business, this is a much neglected gap which should get urgent attention in the boardroom and worry management. So why in the face of emerging international competition many companies still continue to dress themselves in rags in a country which must earn its living by its wits? The value of ways in which an office design can create for business through economy and improving performance of its people is inadequately understood. This is a very important and timely research towards a connection link between office design and business performance. This paper provides a map for challenges and opportunities addressing business design and accommodation needs and productivity in business. With insights to different design factors and elements affecting business performance, the paper tells about the encouraging collaboration and innovation learning from other sectors. The question is to evaluate the relationship between business performance and the design of workplace.

Keywords: Workplace design, Design factors, business productivity, branding elements, innovation

1. Introduction

The simple ideology behind better working environments is that comfortable people are more productive and efficient. People spend more than fifty percent of their lives working and living within indoor environments which not only influence their actions but also their skills, mental status and performance (Sundstrom, 1994). It is assumed that a better workplace results in better outcomes and increased productivity. Companies like Google and Facebook are known to be one of the best employers because of the working environment and office design they provide for their employees.

Exactly 100 years ago or so, in buffalo, New York; Frank Lloyd Wright designed a new office building for the Larkin company but he wasn't working on his own. His clients being the discoverer in rapidly expanding mail order business wanted a new office design building to increase their commercial success. They selected Wright as the best architect available who helped them redesign and reinvent the workplace taking advantages of the new ideas of management and technology with cautiously delegated self conscious managerial programme. In the architecture of this astonishing building each detail had a business purpose of supporting commercial plans and strategies, accommodating innovative work procedures, all round visibility and to communicate set of business values. Why aren't every office building in today's scenario as purposeful as Larkin? How did we get too separated and far from this brilliant example of using architecture as foundation or bedrock of business accomplishment to where we are today in world environment where cubes, boxes and network of irregular and twisting interiors had become allegory of bureaucratic frustration? Study of various literatures on various offices and workplace buildings indicated that the factors which play a major role in loss of employee's performance and productivity are physical environment, cluttered workplace design and dissatisfaction (Carnevale 1992, Clements-Croome 1997). Experts believe that the trend in job satisfaction can effect labor market which is important as if could make huge influence on employee turnover, performance, retention and absenteeism which depends on the capability of an organization or business to attract, retain and maintain competent and satisfied employment. Research on the relationship between business performance and the design of the workplace has generally begun from design variables and then has established some business and organizational consequences.

2. How the World of Work is Changing?

With the movement of computer from the basement to the desktop was a mark of workplace revolutionizing in the 1980s. At the same time the growing globalization of particular industries like professional and financial services was felicitated by new technologies with a coinciding demand to regularize patterns of space use. The scenario that leads to the rise of 'inventive architecture building' was the demand of the improved facilities management for the distributed intelligence of the ubiquitous desktop personal computer. To What extent the organization's tasks are predictable and in routine or unpredictable with variations is what defines the nature of work here. If the organization or business has more non-routine work, the more it needs the integration of different forms of skill and knowledge,

more networking and personal meetings. Whereas the businesses or companies with more of routine work tend to use conventional systems for maintaining control and rely on centralized information computing system than on distributed systems.

With the response to the realization that information technology was transforming global scenario including culture, technological, social and construction processes, a second workplace revolution was in the 1990s 'new ways of working'. With this transformation, the virtual world contributed a lot in reducing the need for synchronous communication and similar location offices to carry out tasks. Many innovations in the interior of workplace have been established in Europe since the mid-twentieth century which was influenced by various office philosophies and concepts that initiated a new developmental phase. Lev and Radhakrishnan made a claim in their paper for National Bureau of Economic Research that 71% of sales growth account due to investments in organizational capital. Erik Brynjolfsson at MIT in his work how certain work practices combined with technology investments produces the greatest gains. He describes these practices as: 1) Team-Working; 2) The work that requires local knowledge and interpersonal skills to be decentralized like sales and adjustments on the factory floor etc; 3) The work that is quantifiable to be computerized and centralized. Workplace design and company culture thus became progressively powerful tools which impacted the turnover within companies and information that employees and workers communicate in and out of the organization.

Factors that influence office design on business performance include:

- productivity of employees;
- motivation and retention of employees;
- knowledge and skills of employees;
- innovation and creativity in the workplace;
- response of business to organizational or technological change;
- assemble culture shifts;
- Optimization of total occupancy cost.

3. The Distinguishing Role of the Collaboration of Workplace Design and Business Productivity

The study done by Colins and Porras, on finding the reasons which differentiate successful companies from their less successful competition, describes some key features of companies that makes it capable to preserve a leading market position for a long tenure being referred as 'visionary companies'. It was suggested by them that these visionary companies transfer their ideologies into tangible mechanism in order to send consistent reinforcing signals. They tell that one of the principal measures adopted to make social cohesion strong by the leading companies is using office layouts designed to reinforce norms and ideals. A set of fourteen projects is described by Myerson and Ross (2003) which tells a story about a company and its brand experience through interior space journey. They state that through narrative office brand values become alive and not only does it act as a corporate memory receptacle but also gives its employees a constant visual to promote service ethos in their environment. Some examples describe branded iconography feature by the companies to a specific sector, be it use of billboards and wall screens on its wall at ogilivary and Mather's office in Los Angeles or less explicit but powerful decisions like making toilets at the cellular operations call centre. The interaction of space with staff creates a sense of identity and community within the organization. Ward et al outlined how creativity have pointed out the significance of access to objects, antiques, relic and figures as direct stimuli to creativity throughout the history" the British Airways is one such example where art and environment are introduced into the space to encourage creativity and their business reflection. The culture of an organization is strengthening by the expressing its core values and brand and space play an important role in encouraging and supporting this organizational change. However this achievement method is less clearly defined. The influence of property on the feedback from consumer perceptions to business income is poorly understood by the outside sectors such as retail. The area space that any business occupies communicates not only with the employees with also with the external parties, whether it is recognized and managed by the by business will or not, embracing both communication and branding. It is outlined by Romaniuk (2003) that anything that is encountered with the brand may become associated to its name as a memory becoming a part of that brand's image. Thus the real estate and architecture of any business organization by being visible and in conscious of the public can contribute to its image in the marketplace. As the general public becomes aware about the built environment, it becomes essential for an organization to communicate through its place to increase their brand. The publication of illustrated architectural guides to cities is expanding and this is an evidence of the growing interests of public in buildings, landscapes etc of the cities. The space that a company occupies provides a brilliant opportunity to communicate with the public whether seen when someone is driving down a street or on the cover of a magazine or newspaper. Real estate and architecture can help a business to remain in the mind of the public and also communicate right messages about their products and services.

4. Four Design Factors to Improve Productivity

The four design factors to discuss are part of an effectively designed workplace. These factors affect the physical environment of the office by improving one or more of the five insight measures to a productive workplace. The following figure 1 explains the direct relationship between these elements.

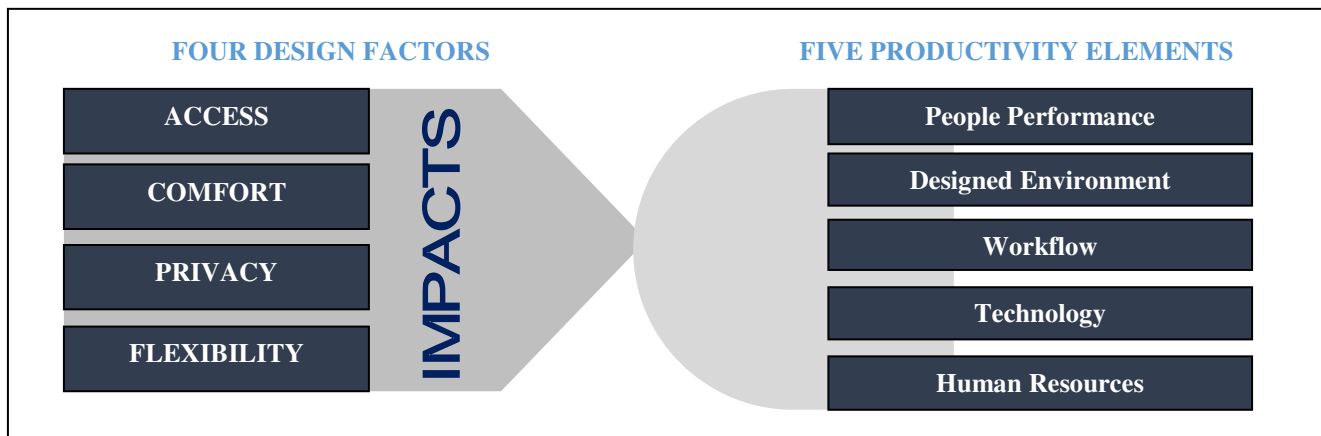


Figure 1: Relationship between design factors and productivity elements

DESIGN TO PROVIDE IMPROVED ACCESS – According to the book, *The Total Workplace: Facilities Management and the Elastic Organization*, by Franklin Becker it is mentioned that by eliminating communication barriers and providing meeting spaces collaboration access strategies can be facilitated to improve interaction and communication. He says spatial bonds can be used to overcome organizational barriers. Fritz Steele also adds in his book, *Making and Managing High Quality Workplaces*, that there should be maintenance of balance between access to people for communication and withdrawal for concentration. Steele also states that access to executives being aligned with management leadership styles is also important.

DESIGN TO PROVIDE MORE COMFORT – Stan Aronoff and Audrey Kaplan in their book, *Total Workplace Performance*, discussed the important significance of creating a comfortable and pleasant work environment. They explained how a simple strategy of reducing space cost assumes that decreasing the space allotted per person or spending less on accommodation does not affect work output. The link between workplace quality and employee productivity maybe difficult to quantify but it is nothing but a significant hidden cost. A business's effectiveness and improved employee morale are the contributions made by well managed facilities. These can be achieved by looking at accommodated ergonomic needs with comfortable and adjustable chairs and desk configurations; improving lighting, quality air, temperature control; and creating a more pleasant overall environment with high quality finishing. Office characteristics create obstacles such as noise disruption or poorly adjusted seating or sick building systems must overcome because if ignored can turn into an unrecognized costly burden that would compromise company objectives and drain productivity.

DESIGN TO PROVIDE SUFFICIENT PRIVACY – According to Steele giving employees options to whether they wish to work in an area that provides more privacy or the one which provides more stimulation is a very effective way to reduce stress and improve performance making it easier to deal with employee differences in sociability patterns. Providing an accurate level of privacy based on work tasks and reducing visual distractions can help in dealing with this objectives. Becker has rightly highlighted that privacy should not be on the status of the person rather it should be based on the nature of the work task to be accomplished.

DESIGN TO PROVIDE FLEXIBILITY – Francis Duffy explains in his book, *The New Office* that just like a business requires being flexible and change to survive it is also valid and important function for an office building to facilitate and accommodate change. Duffy stresses on the search of energetic new ways to provide ever changing organizations that have to respond to a highly unpredictable and unstable business environments. Flexible office designs help not only in improving productivity but also contribute in efficient communication and employee satisfaction while reducing stress as well as space cost. These can be done by designing workspaces and floor plans, plans for changes in teams and task processes etc.

5. The Elements of External Expression that Contribute in Business Branding

There are ranges of opportunities to communicate the expressions of a business which can be examined by refereeing to the building lifecycle model.

(1) SITE: highly valuable and meaningful (location)

One of the very important and common elements that office real estate has in common is significance of location. For a building that acts as a communicator to the stakeholders, it's site selection is a critical decision as it serves many important purposes like visibility of passerby that allows the organization's real estate to transfer a message they want the public to receive. For many companies, being located close to their competitor or peer organizations transfers a powerful message to saying that it too is a 'player' or a different substitute preference to do business with. The same case just like being close to competitors it is also very essential to be close to the customers as large distances to reach an organization might indicate that customer is not their first priority. Some stakeholders may receive messages about an organization without even having visited or seen the building in real life. The choice of location itself communicates and adds a meaning to the organization. To consider examples like Square Mile in London is recognized for finance and Harley Street for its medical care and The Left Bank in Paris is known for Art. The brand of the site becomes interlinked with the standing business when an organization chooses a site.

- (2) SHELL and SKIN: By taking a decision on the selection of the building form, the organization transfers messages about its corporate identity and values. The skyscraper for example is a representation of progress. Power and success and similarly the organization that decides to locate in a skyscraper relate itself with these characteristics. The building type that a firm chooses reflects its development and ideologies. Similarly the building skin also transmits a message. Considering a transparent building for example gives an opportunity for the passerby to see the occupants of the building working that transmits a very different message to an organization that occupies a building with an opaque skin.
- (3) SERVICES and SYSTEMS: sustainability information, services and systems generally conveys leading and dominant position of a business in terms of being environment friendly and in technology. Communication technologies and heating, cooling, also ventilation strategies are all opportunities for businesses to communicate with external stakeholders.
- (4) SCENERY and SETTINGS: ensuring that a business or organization has internal spaces give the accurate external expressions. Historical offices are those buildings that tell a story about a business or brand that have a promise to make the office environment a substantive tool in the business of brand distinction. The ability to navigate the space and design of lobby and reception space and even public meeting rooms transfers messages to visitors. Thus a lot of attention is paid by the external parties at the aspects of building at entry and arrival.

Lack of alignment between the internal and external expressions will result in creating negative impacts. The strategy of applying exceptional consideration to urban and architectural design has resulted in the corporate campaign for survival and transformation.

6. How can Design Encourage Collaboration and Innovation?

The connection between design and the potent use of office space in this new business environment is critical. Architecture and interior planning of design are powerful instruments of 'change management' that can create potential environment for new generation of workers. A well designed office can not only enhance work itself but also make most of the people, technology and effect culture. The workstations and the conference rooms aren't the only places where the work gets done. From workstations to conference rooms to canteen and cafeterias requires planning needs to be re-thought throughout. The workplace requires a certain amount of logic to make it understandable but at the same time the environment should offer a sense of adaptability and openness that allow people to communicate and brainstorm within general structure of their working day. To consider a coffee bar in a crowded high traffic area in an office is a space designed particularly for relaxation that is also useful for conversation and the intention of such spaces is just to stimulate something interesting. The informal meetings are simply useful in helping coworkers connect and create new ideas and insights, and a successful space planning considers providing collaboration spaces in all areas. The goal here is to allow people to come closer together to interact more often and not to eliminate privacy or prevent people from focusing on their work.

7. Learning from Other Sectors

The business sectors like retail, leisure and entertainment better understood the influence of property on matters ranging from consumer perceptions to business income generations where as commercial office sector has been slow to take these values to communicate with external parties. Nike, for example, when entered into retail, it built monuments and exhibition centers to itself. Nike town is not a retail outlet but a three dimensional expression of Nikeness. These industries present learning opportunities for the office sectors considering how they use space and architecture as direct mechanism for interacting with their consumers. External parties will only interact by seeing the outside of the building. In retail industry where fashion is a constant change driver, the value of client arises in the capability of the design to draw consumer attention into the store. This sector utilizes the space by picture projections to generate sales and enhance generation. The leisure and retail environments rely on their physical assets to enable direct communication and interference between the consumer and their business. The measurement of the performance of a this industry surroundings is easier as there is a direct relationship between the customer visits and financial results which would indeed tell how positively or negatively architecture space design is communicating contribution to the business success.

8. Conclusion

The expanding challenges and hidden unrecognized opportunities are forcing companies to look for improved ways to enhance productivity and efficiency. Thus, more and more number of companies rather than considering office facilities as an expense is focusing on the designed environment as an important component to upgrade workplace productivity. This conversion not only increase opportunities for the designers but also creates new level of demands and expectations. There are two important approaches that companies or organizations can use to develop productivity improvements that will meet current needs while contributing flexibility to accommodate future changes. The first is to blend design into strategic planning. The second is to aid companies modify their cultures by changing their work habits and surrounding work environment. It is also essential to merge and develop inclusive solutions with multi-disciplinary teams that at the same time redesign how and where people may work. We witness a shift of focus from tangible assets to human capital and intangible assets such as research and development (R&D), HR, marketing, innovation management and branding as most of the work is carried out in an organization moves towards knowledge transaction. As work becomes more scattered and distributed, technology will play a greater role by supporting mobility and ease in virtual working while individual office building becomes just one part of an organization's workspace. More understanding is required of workplace culture indicators to compare organization's cultures through analysis of unwritten stories, rules and opportunities. In this expeditiously

changing world of work, the connotations of linking office design with business performances are so profound that innovation and creativity designing is important in the ways offices are developed, designed or managed.

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