These Four Walls
The *Real* British Office

By Gensler, Architect of Ideas

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Welcome to
These Four Walls

Is workplace the forgotten multiplier for UK productivity? Inefficient offices could be costing British business more than £135 billion every year. A better workplace could make the nation nearly 20% more productive. So why do we continue to make false economies? We asked professionals in the services economy – is the British Office up to the job?

Business in the UK has changed fundamentally in the last 20 years. With manufacturing having largely given way to a thriving services sector, people power is now at the heart of our economy. And the face of those people is changing. Women now make up nearly half the workforce.[1] The labour market is ageing too: by 2010, only one fifth of the workforce will be made up of white, able-bodied men under 45 years old and in full time work.[2]

With the end of the 'job for life' came the end of staff loyalty and businesses are now competing for skilled employees in an increasingly tight labour market. Businesses look to leadership, pay and staff development to attract and retain the brightest people, but as we are spending more and more time at work, few business leaders actually consider the impact of the four walls around them. Isn't it time that we asked: "Is the British Office up to the job?"

In 2005, Gensler decided to investigate some of these questions and more by commissioning an independent survey of middle and senior managers in the legal, financial services and media sectors. What follows is the story of the Real British Office told by those who work in it.[3]

The business community needs a clear vision of the impact of the British Office on our workforce and ultimately our organisations as a whole. Are we happy with our workplace? How can our workplaces be improved to fit our business strategies and the workstyles of this century? Can we create offices to make us more innovative?

Our new research shows that poorly designed offices could be costing British business up to £135 billion every year. High value professionals across sectors including law, financial services and media told us that a better working environment would make them nearly 20% more productive. Four in five professionals maintain that the quality of their working environment is very important to their sense of job satisfaction yet the vast majority don't believe their office has been designed to support their company's business or their own job function.

Is it possible that, in an effort to drive out costs, businesses may be missing the point? That working environment has a fundamental impact on recruitment, retention, productivity and ultimately on the organisation's ability to achieve its business strategy. Business leaders need to look at properties not as a fixed cost or overhead but as an asset that could make the real value in the business – its people – work smarter. We hope our report gives professionals a voice in shaping the British Office of the future.

Gary Wheeler, Director of Workplace Europe, Gensler, London, 2005.

"Working environment has a fundamental impact on recruitment, retention, productivity and ultimately on the organisation's ability to achieve its business strategy."

"Poorly designed offices could be costing British business up to £135 billion every year."

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Executive Summary: Headline Research Findings

Foreword: Making The Business Case for Good Design

By Sir George Cox, Chairman, Design Council

This report confirms what I have long believed, that the design of the workplace is far more than a question of making efficient use of space.

Design makes a statement about the whole style and attitude of the business, far more so than the signs on the wall or the slogans in the brochure.

Office design either reinforces or undermines the values and culture of the business. It can facilitate organisational flexibility or inhibit it. Good design of the office can get the best out of people in terms of motivation, but it can also make them far more effective and productive.

Too many organisations have invested heavily in premises, staff and technology without realising that proper attention to the design of the place where those things come together - the office - could leverage that investment substantially. As such it can have a substantial impact on the running of the business - as this report illustrates so dramatically.

Sir George Cox is Chairman of the Design Council. He is due to deliver his recommendations on enhancing the role of creativity in improving UK business productivity to the Chancellor, Gordon Brown, in the Cox Review later this year.

The following headline research findings are based on an independent survey of middle and senior managers in the legal, media and financial services sectors.

01. The Productivity Leap

A better working environment would increase employee productivity by 19% according to professionals surveyed - equivalent to £135 billion every year.

02. Workplace Matters

Four out of five (79%) professionals say the quality of their working environment is very important to their sense of job satisfaction.

One third (33%) say that their working environment has been a contributing factor in their decision to accept or reject a job.

58% of respondents don't believe their office has been designed to support their company's business and their own job function.

Just half of professionals (52%) rate their working environment as good or very good - the average score of the British office is 3.5 (3 being adequate, 4 being good).

More than one third (35%) of professionals believe that their company doesn't consider the quality of their working environment to be a high business priority. This figure rises to 44% in the media sector, 44% in Greater London and 47% in the Midlands.

41% of middle managers (36% overall) believe that minimising office costs is the main reason behind their office's design, with 31% saying creating a productive and enjoyable working environment is the objective, 13% stating company tradition, 10% apathy and 4% company brand.

One fifth (19%) of professionals would be embarrassed to show customers their working environment, 28% would be proud and 53% neutral.

03. Brand Central

Professionals are split 50/50 as to whether their workplace enhances their company's brand. 60% of female professionals don't think that their workplace enhances their company's brand.

04. Workstyles/Workspaces

Personal space (39%), climate control (24%) and daylight (21%) are the most important factors in a good working environment according to professionals we surveyed.

Open plan is the dominant office layout, with 62% of respondents currently working open plan, compared to 28% in their own private office, 7% in small shared private offices and just 2% flexible working.

There is room for designers to propose a fresh look at hot desking in the light of flexible working arrangements and new technologies. Currently just 1% of professionals would choose to hot desk and 68% say hot desking is their least favoured office option.

The private office retains its cachet with half (50%) of professionals saying they would prefer to work in private offices (30% solo, 20% shared) and one third (33%) of professionals saying they would most like to work open plan.

Private offices are still seen as a reward for seniority, with 47% of those aged 50-60 having a solo private office, compared with 18% of those under age 40.

Private offices are not favoured by all – 51% (60% of female professionals) have greater respect for leaders who work in an open plan environment with their teams.

Flexible working options are growing in popularity – with 16% of professionals opting for flexible working as their preferred option and 36% claiming to be able to work more productively at home than in the office.

05. The Creative Office

38% of professionals believe it's difficult to be creative or innovative in their office.

Middle and senior managers spend more than half (52%) of their time desk bound, just a third (28%) of their time in internal meetings/interacting with colleagues, and the remaining fifth of their time travelling and in external meetings.

However, they come up with their best ideas in meetings/interacting with colleagues (30%), at home (22%) and in various other scenarios - just 20% come up with their best ideas at their desks.

06. The "Thinking Time" Directive

78% of professionals say increasing work pressure means they have less time to think than they had 5 years ago.

Pressure on their time and information overload is reducing the value professionals can add to their companies by a fifth (21%).

Professionals estimate that they abandon/are unable to investigate 28% of their ideas due to time pressure.

52% of professionals never completely switch off from work.

72% of professionals say technology makes their job easier but 28% say technology means work is eating into their personal lives.

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01. The Productivity Leap: The Bottom Line

Is there a business case for reassessing the British Office? Our new research shows that poorly designed offices cost UK business up to £135 billion a year.[4] UK managers and senior managers estimate that an improved workplace would increase employee productivity by 19%, and their own productivity by 17%.

The challenge for 21st Century business is to increase knowledge worker productivity. A 2% increase in productivity would have dramatic results. The 19% increase predicted by the professionals we surveyed is equivalent to a £135 billion increase in the UK's service sector output.[5] Evidence suggests that the potential that might be unlocked by improving British offices is equivalent to a productivity leap on a grand scale.

"Poorly designed offices mean that UK businesses miss out on £135 billion every year."

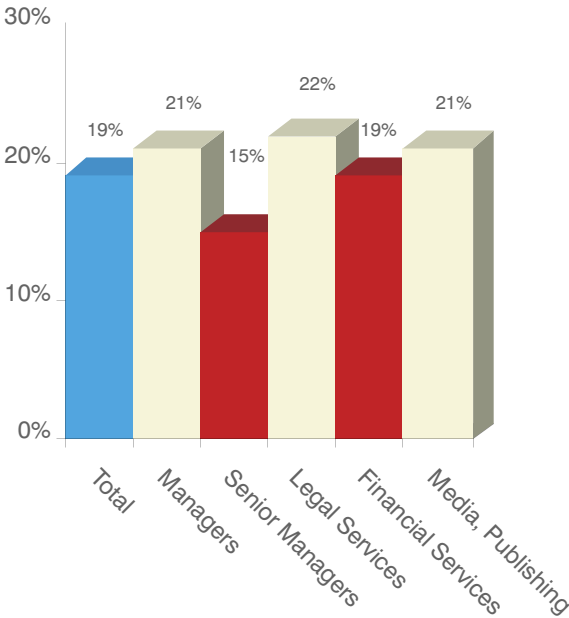"If my workplace was improved, it would increase employee productivity by 19%."

UK service sector professionals

"A better working environment would increase my productivity by 17%."
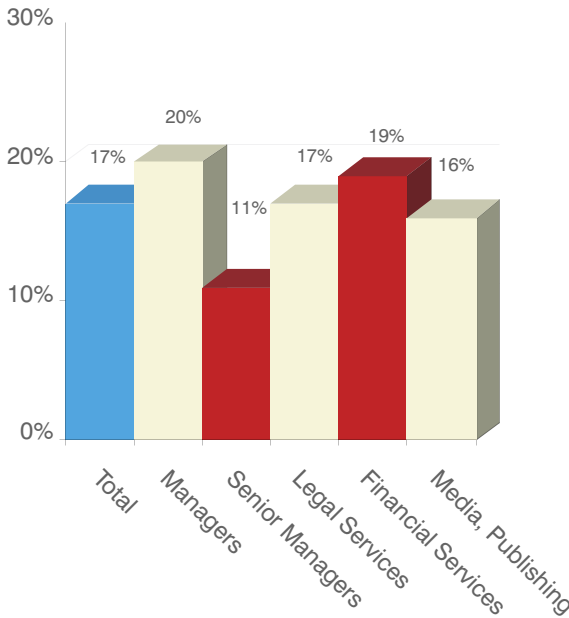
UK service sector professionals

Employee Productivity

If my workplace was improved, it would increase employee productivity by…

Personal Productivity

A better working environment would increase my productivity by...

"With productivity, knowledge sharing and responsiveness to market conditions identified as the true sources of competitive advantage, there is an increasing awareness that the workplace is where organisations link people, processes and technology."

Gary Wheeler,
Director of Workplace Europe, Gensler

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02. Workplace Matters: The Office Economy Myth

The real cost of real estate is much greater than the cost per square foot – businesses must look at the impact of space (positive or negative) on their people. Companies need to start thinking about value. If people power is now our greatest asset – and the UK works the longest hours in Europe - how can we better support a happy and productive workforce?

Our first conclusion is that workplace matters. Four in five (79%) professionals say the quality of their working environment is very important to their sense of job satisfaction, with 88% of professionals in media/publishing putting a high value on the quality of their office environment.

One third (33%) of professionals say that their working environment has been a contributing factor in their decision to accept or reject a job offer.

This figure rises to 41% in Greater London where greater job choice makes office design a more important differentiating factor. Furthermore 44% of respondents in media/publishing and 39% in legal services say that their working environment has been a contributing factor in their choice of employer. In a tight labour market, companies with high quality workplaces have competitive advantage.

The cost of providing accommodation for office workers is dwarfed by the cost of their salaries. The British Council of Offices (BCO) estimates that building construction, building operation and staff salaries are in the ratio of 1:1.5:15. Business leaders, architects and designers alike must recognise that the factors influencing the increased productivity and effectiveness of staff will have a much greater financial impact than the factors influencing the efficiency/cost of office accommodation.[6]

"Four in five professionals say that the quality of their working environment is very important to their sense of job satisfaction."

However the majority (58%) of professionals don't believe their office has been designed to support their company's business and their own job function. This figure rises to 66% of female professionals and 69% of managers in media/publishing.

Britain's offices are not highly rated. Only half (52%) of professionals rate their working environment as good or very good, with senior managers having a considerably higher opinion of their offices (68% good/very good) than middle management (45% good/very good).

Professionals in legal services are the most satisfied with their offices, with 3% rating their offices as poor or very poor, while 21% in Financial Services and 31% in Media/Publishing rate their offices as poor or very poor. 43% of women rate their offices as good or very good, versus 56% of men. The average score of the British office is 3.5 (3 being adequate, 4 being good).

Worryingly, more than one third (35%) of professionals (44% in media/publishing) believe their company doesn't consider the quality of their working environment to be a high business priority. 47% of professionals in the Midlands and 44% of professionals in Greater London say their company doesn't consider the quality of their workplace to be a high business priority. Professionals based in the North are more satisfied, with 78% of managers saying their employers do consider the quality of their workplace to be a high business priority.

Middle managers are perhaps more cynical, or perhaps experiencing less favourable working conditions than senior managers, with 39% of middle managers agreeing that their employer doesn't consider the quality of their working environment to be a high business priority versus just 23% of senior managers. Similarly 57% of senior managers argue that their office has been designed to support their company's business and their own job function, versus a more skeptical 37% of middle managers.

"We realised that the best way to meet future challenges lay in the creation of a new purpose-built working environment. The building is not just a roof over our heads; it embodies the type of organisation we aspire to be, and it will enable us to develop in order to meet this century's challenges."
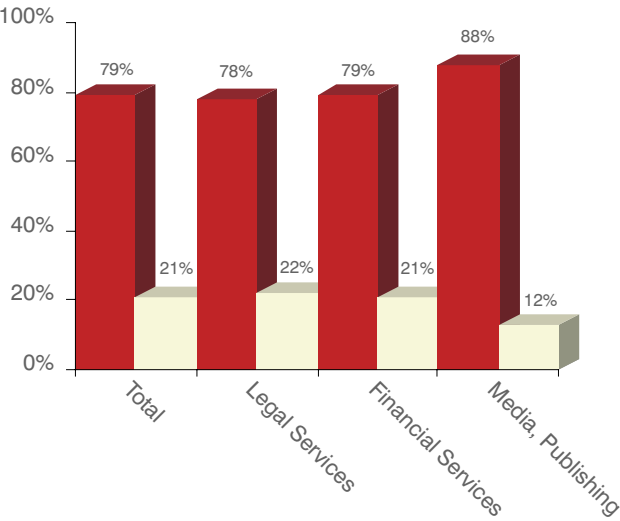
David Pepper, Director of GCHQ

"Every office environment presents the opportunity to enhance the quality of work and life within it. Workplace decisions must be based on what the space can do to help the organisation accomplish its strategic goals."

Chris Johnson, Managing Principal, Gensler Europe

"The majority of professionals don't believe their office has been designed to support their company's business and their own job function."
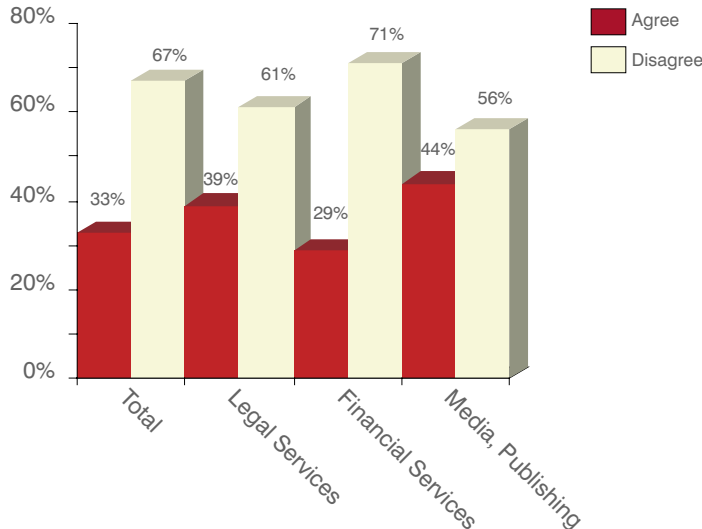
Impact of Workplace on Job Satisfaction

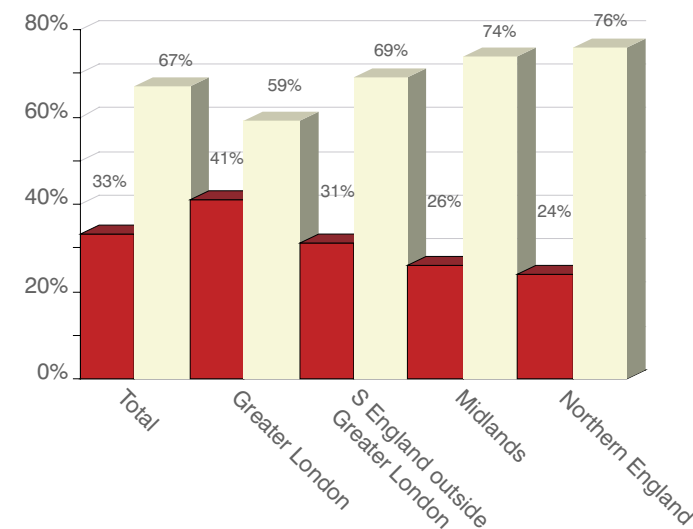The quality of my working environment is very important to my sense of job satisfaction

	Total	Legal Services	Financial Services	Media, Publishing
Agree	79%	78%	79%	88%
Disagree	21%	22%	21%	12%

Impact of Workplace on Recruitment

Has office environment ever been a contributing factor in your decision to accept/reject a job offer?

Legend: ■ Agree □ Disagree

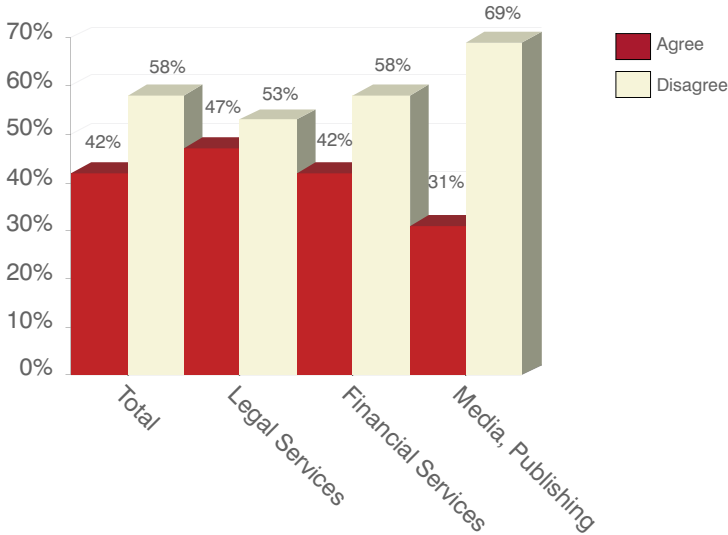|	Total	Legal Services	Financial Services	Media, Publishing
Agree	33%	39%	29%	44%
Disagree	67%	61%	71%	56%

Impact of Workplace on Recruitment – by Region

Has office environment ever been a contributing factor in your decision to accept/reject a job offer?

|	Total	Greater London	S England outside Greater London	Midlands	Northern England
Agree	33%	41%	31%	26%	24%
Disagree	67%	59%	69%	74%	76%

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Workplace Design and Business Strategy

My office has been specifically planned and designed to support my company's business objectives and my own job function.

Bar chart:

	Agree	Disagree
Total	42%	58%
Legal Services	47%	53%
Financial Services	42%	58%
Media, Publishing	31%	69%

Legend: ■ Agree □ Disagree

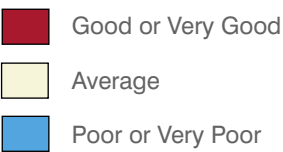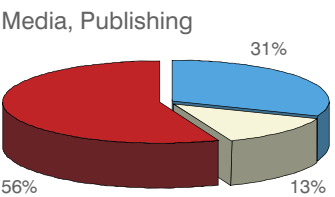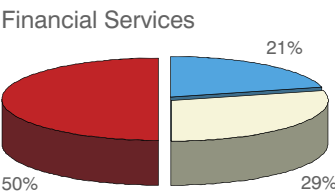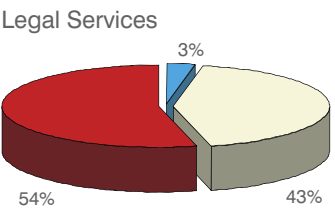## Workplace Design and Business Strategy – by Gender

My office has been specifically planned and designed to support my company's business objectives and my own job function.

Bar chart:

	Agree	Disagree
Total	42%	58%
Female	34%	66%
Male	46%	54%

Legend: ■ Agree □ Disagree
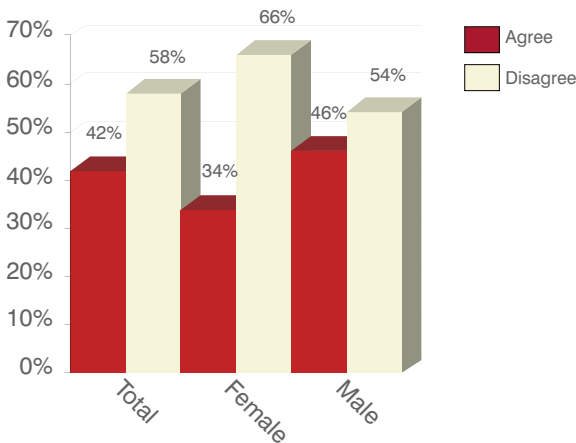
The British Office Assessed

How would you rate your current office environment?

By Sector

Legal Services

3% / 43% / 54%

Financial Services

21% / 29% / 50%

Media, Publishing

31% / 13% / 56%

Legend:
■ Good or Very Good
□ Average
■ Poor or Very Poor

"Only half of professionals rate their working environment as good or very good."
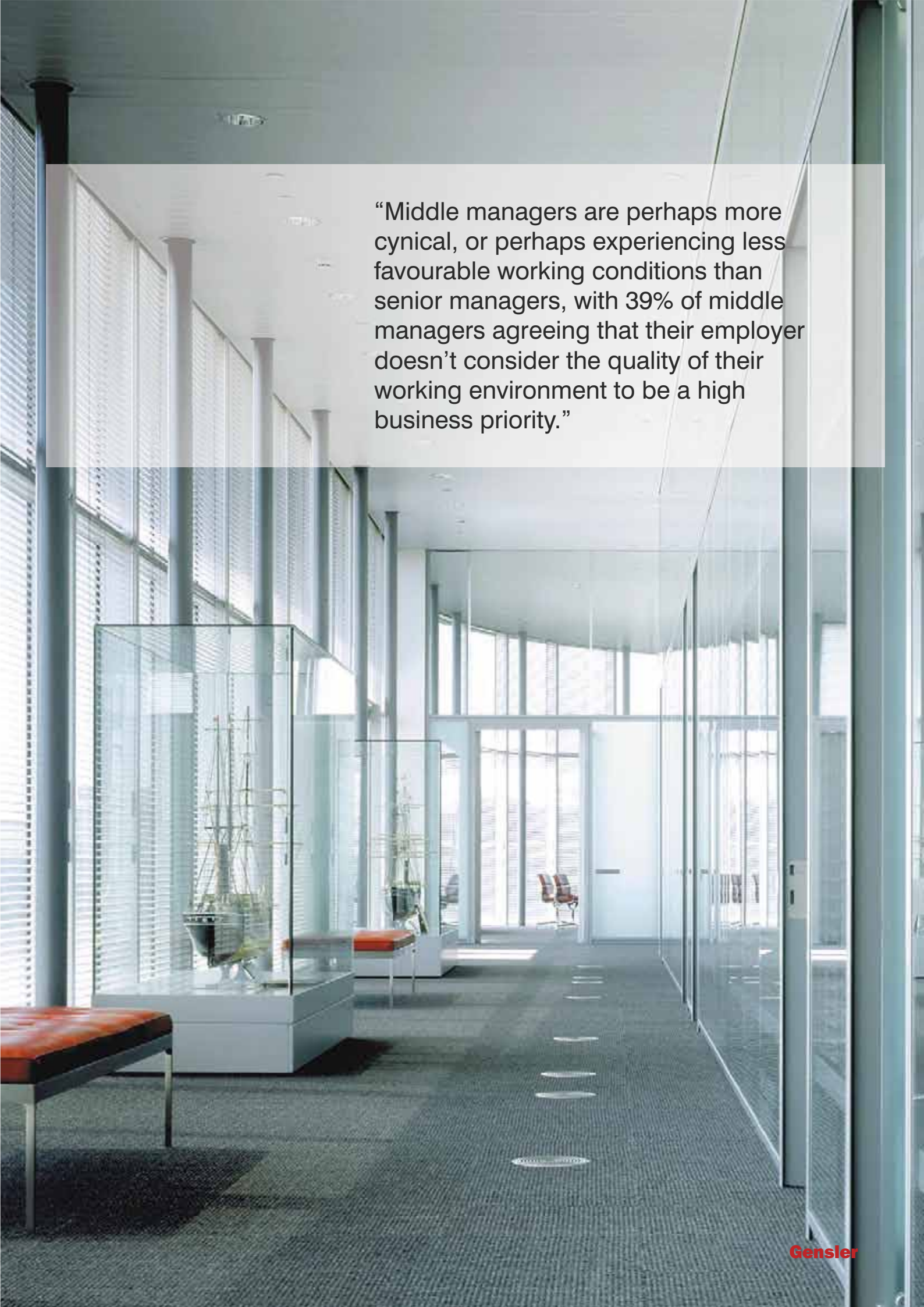
"Middle managers are perhaps more cynical, or perhaps experiencing less favourable working conditions than senior managers, with 39% of middle managers agreeing that their employer doesn't consider the quality of their working environment to be a high business priority."

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Working Environment as a Business Priority

My company doesn't consider the quality of my working environment to be a high business priority.

Chart: Working Environment as a Business Priority

Legend: Agree / Disagree

Category	Agree	Disagree
Total	35%	65%
Legal Services	31%	69%
Financial Services	36%	64%
Media, Publishing	44%	56%

Working Environment as a Business Priority – by Region

My company doesn't consider the quality of my working environment to be a high business priority

Chart: Working Environment as a Business Priority – by Region

Legend: Agree / Disagree

Category	Agree	Disagree
Total	35%	65%
Greater London	44%	56%
S England outside Greater London	30%	70%
Midlands	47%	53%
Northern England	22%	78%

"More than one third of professionals believe their company doesn't consider the quality of their working environment to be a high business priority."

"Too many organisations have invested heavily in premises, staff and technology without realising that proper attention to the design of the place where those things come together - the office - could leverage that investment substantially."

Sir George Cox
Chairman, Design Council.

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Working Environment as a Business Priority – by Seniority

My company doesn't consider the quality of my working environment to be a high business priority

65% | 35%

Legend:
- Agree (red)
- Disagree (cream)

Total

61% | 39%

Managers

77% | 23%

Senior Managers

Workplace Design and Business Strategy – by Seniority

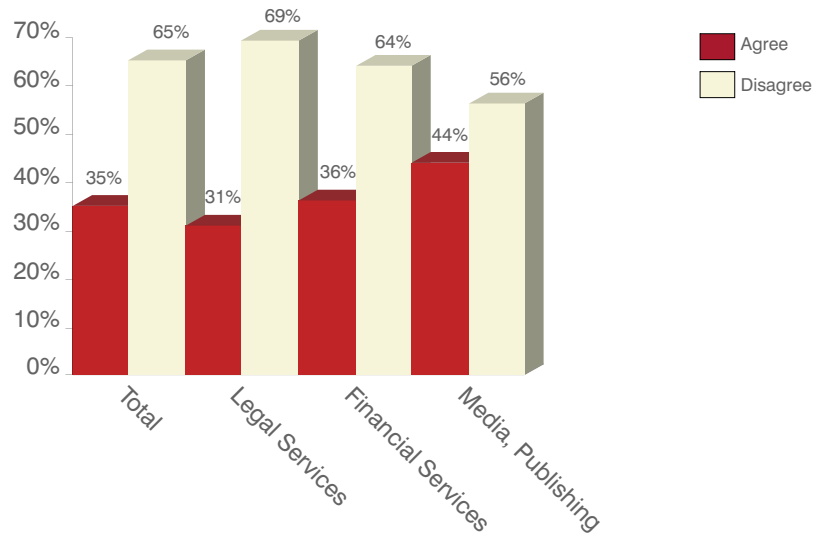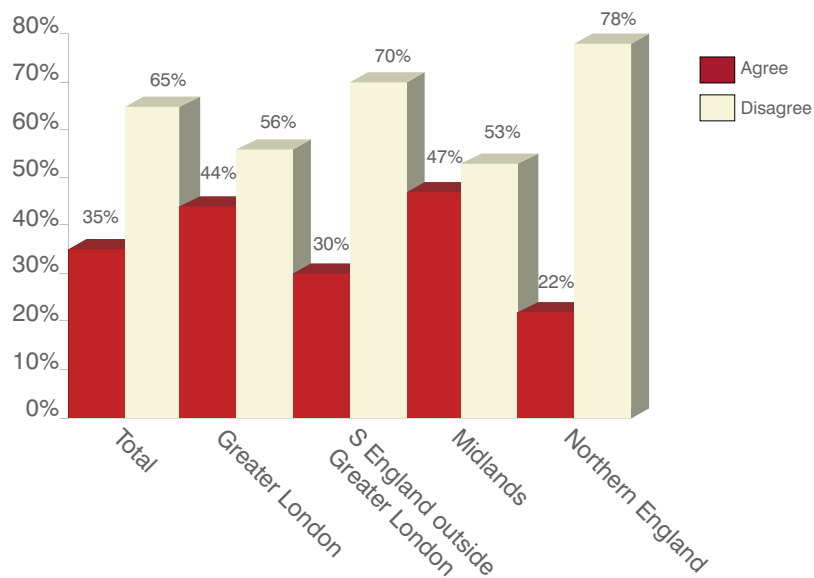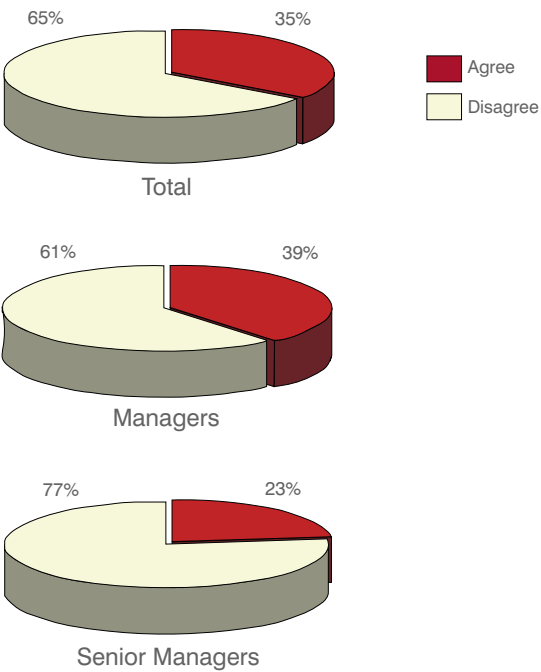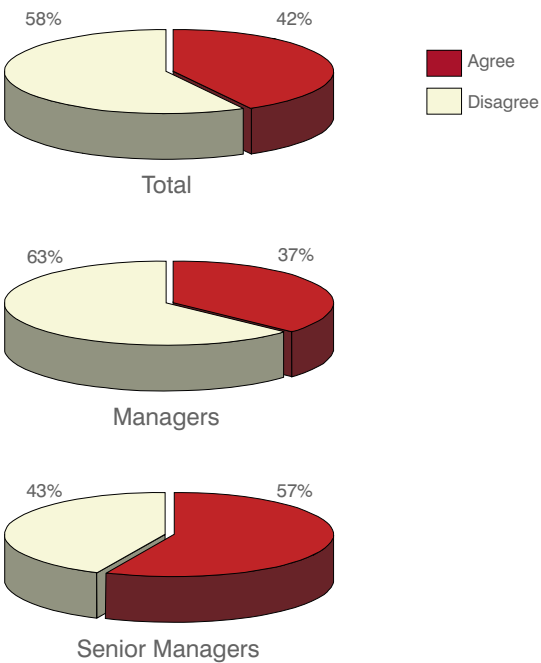My office has been specifically planned and designed to support my company's business objectives and my own job function.

58% | 42%

Legend:
- Agree (red)
- Disagree (cream)

Total

63% | 37%

Managers

43% | 57%

Senior Managers

Designed for work life?

What is determining the shape of our workplaces? Professionals are clear: it's a question of cost. 41% of middle managers (36% overall) believe minimising office costs is the main reason behind their office's design, with 31% saying creating a productive and enjoyable working environment is the objective, 13% stating company tradition, 10% apathy and 4% company brand.
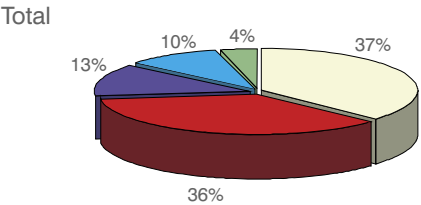
By contrast, 53% of senior managers argue that creating a productive and enjoyable working environment is the main goal, with just 23% stating minimising office costs.

The media sector loses out when it comes to office environment, with 50% of those in media/publishing saying that minimising office costs is the main driver, and just a quarter saying the aim is to create a productive and enjoyable working environment. By contrast 38% of professionals in legal and financial services see creating a productive and enjoyable working environment as the main driver behind their office's design.

"41% of middle managers (36% overall) believe minimising office costs is the main reason behind their office's design."

Key Drivers for Office Design

What do you think is the main reason behind your office's design?

Total
37% | 36% | 13% | 10% | 4%

By Seniority

Managers
31% | 41% | 14% | 10% | 4%

Senior Managers
53% | 23% | 11% | 8% | 5%

By Sector

Legal Services
38% | 31% | 16% | 9% | 6%

Financial Services
38% | 36% | 12% | 11% | 3%

Media, Publishing
25% | 50% | 13% | 6% | 6%

Legend:
- Creating a productive and enjoyable working environment (cream)
- Minimising office costs (red)
- Company tradition (purple)
- Apathy - not considered important (blue)
- Company brand/ impressing customers (green)
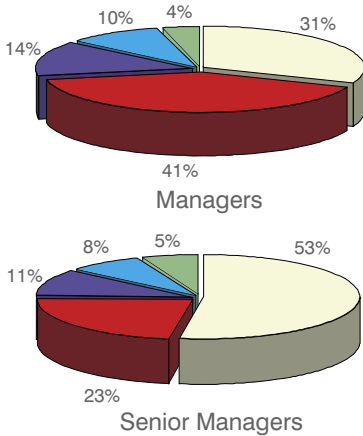
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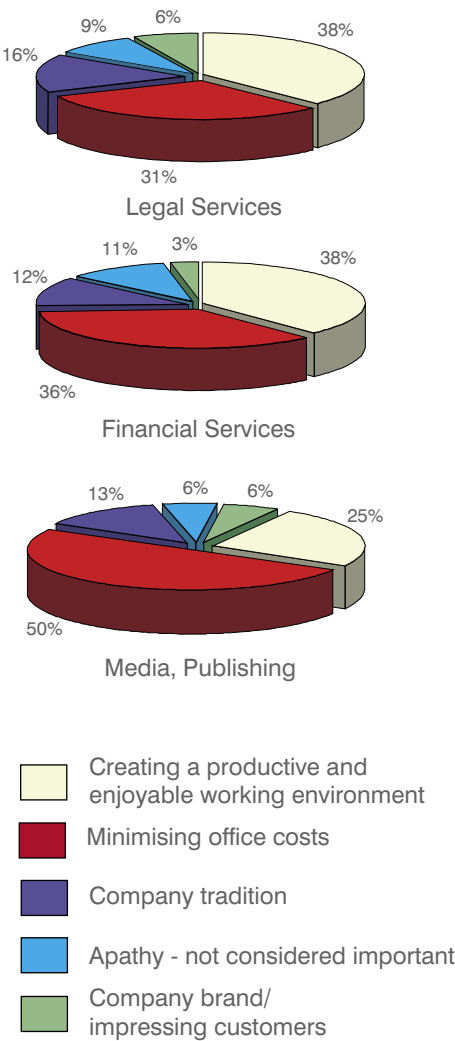
Focus on Media & Publishing

Media professionals are the least satisfied group – they care the most about the quality of their working environment yet the majority have a poor quality workplace.

Many professionals in the media and publishing industry get a raw deal when it comes to their working environment.

The vast majority (88%) of these creative types say that the quality of their working environment is very important to their sense of job satisfaction and almost half (44%) take offices into consideration when choosing an employer.

However, almost half (44%) believe their company doesn't consider the quality of their working environment to be a high business priority; 31% rate their offices as poor or very poor and a huge 69% don't believe their office has been designed to support their company's business and their own job function.
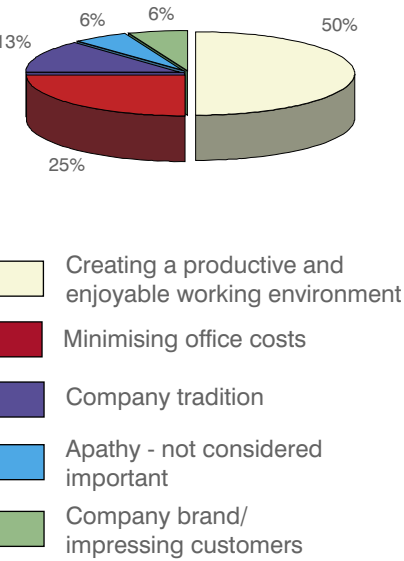
A quarter (25%) of media professionals would be embarrassed to show customers their place of work. The reason for this state of affairs? Half of media professionals say that minimising office costs is the main driver behind their office design, and just a quarter say the aim is to create a productive and enjoyable working environment.

"In the media sector the creation of new ideas and new intellectual property is key. Hence, media professionals have much to gain from working in an environment designed to foster innovation. Contrary to popular perception, creating a more innovative and efficient workplace is not at odds with minimising costs".

Armando Iarussi, Senior Associate, Gensler

Key Drivers for Office Design– Media Sector

What do you think is the main reason behind your office's design?

6% | 6% | 50%
13%
25%

- Creating a productive and enjoyable working environment
- Minimising office costs
- Company tradition
- Apathy - not considered important
- Company brand/ impressing customers

Women's Work

Women currently make up almost half of the UK workforce and this figure is set to grow. What impact will women have on the future shape of the British Office as they play a greater role in the workforce and in commissioning workplace design?

One message is clear. The women we surveyed put a higher importance on the quality of their working environment and are more critical than male professionals about the standard of their offices and facilities.

"We are seeing an increasing number of women becoming decision makers in the commissioning of office spaces. Although the full effect of this shift in workplace demographics is yet to be seen, what women generally bring to the table is a greater appreciation of the quality of the environment in relation to job satisfaction and performance."

Evelyn Fujimoto, Senior Associate, Gensler

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Media Case Study:
Corinthian Television

Creating a Space to Inspire
and Retain Talent

When broadcasting television facilities company, Corinthian Television, decided to move out of central London, creating a workplace which would foster interaction and help attract and retain the best staff was top of the agenda.

As Mike Silverman, Chief Executive Officer, Corinthian Television, explains:

"Our move to Chiswick Park was much more than a physical move. Corinthian had just won a contract to become the main service provider for an international media company who would share our facilities. We were thus moving our client away from freedom of choice of television facilities. And for Corinthian staff, who had been used to working with a range of different clients, their client diversity was gone. So it was very important to make everyone feel that they were gaining rather than losing. We had to replace client diversity and freedom of choice with an exciting place to work.

Our main goal was to create a first class digital television broadcasting facility that would convey our identity and use innovative design to consolidate a range of production, operational, and administrative operations within a single building. What we have today is an uplifting workplace that enables our technical and creative staff to enjoy, focus, collaborate and perform at their best. We are also proud to share our facilities with our visitors, many of them in show business.

The design has created a true sense of openness and integration. One strategy for accomplishing this was to place shared experience areas at the front door. The ground level includes a café, breakout space and auditorium to allow different people from different departments to use the space in different ways but still interact with each other.

Sharing of experience was also a key component of our strictly functional areas. Since transmission control is what keeps our television screens on, the transmission suites are a focal point. The suites are acoustically segregated, but glass partitions between them mean that one controller can cover for another while he or she, say, grabs a cup of coffee. But they also emphasize Corinthian's core business. Every passer-by has the chance to experience the heart and lungs of its televised life.

People love working at Chiswick Park. As a direct result, we have seen our staff retention improve 150%. An added benefit is we have achieved significant economies in logistics and operating costs. But the greatest testament to the quality of the new environment is that Corinthian didn't lose a single member of staff in the move to Chiswick Park."

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03. Brand Central

The workplace is the most three dimensional, physical representation of any organisation's brand – and has a huge impact on the way employees - and potentially customers - live and experience the brand on a daily basis. Yet in the UK the workplace is a huge missed opportunity. Professionals are split 50/50 as to whether their workplace enhances their company's brand (the culture, values, image and reputation associated with their company). The majority (60%) of female professionals don't believe that their workplace enhances their company's brand. Could this be a huge missed opportunity for internal marketing and staff retention as well as customer relationship building?

Just over a quarter (28%) of professionals would be proud to show customers their working environment. A shocking one in five (19%) professionals (25% in media/publishing) would be embarrassed to show customers their place of work.

The question is not "can we afford to improve our workplaces?" but "can we afford not to?"

"Your workplace will communicate a brand by design or default – it's your choice."

Marla Brown,
Principal, Gensler

"The question is not *can we afford to improve our workplaces?* but *can we afford not to*?"

Changing Rooms

"Despite the pace of change in the corporate world, the workplace is the most static environment we experience. Retail spaces are changed seasonally if not daily, with major re-designs every two to three years. By contrast, the British office is not a dynamic, evolving environment. In fact even major corporate change, from M&A activity to re-branding exercises, often simply means changing the logo over the door, leaving our generic 'everyoffice' environments untouched."

Jeffrey McCall,
Retail Strategist, Gensler

"The British employee is now more design-educated than ever before. The celebrated British obsession with DIY and the interior makeover show has brought the idea of fashion and disposability into our living rooms. We communicate our personalities through the design of our homes so surely we will be expecting our employers to make a statement in the workplaces we inhabit all day?"

Marla Brown,
Principal, Gensler

"Workplace is a company's biggest opportunity to influence its employees and encourage them to be positive brand ambassadors both at work and in their personal lives. In order to reap rewards in terms of employee satisfaction and increased productivity, companies need to create workplaces that people enjoy working in.

We are seeing a move towards user-driven environments: designs that embody the values of the brand but design-in flexibility and a level of customisation. Companies are moving away from 'top down' design, with 'brand police' enforcing clear desk policies, to flexible spaces that reflect brand values and allow the individual to have some signature areas within the space."

Simon Jackson,
Principal, Gensler

"Too often business managers think of their brand as the logo over the front door. In fact the address, the architecture, the interior and the furnishings are all expressions of a company's brand. Companies must think through all the 'touch points' where their brand interacts with their employees and customers – just as retailers plan the 'customer journey' through their shops – from the reception area (the receptionist, the flowers, the papers…) and meeting rooms to the work zones and toilet facilities. If there is a gulf in quality between the 'client' and 'employee' areas – what does this say to your customers and your employees about your values?"

Jeffrey McCall,
Retail Strategist, Gensler

"One in five (19%) professionals would be embarrassed to show customers their place of work."
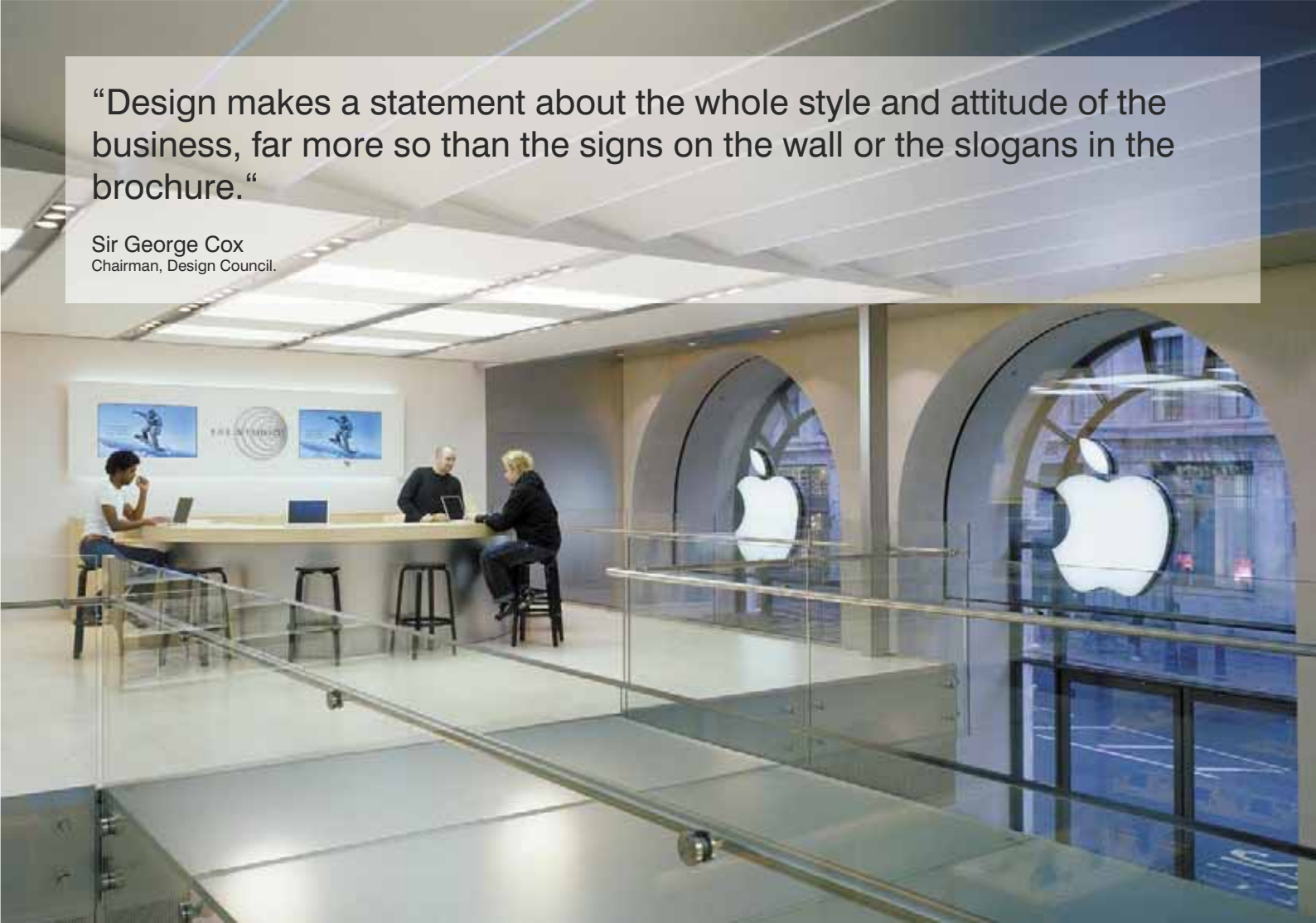
"Design makes a statement about the whole style and attitude of the business, far more so than the signs on the wall or the slogans in the brochure."

Sir George Cox
Chairman, Design Council.

Gensler

Financial Services Case Study: London Stock Exchange

Building a Brand in Three Dimensions

How do you create an environment to embody the brand of one of the oldest and most influential institutions in the world and take it into the 21st Century?

Evelyn Fujimoto, Gensler, takes a walk through a rejuvenated London Stock Exchange:

"As visitors walk into the main foyer of the London Stock Exchange, they are drawn towards the Source – a kinetic sculpture that marks the start and finish of each business day. The installation embodies the energy of the London Stock Exchange and is the focal point of the main atrium. In the reception area, an electronic ticker tape strip across the ceiling provides a continuous flow of up-to-date financial news. Gazing through the atrium glass, visitors can see news in the making in the Media Centre that hosts daily live transmissions by ABC, BBC, CNBC, CNN, and Sky, underlining the Exchange's delivery of real time market intelligence to the local and international financial community.

The journey through the building is mapped by a signage system inspired by a pictorial interpretation of the London Stock Exchange's prestigious address at Paternoster Square. The iconic square provides a framework to represent the leading financial centres in the world to reflect the Exchange's position in the global market.

The hub area on the first floor acts as an interaction point for staff. This dynamic and engaging recreational area also displays a knowledge wall where staff can exchange information and ideas.

The café, another main social point in the building, has also been given a new identity. It was re-named "The Foundation" as the original foundation stone of the building formed part of the café floor. This is a symbolic gesture to emphasise the importance of interaction within the work environment and celebrate the Exchange's rich heritage. This stone is also a square - a recurring motif - and is used to brand the menus, paper cups and serviettes.

Furniture icons destined to become 21st century classics reinforce the enduring and forward-looking values of the Exchange while reasserting the timeless elegance of the interiors.

The London Stock Exchange reflects the brand in three dimensions – paying tribute to the Exchange's heritage whilst enabling the organisation to embrace new ways of working and respond to the evolving needs of the global financial community."

"Our new headquarters reflect how much the London Stock Exchange has changed in the last 30 years. Its design allows us to work in new ways and gives us the flexibility to continue our development as a commercial enterprise. In addition, our new Media and Business Complex is being used for a variety of meetings and events, with the constant flow of communication and ideas putting us firmly at the heart of the city."

Chris Gibson-Smith,
Chairman, London Stock Exchange

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04. Office Futures: Workstyles/Workspaces

So what do we really want from our working environments? Personal space (39%), climate control (24%) and daylight (21%) are the most important factors in a good working environment according to the professionals we interviewed.

Open plan is currently the dominant office layout, with 62% of professionals currently working open plan, compared to 28% in their own private office, 7% in shared private offices and just 2% flexible working.

The private office retains its cachet with half (50%) of professionals saying they would prefer to work in private offices (30% solo, 20% shared) and one third (33%) of professionals saying they would most like to work open plan.

There is room for designers to propose a fresh look at hot desking in the light of flexible working arrangements and new technologies. Currently just 1% of professionals would choose to hot desk and 68% say hot desking is their least favoured office option.

"Hot desking has a negative image. It is often associated with lack of personal space and support services. However, when combined with team spaces and supported by the right technology, it can be a viable alternative for highly mobile staff such as sales people, consultants and transient employees."

Ben Munn, Head of Consulting, Gensler London

Overall we are creatures of habit – professionals are most likely to favour their current office style – 91% of those with private offices would most like to work in private offices, 48% of open plan workers favour an open plan workspace.

Private offices are still seen as a reward for seniority, with 47% of those aged 50-60 having a solo private office, compared with 18% of those under age 40.

However, while many professionals have their eye on a private office, they don't necessarily approve of such symbols of hierarchy. 51% of professionals (60% of female professionals) have greater respect for leaders who work in an open plan environment with their teams.

Our research illustrates how little flexible working has penetrated the UK's professional labour market despite the ongoing debate about work-life balance. However, the idea of flexible working options is growing in popularity – with 16% of professionals stating flexible working as their preferred work option for the future and 36% claiming to be able to work more productively at home than in the office.

When is a Desk not a Desk?

While hot desking appears to cast dread into the heart of many an office worker, many professionals may not understand what it means in practice. The term hot desking is derived from the war-time naval practice of 'hot bunking' in submarines. Whilst its definition hasn't fundamentally changed, hot desking has been an effective response to technological and workplace developments, being successfully adopted by organisations with a high number of mobile workers. Some definitions:

Shared Desk: A desk that is bookable, generally by permanent residents of the building. Often distributed on a departmental or team level.

Hotelling Desk: A bookable desk that is open to all office users, whether permanent residents or visitors.

Hot Desk: A desk that is set up for drop in / touch down users. Usually not bookable. Can be distributed on a team, department, or office-wide basis.

All of the above can also be office based, and should be supported by collaborative spaces and more private working environments.

The Ideal Office
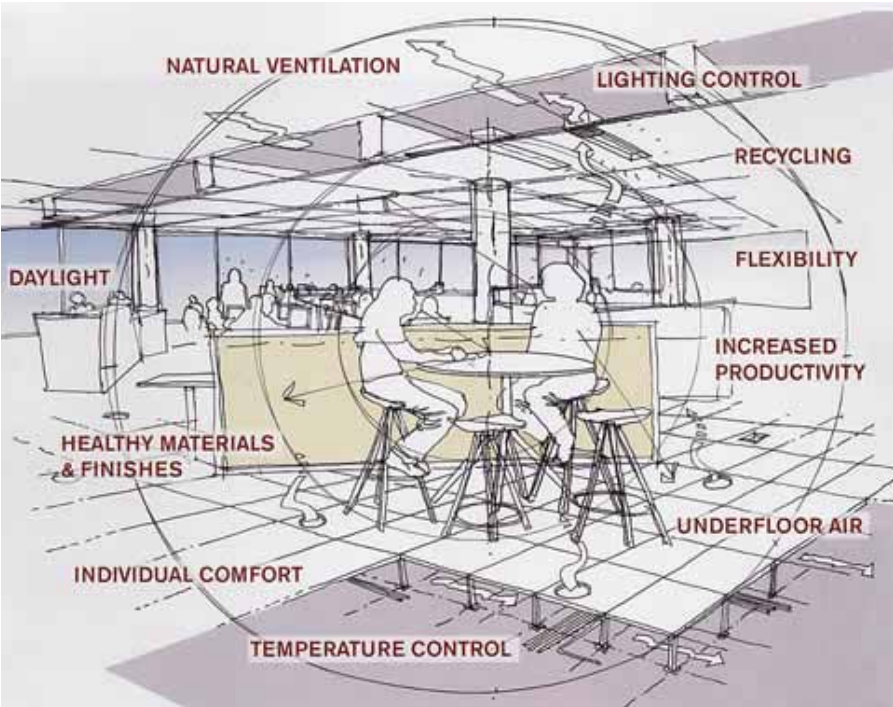
"First we shape our buildings and afterwards our buildings shape us."

Winston Churchill

> "Personal space (39%), climate control (24%) and daylight (21%) are the most important factors in a good working environment."
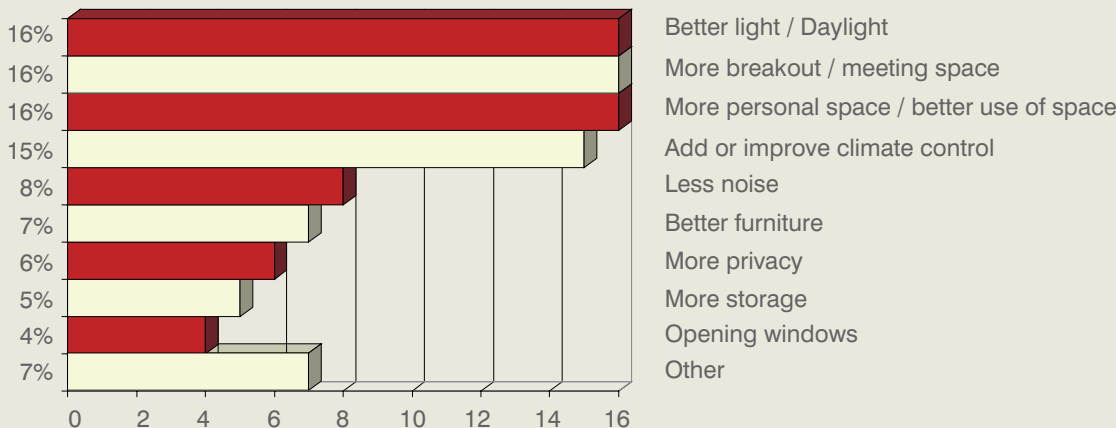
Key Factors in a Good Working Environment

What is the most important factor in a good working environment?

- Personal Space — 39%
- Climate Control — 24%
- Daylight — 21%
- Office Design — 11%
- Quiet — 3%
- Facilities — 2%
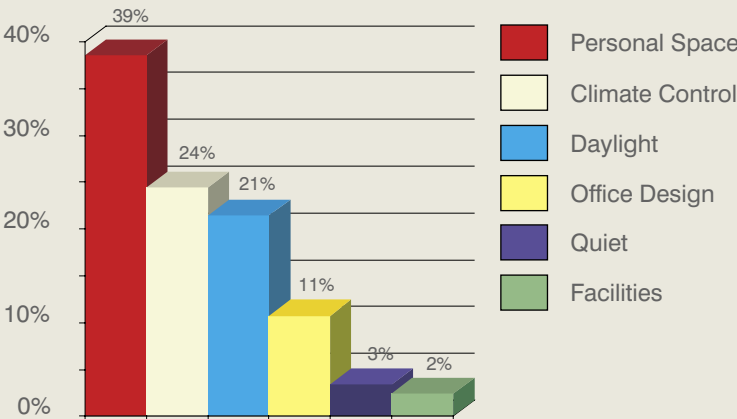
Factors to Improve my Office

Professionals have their own ideas about how their office environments can be improved, with suggestions including the following:

%	Factor
16%	Better light / Daylight
16%	More breakout / meeting space
16%	More personal space / better use of space
15%	Add or improve climate control
8%	Less noise
7%	Better furniture
6%	More privacy
5%	More storage
4%	Opening windows
7%	Other

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Current Office Type

Which of the following best describes your current office environment?

Legend:
- An open plan office
- My own private office
- A private office shared with several colleagues
- Flexible working (working from home/mobile working)
- Hot Desking (an open plan space without pre-assigned desks)

Values: 62%, 28%, 7%, 2%, 1%
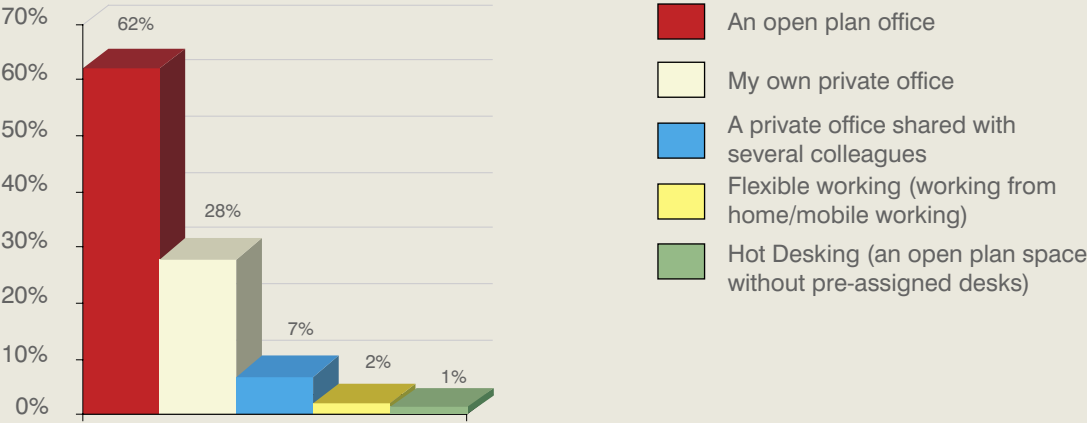
Preferred Office Type

Which of the following types of office would you most like to work in?

Values: 33%, 30%, 20%, 16%, 1%
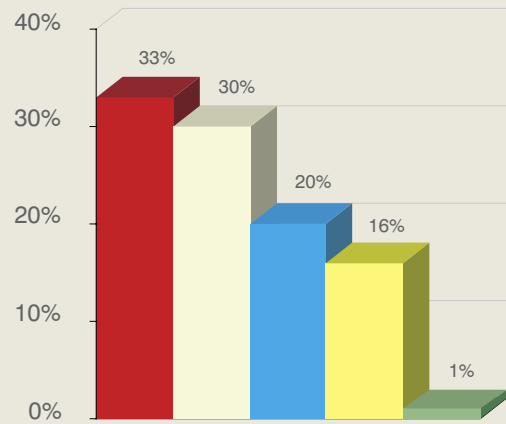
Least Favoured Office Type

Which of the following types of office would you least like to work in?

Values: 68%, 15%, 8%, 5%, 4%
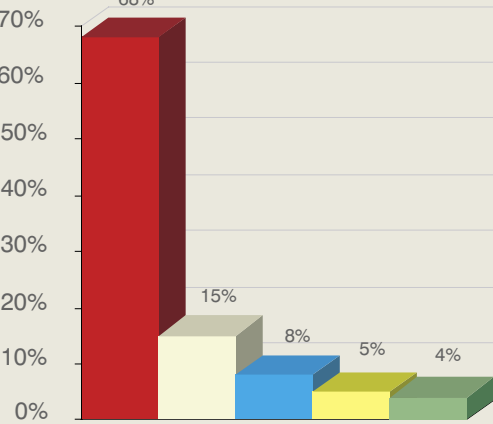
"Businesses must consider the impact of a workspace on the working styles that take place within it. Open plan spaces promote interaction; team spaces promote a culture of collaboration. Create the right workspace and you are one step closer to creating the working practices and culture needed to achieve your business objectives."

Simon Jackson, Principal, Gensler

The Open Plan Generation

"We now have a generation of professionals in the workplace who have never worked in a private office and are used to working and collaborating with colleagues in an open plan environment. The perimeter office on its own is not democratic enough for today's workplace. Collaborative leadership demands collaborative spaces."

Enrico Caruso, Principal, Gensler

Focus on Legal Services

Legal businesses are most likely to reflect tradition and hierarchy – with private offices dominating in current and ideal office scenarios.
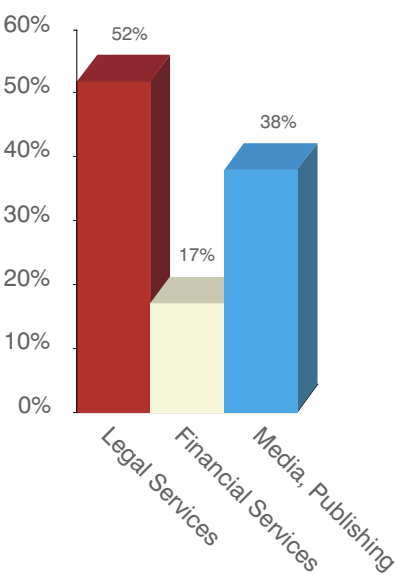
Office design differs from sector to sector, with tradition still dominating in the legal profession where 66% of professionals have private offices (52% solo, 14% shared), compared to financial services where 76% work open plan versus 22% in solo or shared private offices. Private offices remain a valued status symbol in the legal sector with 67% of professionals saying they would prefer to work in a private office.

Private Office by Age

Which of the following best describes your current office environment?

Values: Under 30: 15%, 30-40: 18%, 40-50: 23%, 50-60: 47%, Over 60: 33%

Age
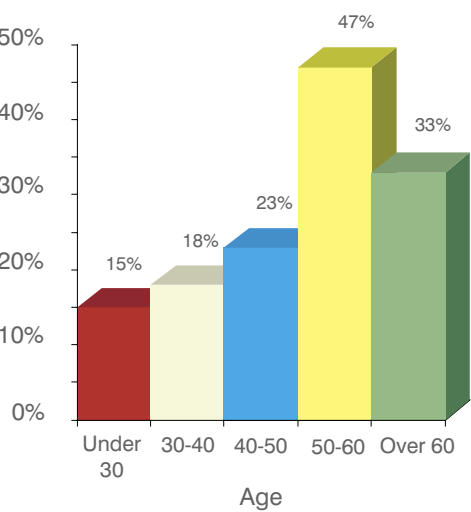
Private Office by Sector

Values: Legal Services: 52%, Financial Services: 17%, Media, Publishing: 38%

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Legal Case Study: Allen & Overy
A Space to Transform Working Practices

Forward-thinking firm Allen & Overy used new office space as an opportunity to introduce a variety of new working practices, as Andrew Clark, Partner, Allen & Overy explains:

Our new office at 40 Bank Street in Canary Wharf was a strategically important step for us. We wanted to retain and nurture strong links with our clients in Canary Wharf and create a truly innovative and efficient work environment that would differentiate the firm among clients, staff and competitors. We also saw 40 Bank Street as a test-bed for innovation, wireless technology and new ways of working which we could benchmark for our future main space at Bishops Square and possibly adopt across the company.

We worked with Gensler on some blue sky thinking which included looking at the firm from a different angle in a visioning session for our staff at the London Eye, followed by a series of interviews and a firm-wide survey to ensure that everyone had a say in the design process.

Design was part of our strategy of achieving the collaborative, cross-selling culture that is so vital in today's competitive legal world. Pushing boundaries often means taking risks but we were happy to experiment with new concepts. We introduced a combination of private offices and team working spaces so our staff can choose the buzz or stimulation they need to work at their best.

Reflecting Allen & Overy's egalitarian approach, team working spaces and breakout areas occupy prime office space and benefit from the stunning views over the city of London. Breaking the mould of traditional law firms, these shared spaces encourage interaction and act as a catalyst for creativity, knowledge sharing and cross-fertilisation of ideas.

The combination of wireless technology and creative design at 40 Bank Street is encouraging staff to work whenever and wherever they want. Whether based at 40 Bank Street or just visiting the office, our staff are truly mobile - and so is knowledge, which means people can be productive in many different places. Workstations have been individually designed to give them a sense of belonging and shared spaces are inspired by the interests and hobbies of all our staff. Whether in the mood for recreation (Sports Area), relaxation (Library) or retreat (Zen Area), our staff have the choice to use a breakout area to get work done.

We have achieved an environment that contributes to our mission of attracting and retaining the best legal and support staff, improving organisational agility and fostering knowledge sharing.

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05. The Creative Office

Q. How do we add value in a services economy?

A. By investing in PEOPLE.

As Dan Pink argues in his recent book, A Whole New Mind[7], we are now witnessing the rise of right brain thinking – increasing commoditisation means that future economic advantage lies in advanced knowledge networks and ideas.

The irony is that if you ask people where they think best, chances are the office isn't top of the list. 38% of professionals (45% in Financial Services) say it's difficult to be creative or innovative in their office.

The new economy requires creativity and collaboration yet the professionals we spoke to suggest that we might be in danger of becoming a nation of desk jockeys. Middle and senior managers spend more than half (52%, 58% in legal services) of their time desk bound, just a third (28%) of their time in internal meetings/interacting with colleagues, and the remaining fifth of their time travelling and in external meetings.

However, they come up with their best ideas in meetings/interacting with colleagues (30%), at home (22%) and in various other scenarios. If employees are at their most creati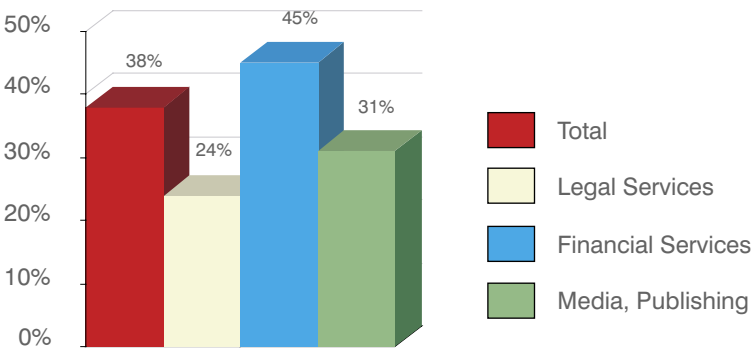ve when they work together, why aren't businesses investing more in interactive spaces? Too many businesses consider office space as a series of individual desks; the right balance must be found between concentration and collaboration with team spaces, breakout areas and quiet rooms.

The growth in many types of creative business has meant that more professionals are enjoying the benefits of "creativity" rooms, chill out areas, meetings in unusual venues and team building activities. But how can creativity be built into the fabric of a working environment and can an innovative workplace really foster innovation and new ways of working?

It's difficult to be creative or innovative in my office

- 50%
- 40% — 38%
- 45%
- 31%
- 30% — 24%
- 20%
- 10%
- 0%

- 🟥 Total
- ⬜ Legal Services
- 🟦 Financial Services
- 🟩 Media, Publishing

An Average Week

In an average working week, what percentage of your time do you spend..?

- 8%
- 12%
- 52%
- 28%

- 🟥 Working at your desk
- ⬜ In internal meetings or interacting with colleagues
- 🟦 In external meetings
- 🟩 Travelling
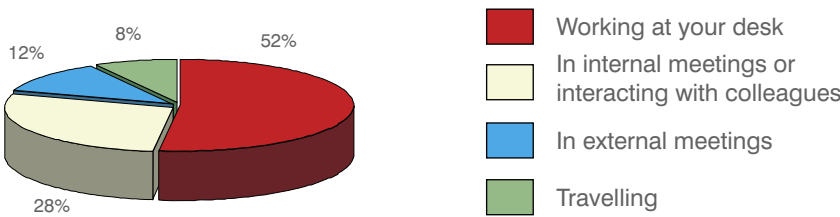
The Ideas Factory

Is it possible to build an environment that will make us more creative? Does innovative space foster innovation?

"You cannot underestimate the impact of the four walls around you. A stale environment will foster stale thinking. And it's not just about spaces – it's about the way you encourage people to use them. The more reasons and areas you give people to interact, the more creative they will become."

Armando Iarussi, Senior Associate, Gensler

Gensler

Professional Services
Case Study: IBM
Creativity by Design

Can an environment make us more creative? One of the first organisations to test the theory was IBM back in 2001, and the resulting Centre for E-Business Innovation remains the textbook example of innovative design in action.

For IBM, working with customers on a new generation of E-Business solutions demanded a rethink of traditional workplace design. Jo Strain, one of the project's sponsors at IBM, takes up the story:

"By breaking the mould of the work environment, we hoped to liberate the creative and pioneering spirit of our employees and our customers. We wanted our space to not only accommodate new working processes but actually engender more creative ways of thinking.

We constructed extreme spaces such as the Experience Theatre and Think Tank to stimulate ideas and provoke an attitude shift, a world away from the traditional work environment. Inspiration, stimulation and relaxation were provided by combining the familiar and unfamiliar: natural and hi-tech elements, tactile surfaces, mood-enhancing lighting and sound, standard and unusual furnishings.

Non-dedicated offices, universal workstations, increased shared facilities, team rooms and drop-in areas have become signature IBM 'e-place' features that underline this departure from conventional office design.

High tech electronic presentations such as holographic projection screens, plasma and computer controlled lighting sequences were used with low tech tactile presentation tools such as over scale models and children's toys. This all helped to create a fun working environment, generating energy and enthusiasm while improving staff recruitment and retention.

Our goal was to create a space where our staff and our clients would have the freedom of thought to create innovative yet practical E-Business solutions. For IBM, the response of our staff, clients and candidates said it all."

"The Innovation Centre provides such a fresh outlook for the way in which we work. Features and ideas range from the artistic to the totally bizarre! I feel more creative in the Innovation Centre because I know that my ideas are no longer inhibited by prejudice or protocol. When developing leading edge solutions, one sometimes needs to 'push the boat out' and try new ideas. By experiencing the creativity of others as I walk around the Centre, I feel inspired to create something new myself!"

Solution Architect, IBM

"There's no doubt this is the sort of company I want to work for."

Candidate, IBM

"What does one have to do to get a job in this Centre?"

Consultant, IBM

"The IBM e-Business Innovation project is part of a trend toward a more casual and open working environment that engenders communication, collaboration and idea generation. The success of these environments show that giving people a creative workplace can help stimulate their own creativity."

Allyn Dorey, Senior Associate, Gensler

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Public Services Case Study: GCHQ

A Place to Transform Organisational Culture

Re-housing a sizeable, sensitive and critical operation like GCHQ was an ambitious undertaking in itself. But GCHQ not only wanted to move staff from 50 buildings spread across two campuses into a single location, the aim was to create a new sense of culture and identity for GCHQ as it evolves to become a dynamic, 21st century organisation.

In addition to providing a more integrated set-up, there was a desire to achieve a flexible environment and create a sense of community in what was traditionally seen as a compartmentalised and hierarchical organisation. How could this new openness be achieved without compromising operational security and efficiency?

The space conceived to achieve the cultural impact GCHQ sought, without compromising operational and security priorities, was the Intelligent Campus.

Three identical, interdependent office buildings now nestle in GCHQ's new, circular headquarters at the Benhall campus. The circular, radiating shape brings GCHQ together, keeping the three divisions autonomous but closely linked.

The all-encompassing structure – constructed from local Cotswold stone, aluminium and glass - draws staff together, creating a sense of community and belonging within a secure environment. A wide, landscaped courtyard in the middle of the circle forms the 'heart' of the community, whilst a planar wall of reinforced glass cloaks the perimeter to provide security: staff can see out, but it is impossible to see in.

The design of the entrance is also key to GCHQ's cultural revolution: staff and visitors enter through linked blocks - three shared spaces between the buildings. This brings people from different divisions together, whilst amenities in two of the entrances offer convenience and encourage integration.

The interior is conceived as a people-friendly, high performance workplace, with the emphasis on flexibility, integration, collaboration and efficiency. Open plan offices are configured to ensure that no member of staff is more than 5 minutes away from any colleague. The circular shape enables scalability by eliminating dead ends, so that teams may expand both horizontally and vertically.

Dotted around the complex are breakout areas to encourage spontaneous communication, while the 'Secret Garden' offers landscaped areas for staff to relax.

If the courtyard is the heart of the GHCQ community, then a bright, glass-roofed, internal 'street' is its lungs. The street runs through all three buildings, aiding circulation by linking all sections, shedding light and providing an area for staff to eat, drink and relax.

By investing in innovative design, GCHQ has seen to fruition a practical solution to its unique cultural and logistical needs. The Intelligent Campus ensures that GCHQ staff are truly empowered to focus on their core business: protecting the nation.

"The traditional 'barbed wire' security model doesn't work in an environment where employees choose to come to work and need to work together. GCHQ moves that a sense of openness and a positive working environment can be achieved without compromising security, and a new working environment can renew an organisation and its working practices beyond recognition."

Chris Johnson,
Managing Principal, Gensler Europe

"This state-of-the-art building will enhance GCHQ's ability to provide vital intelligence which will help counter global terrorism and other serious threats to the UK and its allies"

Jack Straw,
Foreign Secretary

Gensler

06. The "Thinking Time" Directive

UK professionals work the longest average week in Europe despite the Working Time Directive and other initiatives to limit working hours. And work has become even more intense as advances in ICT enable us to be available 24/7. As executive think time is being eroded, what is the cost to professionals and British business?

78% of professionals say increasing work pressure means they have less time to think than they had five years ago. Furthermore, pressure on their time and information overload is reducing the value professionals can add to their companies by a fifth (21%). Professionals estimate that they abandon/are unable to investigate more than a quarter (28%) of their ideas due to time pressure.

Shockingly more than half (52%) of professionals never completely switch off from work. Seniority has a price tag: 58% senior managers never switch off as compared with 50% of middle managers. Different sectors also reflect different levels of stress, with 48% of Financial Services professionals unable to switch off as compared with 57% of professionals in Legal Services and 63% in Media/Publishing.

If we acknowledge that people working in professional jobs will often work long hours, how can we improve the workplace to support these time-pressed employees? How can we give them the tools to ensure they are as productive as possible within normal office hours and give them back some work-life balance?

"If we acknowledge that people working in professional jobs will often work long hours, how can we improve the workplace to support these time-pressed employees?"

Do female professionals have better worklife balance than their male counterparts?

The focus of work-life balance initiatives may currently be on parents, and mothers in particular, but new working practices could signal future directions for all professionals.

- 55% of men never switch off from work, versus 45% of women

- 32% of men say technology means work is eating into their personal lives versus 19% of women

Gensler

Legal Case Study: Clifford Chance

When the world's largest law firm, Clifford Chance, moved out of the City of London to Canary Wharf, supporting hard working staff and clients with state-of-the-art facilities was top of the agenda for Managing Partner, Peter Charlton:

"Clifford Chance is renowned for its quality of service and we wanted our new office space in Canary Wharf to support our 3,000 staff and our clients with the best possible facilities. Our move gave us the opportunity to create a 24/7 city within our office space."

Today the office has achieved a balance between public and private spaces. The rooms are totally versatile and can be transformed from intimate deal rooms into conference rooms. The elegant open spaces throughout the building have fostered communication and interaction between staff and provided elegant surroundings for our visitors. With state-of the art workstations and staff amenities, the 24-hour secure deal zones and 24-hour staff canteen have all had a positive effect on productivity within the office and provided staff with welcome support facilities.

Space highlights include a health club featuring a sky-lit 20m-lap pool, 2 squash courts, aerobic studios, gym, a 257-seat auditorium, a space known as 'The Street' with a 'well being' centre, information services area, print room, travel office, prayer room, restaurant, coffee bar and convenience store; a dining and events facility on the 30th floor with spectacular views over Canary Wharf, Greenwich and The Dome. Client facilities include a restaurant for up to 450 people; and a client meeting facility over two floors with 80 rooms with unique 'deal zones' which convert into secure spaces for sensitive negotiations.

In addition, each floor offers self-contained breakout areas incorporating vending machines and seating areas. There is also a hospitality lounge incorporating a bar, lounge, library, touchdown desks, showers, private meeting rooms and a business centre, amongst other areas.

The building has become known as the Green Giant for its energy efficient design, and the business benefits from a win-win combination of low operational costs and low environmental impact.

The impressive nature of the interior has been very well received by staff and clients alike, with staff retention at an all time high. Clifford Chance's new premises are set to become an international landmark for truly global law firms.

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The Last Word

Conclusion: The Future of the British Office

British business has traditionally viewed the office as an overhead, with the result that the shape of Britain's workplaces is often determined by minimising costs rather than creating a productive and enjoyable working environment for staff and customers.

Our independent research shows that many professionals in the UK are at best neutral about their working environment and at worst ashamed to show their offices to their customers. The vast majority of managers believe that their office was not designed with their company's business – let alone their own job function – in mind. Yet this apparent cost cutting means that UK businesses are missing out on a productivity gain of up to 19% – the equivalent of £135 billion every year.

The strategic value of workplace design is beginning to be recognized in the boardroom. We must encourage business leaders to understand the performance of their buildings, rather than limiting their property strategy to minimising cost and square foot per person. In a services economy, added value comes from innovation through fostering collaboration. The workplace is not a cost – it is a strategic resource that can be used to foster greater success.

Recent innovative approaches to workplace by pioneers from Corinthian Television and IBM, to GCHQ and the London Stock Exchange (and their clear impact on productivity, brand and staff/client satisfaction) have given us a glimpse of what the 21st century working environment can be. These early adopters point the way in a trend which is seeing the British office transformed from a generic shell into a living embodiment of a company's brand, designed to support the particular needs of the employees and customers who will work in it.

Business leaders are beginning to realise the impact of workplace on organisational performance. Brand, working practices, technology and creative spaces are the four walls within which future businesses will thrive. We look forward to the day when the four walls of the British office will support employees, customers, brand and ultimately the success and productivity of the company as a whole. Today's business leaders and designers have an unprecedented opportunity to improve the quality of work and life for all of us.

Gary Wheeler,
Director of Workplace Europe, Gensler

About Gensler

Gensler is a global architecture, design, planning and consulting firm working with clients to support their strategies and improve business performance through design excellence. For 40 years, Gensler has been a pioneer in creating commercially sound places that enhance the quality of life and work, empower people and transform organisations. Today the firm counts on over 2,000 people based in 27 offices worldwide.

Gensler Europe is headquartered in London and includes the resources and expertise of an office in Amsterdam. It is responsible for Gensler's work in the UK, Europe and most of the firm's projects in the Middle East. The London office was opened in 1988 and currently employs over 140 people. Recent projects include the new London Stock Exchange, Apple's first European flagship store and the 1 million sq ft campus for GCHQ (The Government Communications Headquarters).

About the Design Council

The Design Council works to improve prosperity and well-being in the UK by inspiring and enabling the best use of design in business and public services: www.designcouncil.org.uk

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Credits

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All case studies within this report are Gensler projects, for further information please contact Gensler.

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All photography by Timothy Soar except:
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Research Methodology

Research was conducted on Gensler's behalf by independent business-to-business research specialists, Vanson Bourne. 200 middle and senior managers were interviewed in the UK between 14 and 31 of March 2005. They were drawn at random from legal, media and financial services sectors.

[1] ONS, Labour Force Survey 2004
[2] Department for Work and Pensions
[3] See Research Methodology
[4] See Research Methodology
[5] See Research Methodology
[6] The Impact of Office Design on Business Performance, BCO/CABE, 2005
[7] Dan Pink, A Whole New Mind, Riverhead Books, 2005
[8] Figures taken from UK National Accounts, Blue Book 2004, UK service sector GVA, Section 2.3 page 112

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The Workplace Productivity Equation

The results of our new research enable us to make a clear link between workplace and productivity. According to our research, professionals in the services sector estimate that "a better working environment would increase employee productivity" by 19%. If we multiply the service sector GVA (Gross Value Added – latest available figure, 2003) by 19% the results are as follows: [8]

(%Productivity increase x UK Service Sector GVA) – UK Service Sector GVA = £Productivity Increase

(1.19 x £709 907 million) - £709 907 million = £134 882 million (£135 billion, where billion means a thousand million)

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