FLEXIBLE WORKPLACE BOUNDARIES

A study of added value of flexible office accommodation boundaries in organizations.

Sanjana Habib
4743881

Contents

Contents
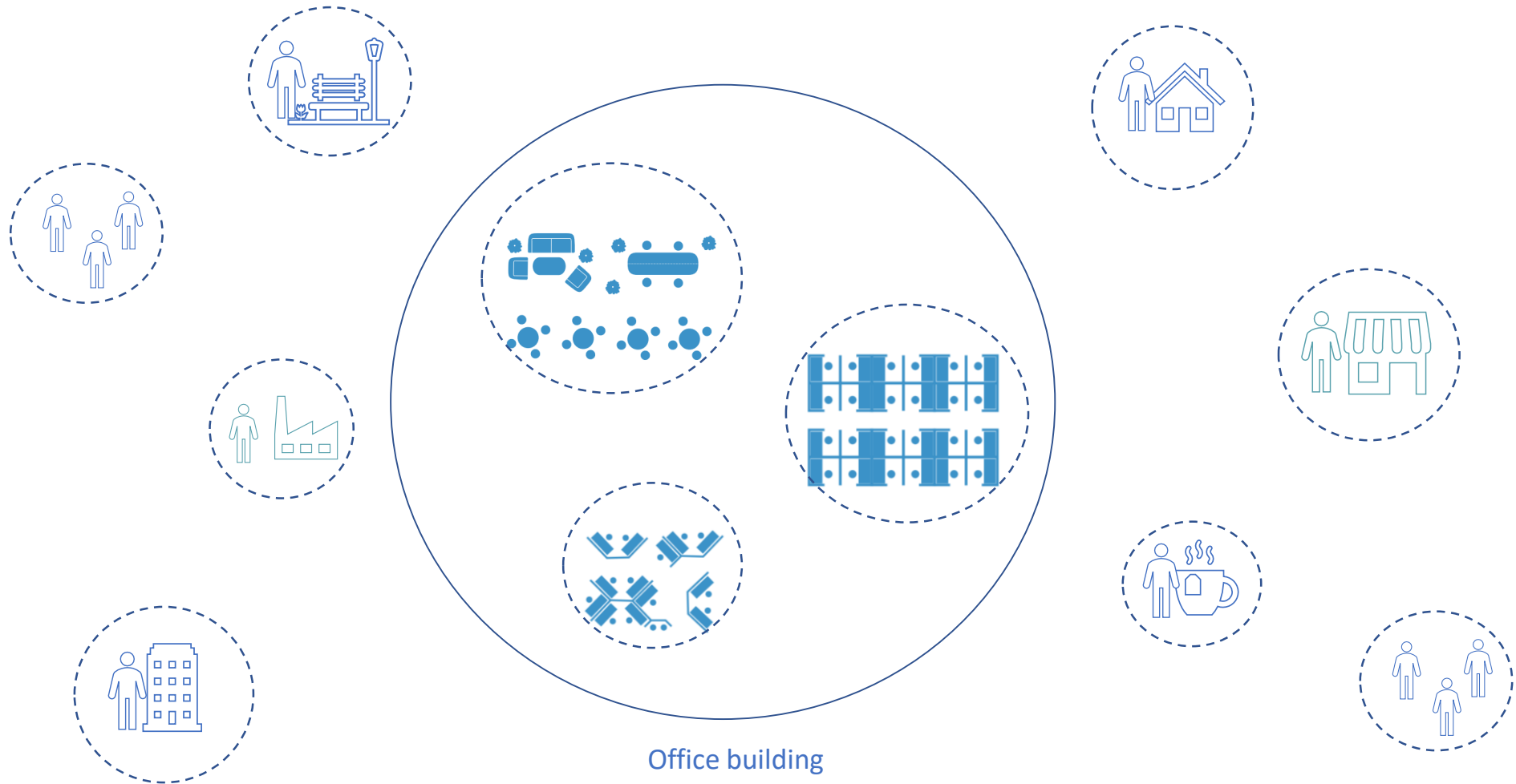
Introduction

Office building

1980's

1990's

2000-2010

Introduction

optimizing the workplace

reduced costs

enhancing the collaboration

increase in agility of employees,

increase in social interaction and

enhanced user experience

lack of privacy

Lack of hygiene

Difficulty in accessing colleagues

lack of social cohesion

(CoWork, 2018) (Van der Voordt & Jensen, 2017).

Contents

Introduction

Problem statement

Research methods

Analysis

Findings

Conclusion

Discussion

Problem statement

'Although the flexible workplace environment is gaining popularity among organizations, but the actual benefits or the added value of this flexibility is not known.'

The theories of corporate real estate management on flexibility can help identify and measure the added value of the flexible workplace.

Problem statement
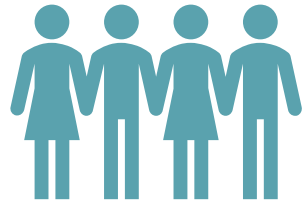
Societal relevance

- Contributes to sustainability.
- Reduced CO_2 emissions.
- Improved well-being of people.

Scientific relevance

- Scientific link.
- Benefits in further researches.
- Technology to enhance workplaces.

(Clarke & Holdsworth, 2017)   (Wessels 2017).

Problem statement

Main Question:
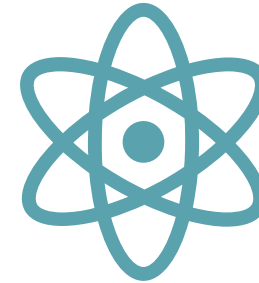
Does flexibility in workplace boundaries add value to the organizations?

1. What was the purpose of boundaries at workplace and how are the new flexible boundaries classified?
2. What are criterions used in the literature of CREM to measure the added value of flexibility?
3. Which are the most crucial added values considered by organizations and how is it valued within organizations in practice?
4. What are some of the challenges and risks of adopting flexible boundaries and how are these risks been mitigated by the organizations?
5. What are the factors that influence the success of flexible boundaries?

Contents

Research methods

Sub-quest 1

ESTABLISHING BACKGROUND STUDY OF BOUNDARY EVOLUTION
- Evolution of boundaries
- Classification of flexible boundaries

Sub-quest 2

IDENTIFICATION OF CRITERIONS TO MEASURE ADDED VALUE OF FLEXIBLE BOUNDARIES
- Types of flexibility in CREM
- Added value criterions

Sub-quest 3

ADDED VALUE CRITERIONS
Identification of criterions that are most valued in practice

Sub-quest 4

CHALLENGES
Challenges of flexible boundaries

MITIGATION
Measures used to mitigate the risk of these challenges in practice

Sub-quest 5

OTHER FACTORS
Factors that increase the effectiveness of flexible boundaries

CONCLUSION

MEASUREMENT TOOL

Type of Boundary	Place (external)	Space (internal)	Findings
Type of flexibility	Functional flexibility	Physical/ technical flexibility	
Added value			
1.Increase satisfaction			
2.Increase productivity			
3.Increase innovation			
4. Talent attraction			
5. Talent retention			
6. Reduce costs			
7. Sustainability			

(What)

Measurement framework (2 x 7)

Type of Boundary	Place (external)	Space (internal)	Findings
Type of flexibility	Functional flexibility	Physical/ technical flexibility	
Added value			
1.Increase satisfaction			
2.Increase productivity			
3.Increase innovation			
4. Talent attraction			
5. Talent retention			
6. Reduce costs			
7. Sustainability			

Sub-questions

Stages of research

Sub-quest 1 — What was the purpose of boundaries at workplace and how are the new flexible boundaries classified?

1.Background and identifying the boundary types

Sub-quest 2 — Which criterions are used in the literature of CREM to measure the added value of flexibility?

2.Developing the framework to measure the perceived added value

Theoretical studies

Data

Sub-quest 3 — Which are the most crucial added values considered by organizations and how is it valued within organizations in practice?

3. Most valued added values in practice

Sub-quest 3 — What are some of the challenges and risks of adopting flexible boundaries?

4. Challenges and risks

Case studies

Sub-quest 5 — How can the benefits of the added values on the organization's success be optimized.

5. Other success factors

Data

Surveys + Interviews + Websites and company documents

Findings from practice

Combining findings from practice and literature

Results (Findings)

Conclusions

(How)

13

Research methods

Theoretical research

Sub question 1

Sub question 2

Literature study

Insights on Flexibility with CREM, Evolution of workplace and the Variables are identified to measure the added value.

Empirical research

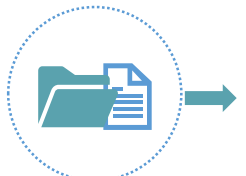Sub question 3

Sub question 4

Sub question 5

Interviews

- Semi-structured interviews conducted with professionals.
- To get insights on benefits, challenges and risks.

Surveys

- Structured questionnaire with mix of open and closed question.
- Data was collected to get insights from user perspective on impacts of flexible boundaries.

Primary data

Observation

•Company documents and sites are referred for data relating to background information of organization.
•Onsite observations are made regarding the workplace design, zoning and structure of the organization.

Secondary data

Theoretical study

Boundary creation
- Distintion
- Privacy
- Protection
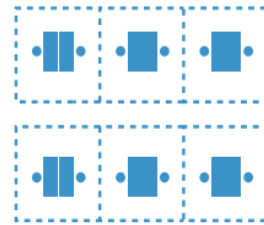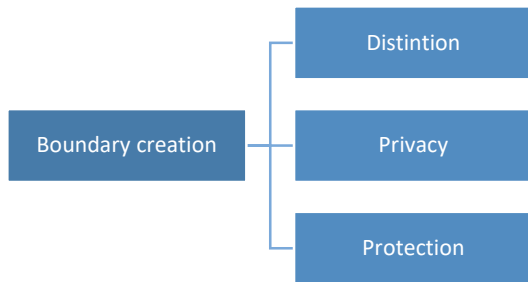
Original

Taylorist   early 1900s
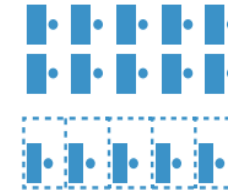
Corporate America   1950s

Bürolandschaft   early 1960s

Action Office   1968
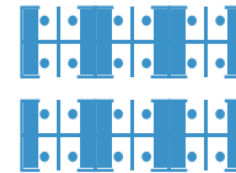
Cubicle Farm   1980s
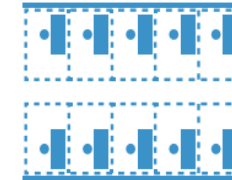
Cells
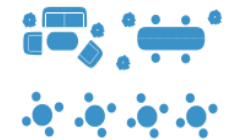
Casual

(Beals, A. 2012)

(Zerella et al., 2017)

(Liu et al., 2012).

Theoretical study

Boundaries of PLACE

- Distributed workplace
- Mobile working
- Agile working
- Home office
- Public space

Office building

Boundaries of SPACE

- Open layout office
- Collaborative spaces
- Co-working spaces
- Non-territorial office
- Hot-desking
- Activity based working

Different neighborhood inside the office building

Office building
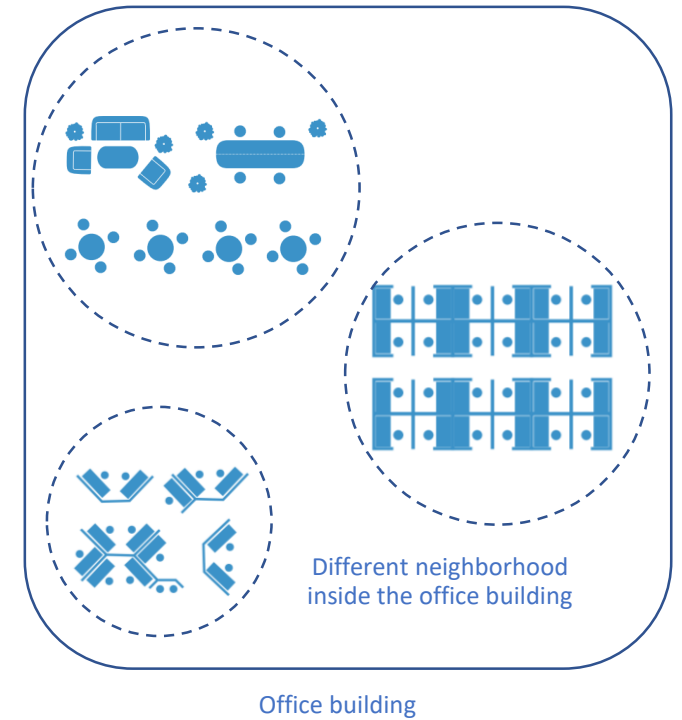
Theoretical study
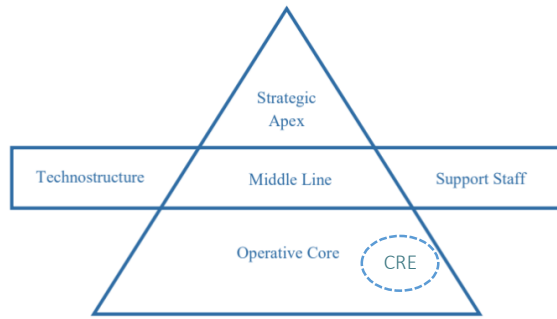
Structure of organization based on Mintzberg (1989)

Core = Physical flexibility

Middel periphery = numerical flexibility

Outermost periphery = functional flexibility
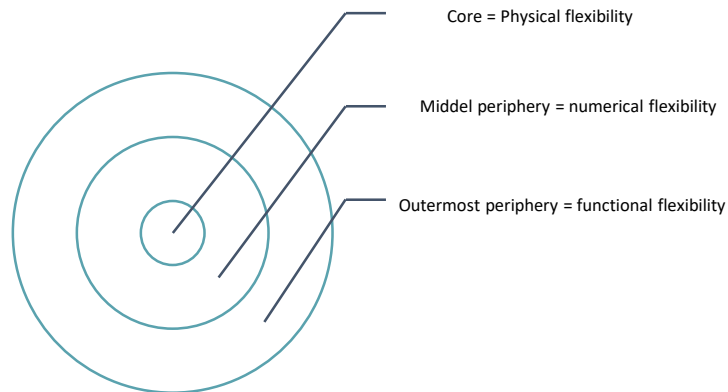
Illustration the relationship between portfolio level and flexibility (Gibson and Lizieri 1999).

Boundaries (Chapter 3.4)	Kind of shift due to flexibility (Chapter 3.4)	Examples	Type of flexibility (Chapter 3.6)
Place (External boundaries) (Vos, Meel, Dijcks, & Technische Universiteit Delft. Department of Real Estate & Project Management., 2000)	Central to dispersed locations	• Distributed workplace • Mobile working (Duffy, Laing, & Crisp, 1992) (Watad, 1999).	Functional flexibility (De Jonge Den Heijer., 2004) (Virginia Gibson, 2001) (De Jonge Den Heijer., 2004)
Space (Internal boundaries) (Vos et al., 2000)	Closed layouts to more open layouts Personal to shared	• Open-office layout • Non-territorial workplace. • Hot-desking. (Brunia & Hartjes-Gosselink, 2009)	Physical/ technical flexibility (Virginia Gibson, 2001) (De Jonge Den Heijer., 2004)

Relationship of components from the theoretical research.

"the alignment of the real estate portfolio of a corporation or public authority to the needs of the core business, in order to obtain maximum **added value** for the business and to contribute optimally to the overall performance of the organization"

(G. Dewulf et al., 2000).

Added value = Benefits – Sacrifices as perceived by customers

(Nourse & Roulac, 1993)	(Bradley, 2002)	(Lindholm, 2008)	(de Vries et al., 2008)	(Heijer, 2011)	(Jensen et al., 2012)
1993	2002	2008	2008	2011	2012
Promoting HRM objectives	Stakeholder perception (employee satisfaction)	Increasing employee satisfaction	Increasing satisfaction	Supporting user activities	Satisfaction
Capturing real estate value creation of business	Financial health	Increasing the value of assets	Expanding funding possibilities	Increasing real estate value	___
Flexibility	Organizational development	Increasing flexibility	Enhancing flexibility	Increasing flexibility	Adaptation
Facilitating managerial process and knowledge work	___	___	Improving culture	Supporting Culture and stimulating collaboration	Culture
Promoting marketing message	___	Promoting marketing and sales	Supporting image	Supporting image	___
Facilitating and controlling production, operation and, service delivery	___	___	Controlling risks	Controlling risk	Reliability
___	___	Increasing innovation	___	Stimulating innovation	___
___	Productivity	Increasing productivity	Increasing productivity	Supporting user activities	Productivity
___	Environmental responsibility	___	___	Reducing the footprint	Environmental
Occupancy cost minimization	Cost efficiency	Reducing costs	Cost reduction	Decreasing costs	Cost

Theoretical study

1.Increase satisfaction

2. Increase productivity

3.Increase innovation

4. Talent attraction

5. Talent retention

6. Reduce costs

7. Sustainability

(Nourse & Roulac, 1993)   (Bradley, 2002)   (de Vries et al., 2008)   (Heijer, 2011)   (Jensen, Voordt, & Coenen, 2012)   (Lindholm, 2008)
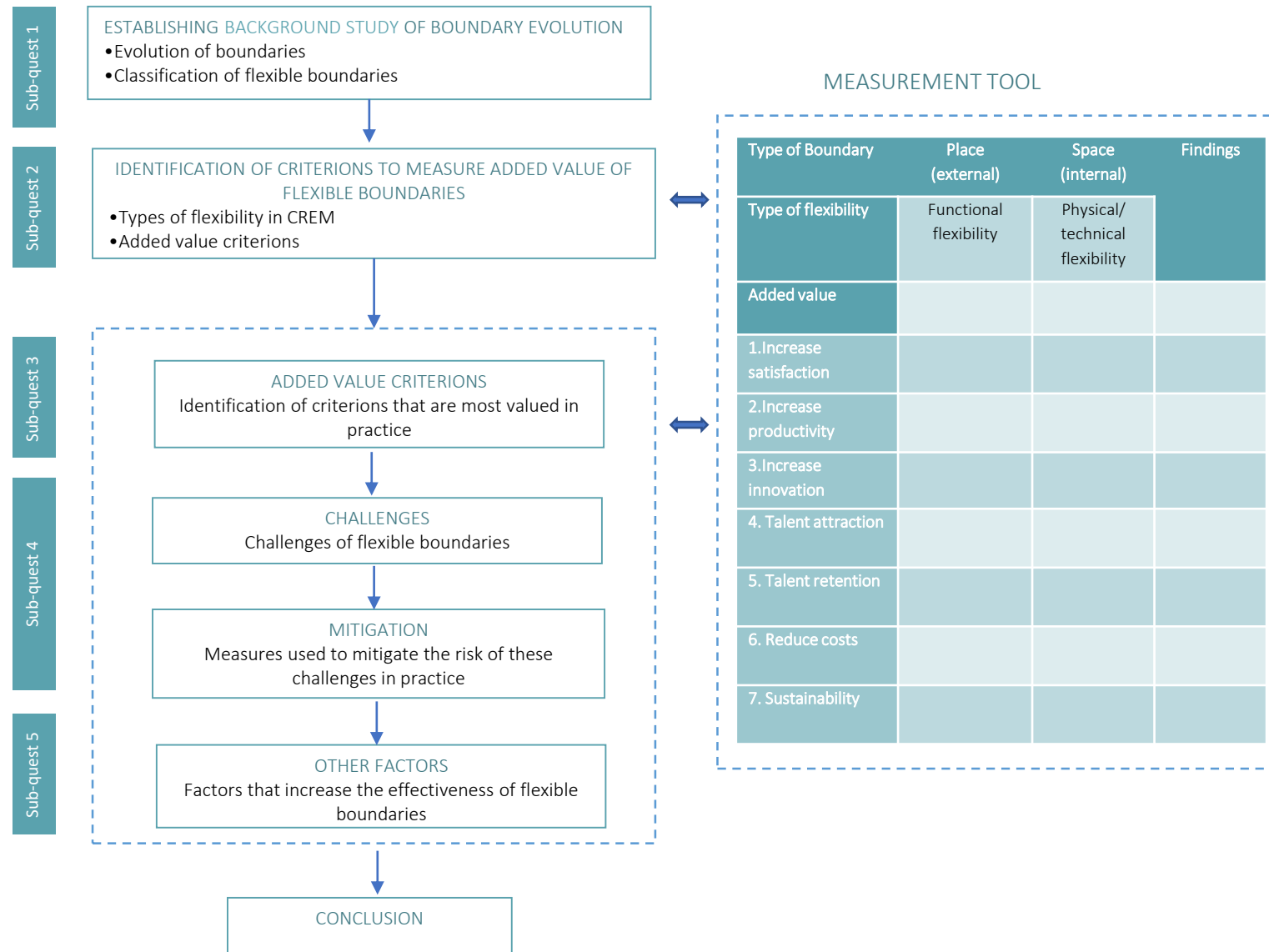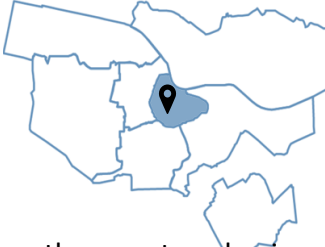
PwC

JLL

Overview of selected cases

Company name	JLL (Jones Lang LaSalle)	PwC (PricewaterhouseCoopers)
Industry	Real estate	Professional services
Founded	1999 (Jones Lang LaSalle)	1998 (PricewaterhouseCoopers)
Headquarters	Aon Center in Chicago,	London, United Kingdom
Area served	Worldwide	Worldwide
Revenue	$16.318 billion (2018)	US$41.3 billion (2018)
Total Number of employees	88,000 (2019)	250,930 (2018)
Number of employees in Netherlands	400	5000
Number of employees in Amsterdam office	Approx. 200	
Interview and Case study location	Amsterdam, Netherlands. Located in the center business district of Amsterdam, within walking distance from the railway station.	Amsterdam, Netherlands Located in Amsterdam Nieuw-West the westernmost neighborhoods of the city. The office premises consist of tall high-rise buildings within their campus.
Building type	High-rise, 8th and 9th floor.	Own company campus
Type of flexibility offered.	Flexibility of place (remote working) Flexibility of space (Non-assigned desks)	Flexibility of place (remote working) Flexibility of space (Non-assigned desks)
Company culture	JLL believes strongly believe in teamwork, ethics and excellence.	The core to the business is how the firm values and promotes "difference by building an environment where everyone can be themselves

Case study

PwC

Office Features

- Transformed traditional cellular office spaces into an innovative open and generic environment.

- Design focus was based on housing concept for activity based working

- Each floor consists working zones that support and facilitate collaborative, communicative and concentrative tasks.

- Mix of spaces

- Freedom to choose workplaces that suits accordingly

Case study

Office Features

- The design concept is based on 'the city within'. Just like the city the JLL office consists of several neighbors and areas for various activities.

- Mix of spaces

- The office has various informal and formal areas.

- The goal of the workplace is that it should facilitate all the needs of all the different departments within their organization and encourage collaboration between the departments.

JLL

Contents

SURVEY RESPONDENTS AVEARGES AT PWC

LEVEL TO WHICH THEY AGREE TO 5-STRONGLY AGREE
1-STRONGLE DISAGREE

Bar values: 3.6, 3.4, 3.6, 2.6, 3.7, 3.7 (Flexibility of place - Remote Working)
4, 3.9, 3.3, 2.9, 3.2, 3.6 (Flexibility of space - Non-assigned desks)
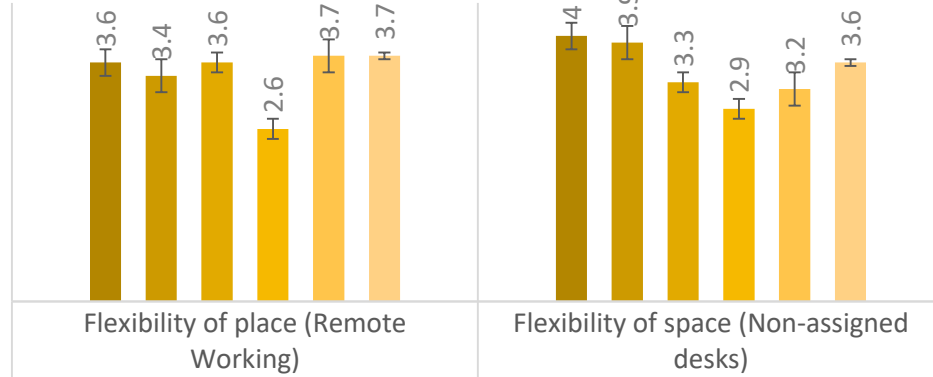
	Flexibility of place (Remote Working)	Flexibility of space (Non-assigned desks)
Satisfaction	3.6	4
Productivity	3.4	3.9
Innovation	3.6	3.3
Attraction	2.6	2.9
Retention	3.7	3.2
Overall impact	3.7	3.6

SURVEY RESPONDENTS AVEARGES AT JLL

LEVEL TO WHICH THEY AGREE TO 5-STRONGLY AGREE
1-STRONGLE DISAGREE

Bar values: 4.1, 3.9, 3.1, 3, 3.6, 3.9 (Flexibility of place - Remote Working)
3.9, 3.9, 3.5, 3.3, 3.8, 3.9 (Flexibility of space - Non-assigned desks)
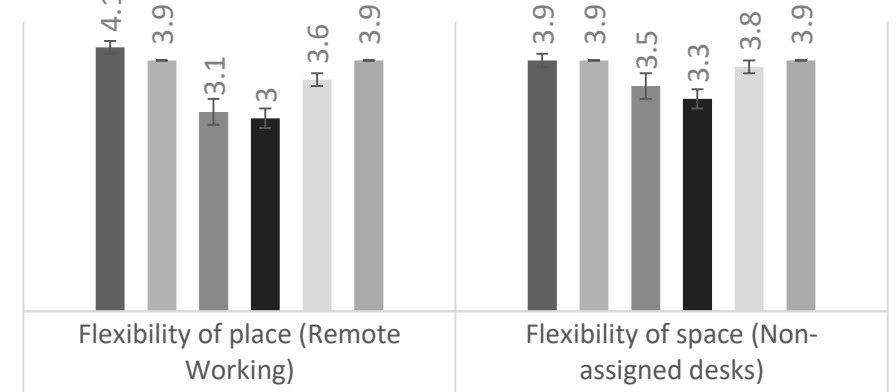
	Flexibility of place (Remote Working)	Flexibility of space (Non-assigned desks)
Satisfaction	4.1	3.9
Productivity	3.9	3.9
Innovation	3.1	3.5
Attraction	3	3.3
Retention	3.6	3.8
Overall impact	3.9	3.9

- Increased satisfaction and retention due to better work-life balance.

- Not necessarily increases productivity in remote working due to the fact that nowadays most organizations provide flexibility.

- But increased in ABW due to increased collaboration.

- Employees not aware of the flexible arrangements before joining.

- Increased satisfaction and retention due to better work-life balance.

- Increased productivity as the respondents felt that reduced travel time added to the extra work hours and plus some job profiles could work more closely with their clients.

- Employees not aware of the flexible arrangements before joining.

27

Added Value	Performance indicator			Changes in added value				Changes in added value
	Interviews and Observation made by the organization.	Employee survey (out of 12 respondents)			Interviews and Observation made by the organization.	Employee survey (out of 12 respondents)		
Increased satisfaction	• Employees have the autonomy to choose the workplace. • Difficulty in finding space.	• Positive response for both.	🙂	Increased the added value	• Stability in management. • Increased performance. • Potential disruption due to distraction.	High positive response for both	🙂	Increased
Increased productivity	• Increase in effectiveness. • Increase in transparency. • More motivated to work. • Some initial difficulty in collaboration. • Delay in works.	• Neutral response for *RW. • Positive response for ⁺ABW	🙂	Positive Impact. Initially the productivity was decreased but has been increasing after adopting suitable measures	• Employee well-being	Positive response for both	🙂	Increased
Increased innovation	• Increased creativity within the advisory department due to collaboration and interaction.	Positive response for *RW. Neutral response for ⁺AWB	🙂	Positive impact on creativity.	• Increase in creativity.	Positive response for soft flexibility and neutral for RW*	🙂	Increased
Talent Attraction	• Increased image. • Workplace matching the requirement of young talent.	Negative response for both.	😐	Negative impact. As the objective of organization to implement this measure is not met.	• Continuity of reputation.	Neutral response	😐	Neutral
Talent Retention	• Increased well-being among and therefore continue to work.	Positive response for *RW. Neutral response for ⁺ABW.	🙂	Neutral impact.	• Increased well-being among and therefore continue to work. • Trust of employee on organization (all the way up to the value chain.)	High positive response	😐	Increased
Costs	• Initial investment sensors • More space utilization	**NA		Neutral Impact.	• Less requirement of furniture.	NA		Increased
Sustainability	• Reduced traveling • Less space occupied	**NA		Positive Impact.	• Reduced traveling • Less space occupied	NA		Increased

The added values of flexible boundaries measurement tool

🙂 Positive response   🙁 Negative response   😐 Neutral response
*RW- Remote working   ⁺AWB- Activity-based working   **NA- Not applicable.

Contents

Findings

Most valued criterions by organizations

1.Increase satisfaction

2. Increase productivity

3.Increase innovation

4. Talent attraction

5. Talent retention

6. Reduce costs

7. Sustainability
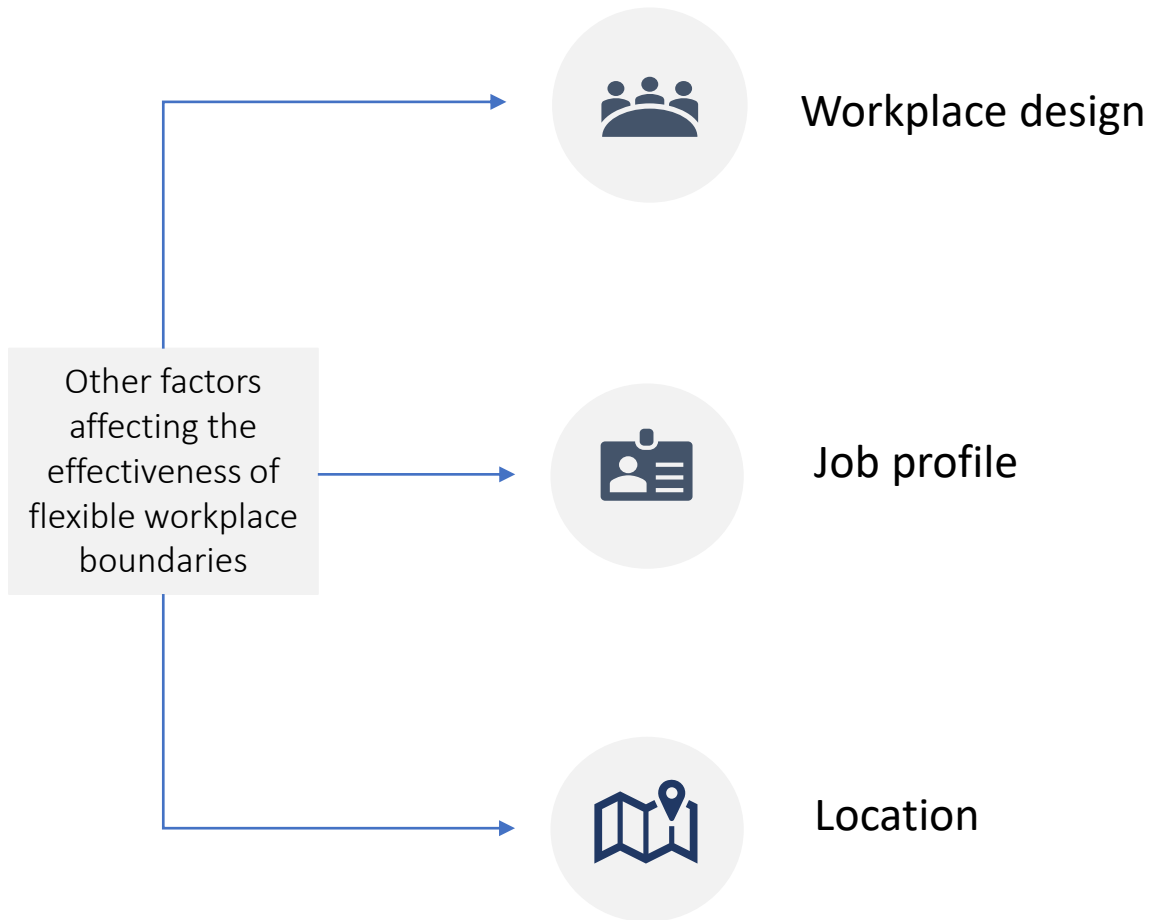
Findings

Challenges, risks and risk mitigation

Key Challenges	Key Risks	Potential impacts of the risks	Key measures to mitigate the risks
Keeping track on work performance	• Poor employee performance due distraction.	• Financial and reputational risk. • Sub-standard service delivery and offerings.	**TRUST** (Duty to maintain Trust)
Locating spaces to work in non-assigned desks.	• Delay in performance. • Disruption of work.	• Financial and reputational risk. • Sub-standard service delivery and offerings.	**TECHNOLOGY** (used as enabler to locate spaces)
Reduced collaboration	• Stressful environment.	• Inability to perform tasks.	**TIME**

Key findings from interviews

- Measuring the productivity is a challenge, which could be done by encouraging employees to provide consistent track record

- Trust is another important factor for optimizing the flexibility to work away from office boundaries.

- Technology acted as an enabler to achieve smooth operation of the flexibility.

- There might be initial negative impact on productivity due to stress. Which might reduce overtime.

Findings

Other factors affecting the effectiveness of flexible workplace boundaries

**Workplace design**

Job profile

Location

- The workplace design should be given importance to openness and collaboration (Hua et al., 2010).

- In both cases, the workplace design consisted of formal and informal zones, with large open spaces to increase the collaboration.

Findings

- Strategic department roles required internal flexibility

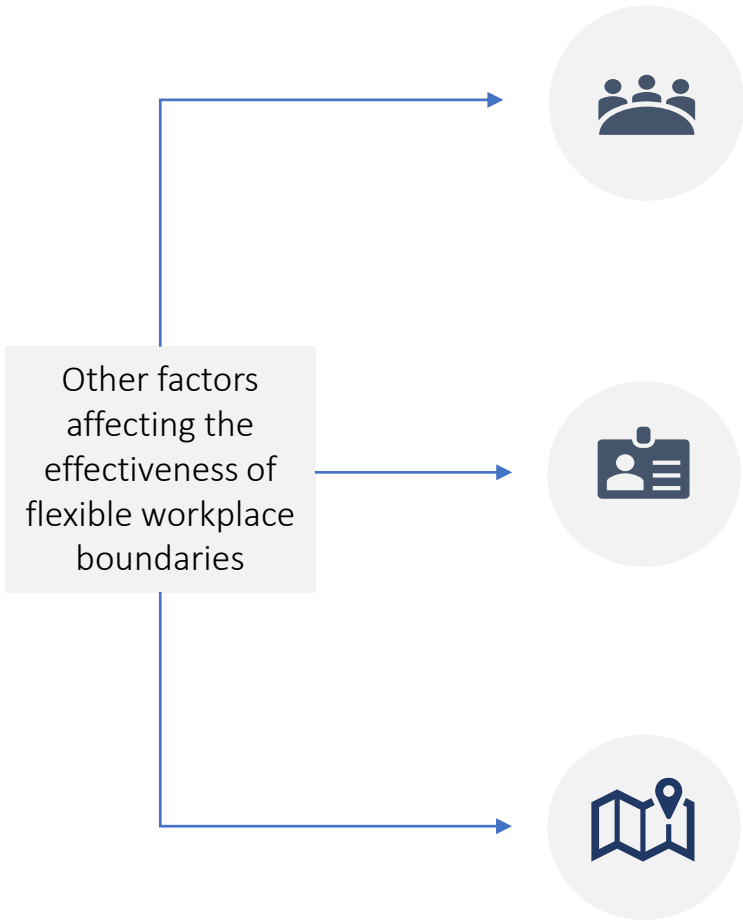- Departments requiring on-site or closely working with clients required the external flexibility.

Other factors affecting the effectiveness of flexible workplace boundaries

Job profile
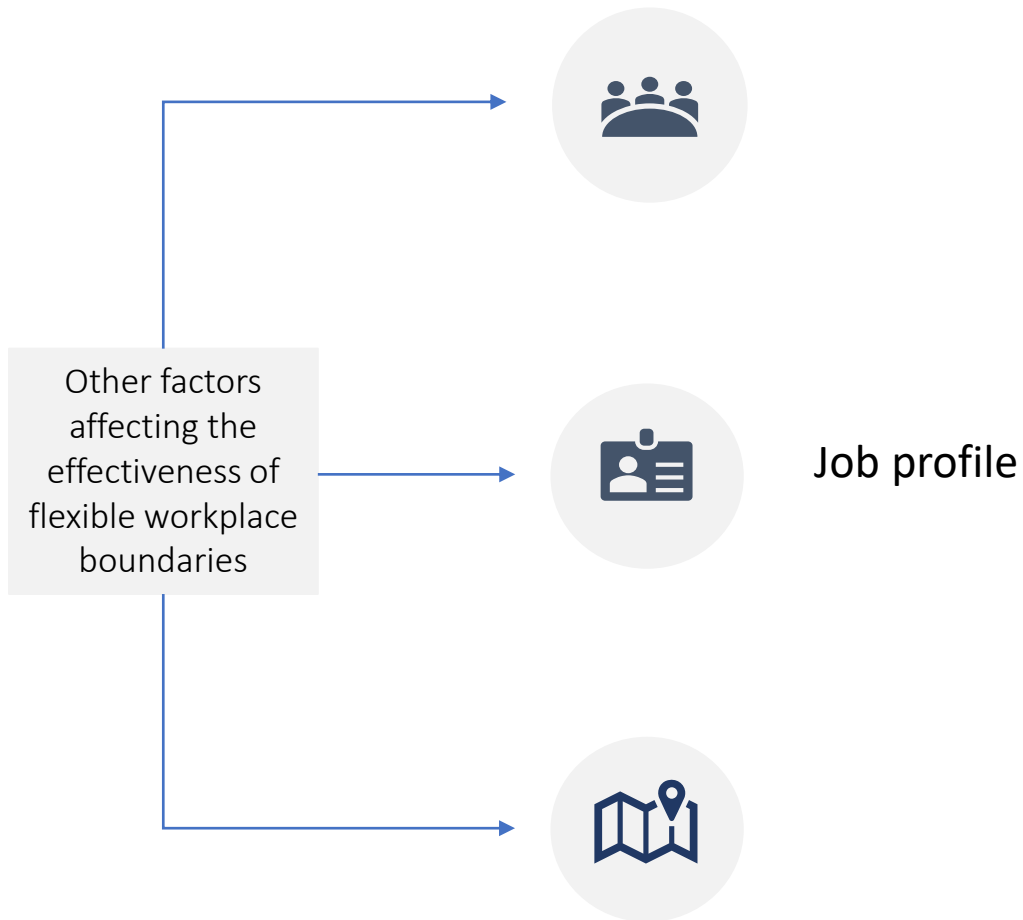
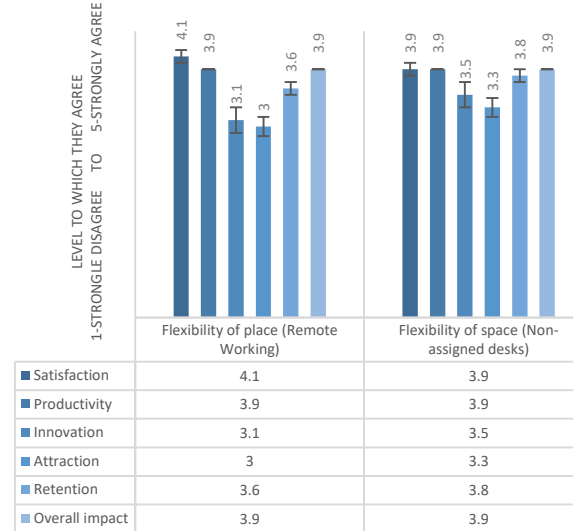| Department	Requirement.	Flexibility offered
Tax and law	-Spaces that provide ability to concentrate.	- Activity based working (Flexibility of space).
Advisory department	-spaces that provide the ability to collaborate.	- Activity based working (Flexibility of space).
Insurance division	-ability to work away from office.	- Remote working (Flexibility of place).
JLL		
Strategic consultancy	-spaces that provide the ability to collaborate.	- Activity based working (Flexibility of space). - Remote working (Flexibility of place).
Brokerage and agency	-ability to work away from office.	- Remote working (Flexibility of place).
Information technology	-Spaces that provide ability to concentrate.	- Activity based working (Flexibility of space). - Remote working (Flexibility of place).
HR	-required to be present at specific locations.	-nil

Flexibility requirement as per the different service line.

Findings

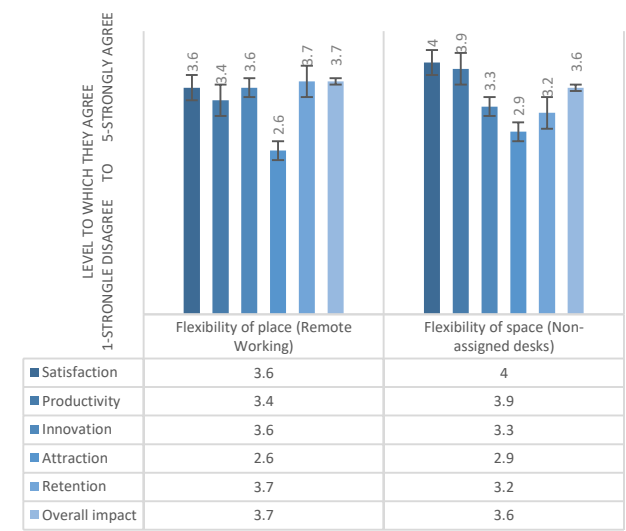Other factors affecting the effectiveness of flexible workplace boundaries

Location

SURVEY RESPONDENTS AVEARGES AT JLL

LEVEL TO WHICH THEY AGREE
1-STRONGLE DISAGREE TO 5-STRONGLY AGREE

	Flexibility of place (Remote Working)	Flexibility of space (Non-assigned desks)
Satisfaction	4.1	3.9
Productivity	3.9	3.9
Innovation	3.1	3.5
Attraction	3	3.3
Retention	3.6	3.8
Overall impact	3.9	3.9

SURVEY RESPONDENTS AVEARGES AT PWC

LEVEL TO WHICH THEY AGREE
1-STRONGLE DISAGREE TO 5-STRONGLY AGREE

	Flexibility of place (Remote Working)	Flexibility of space (Non-assigned desks)
Satisfaction	3.6	4
Productivity	3.4	3.9
Innovation	3.6	3.3
Attraction	2.6	2.9
Retention	3.7	3.2
Overall impact	3.7	3.6

- Company located in CBD – Employees preferred to work remotely.

- Company located in outer edge of city – Preference for remote working relatively low

Contents

Main question:

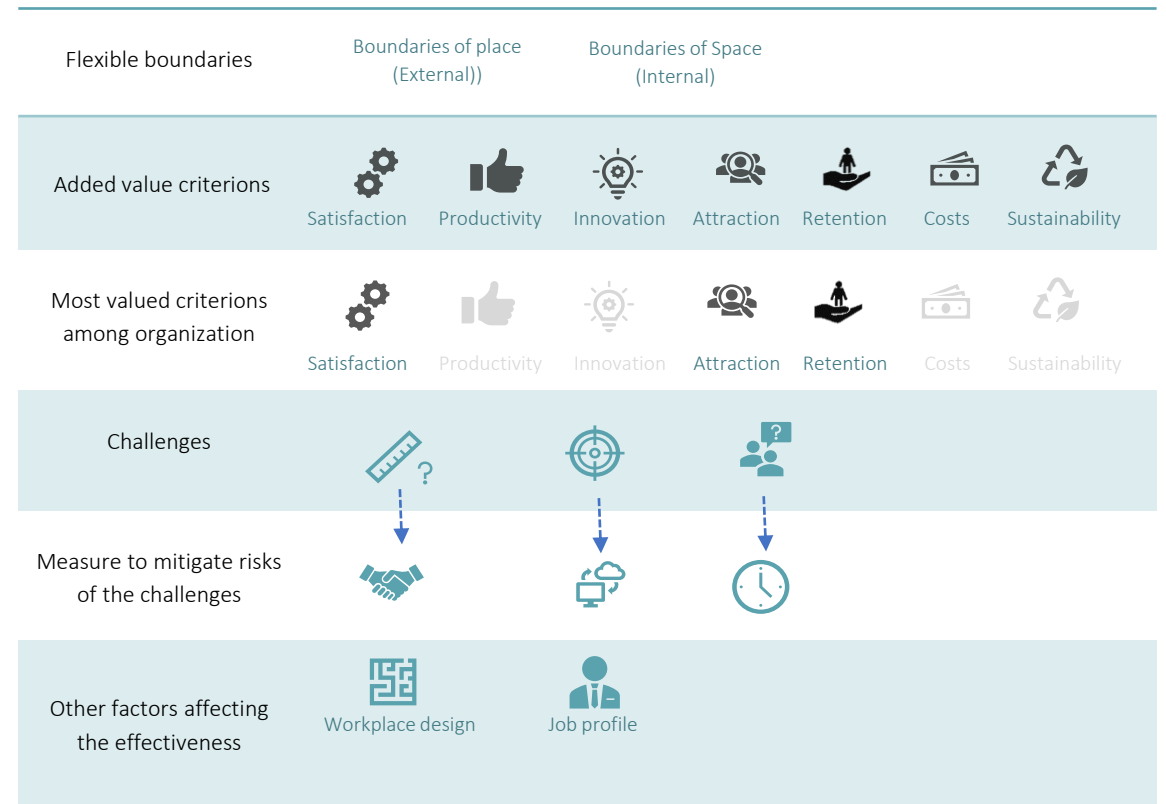*Does flexibility in workplace boundaries add value to the organizations?*

- Added value to the organizations in terms of increased productivity, satisfaction and costs.

- Depends on the main objectives and core values of the organization.

- Challenges - difficulty to monitor the progress of employees and tracking of available places.

- Challenges can be overcome by maintaining trust on both sides and with the use of technology respectively.

- The success can be enhanced by considering factors such as workplace design, job profile and location.

Flexible boundaries	Boundaries of place (External))			Boundaries of Space (Internal)			
Added value criterions	Satisfaction	Productivity	Innovation	Attraction	Retention	Costs	Sustainability
Most valued criterions among organization	Satisfaction	Productivity	Innovation	Attraction	Retention	Costs	Sustainability
Challenges							
Measure to mitigate risks of the challenges							
Other factors affecting the effectiveness	Workplace design	Job profile					

Contents

Introduction

Problem statement

Research methods

Analysis

Findings

Conclusion

Discussion

Discussion

Limitations

- The applicability of the findings of this research limits itself to just a specific part of the office sector, namely the bigger corporates.

- Peoples perception of their ideal workplace.

- The aspect related to the well-being of employers and employees is affected by multiple other factors

Validity and generalizability of the results

- The interpretation of the literature findings can deviate from its purpose.

- The semi-structured interview resulted in lack of coherence with the results and the answers were influenced with perceptions.

- Conclusion based on own interpretation.

Thanks for Listening.

Dank je wel!