

WORKPLACE DESIGN



Collegiate Design: The New Driver for Workplace Design

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■ INTRODUCTION

In a world where securing top talent is a competitive business advantage, employers spend many waking hours devising ways to attract and retain an exceptional workforce.

Human Resource professionals claim that two of their top three biggest challenges over the next 10 years will be recruiting and rewarding the best employees (59%) and creating a corporate culture that attracts the best employees to their organizations (36%)¹.

The race for talent is on.

“The thing that keeps me up at night is the ability to attract top talent in the future.”

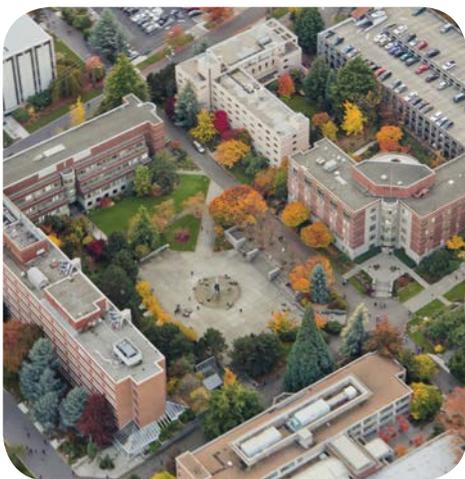
—CEO of a top communications company

“The thing that keeps me up at night is going to sit in my cubicle farm on Monday morning.”

—First-year analyst at a top communications company²

More than half (53%) of U.S. employers planned to hire recent college graduates in 2013.³ But, as companies look to recruit the best and brightest from college campuses, they are overlooking one brilliant recruitment strategy that's theirs for the taking—campus design itself.

By incorporating campus design concepts into the workplace, companies may obtain a stronger foothold in talent recruitment and employee retention. Campus design also supports evolving work styles and enhances productivity. KI and HOK set out to examine the reasons behind these missed opportunities and to predict what factors may influence the continuous evolution of workplace design. Our research was conducted by studying and comparing the work styles found in higher education versus those in corporate environments.



We discovered that Collegiate Design is the new driver for Workplace Design.

It sounds logical. Incorporating campus design elements into work environments would attract and appeal to young professionals who have spent the last four to six years learning, growing and working within the campus environment.

Unfortunately, taking design cues from higher education environments isn't even on the radar of most corporations. In stark contrast, today's college graduates strongly scrutinize potential employers based upon their environments.



Therein lies one paradox among many:

Despite the fact that many companies describe their places of employment as “campuses,” most corporate environments used for training and collaboration fail to resemble today's dynamic campus environments. Nor do they support the preferred work styles of recent graduates; styles cultivated in highly responsive, higher education environments.

In other words, maybe organizations just aren't ready for new graduates. But what if business environments were more like college campuses?

Could corporations attract greater numbers of top talent? Would newly hired graduates get up to speed faster, thrive sooner and become organizational leaders earlier in their careers?

What kinds of competitive advantages do corporations that support new employees' preferred work styles gain?

Surely industry research would provide some good answers. Problem was we couldn't find any.



This gap highlighted another paradox: While there exists many academic studies on how students prefer to learn and how campuses support those preferred styles, there is a dearth of studies on how employees prefer to work and why meeting such needs is beneficial to both employees and organizations.

Clearly it was time for some research in this realm.



KI and HOK launched into a research project with this hypothesis:

Corporations should address today's work styles by taking design and workspace planning cues from institutions of higher education because of the influence these learning environments have had on a newly graduating workforce.

Because learning environments have played an important role in shaping and supporting the work styles of the newest workforce, collegiate design may influence the next evolution in workplace design. Corporations competing in the race for talent should borrow design and workspace planning concepts from institutions of higher education.

KI and HOK sought support for the hypothesis and embarked on a year-long research project. The project examined and compared the work styles and work environments typical of corporations with those common to higher education. We conducted interviews with Fortune 100 companies, spanning a range of industries including technology, entertainment, manufacturing and advertising.

Some of the answers and results received weren't altogether unexpected. The results revealed a significant disconnect between today's workplaces and the expectations of both soon-to-be and newly hired employees.

“Hmmm ... we haven't intentionally looked at that.”

—Fortune 100 technology corporation's response to addressing the preferred work styles and environments of recent college graduates

On the other hand, the study did reveal a few significant surprises. Three key unexpected and enlightening findings surfaced:

- 1. Recently hired graduates are “lost in transition.”*
- 2. There is limited research being conducted by organizations on the recently graduating workforce and their work style preferences.*
- 3. Current workplace design does not respond to the needs of recently hired graduates.*



“You have this maze of cubicles and each one is isolated from the other.”

—Nation's largest metropolitan planning organization

■ LOST IN TRANSITION

When making the jump from collegiate to corporate environments, recently hired graduates are often “lost in transition.” Not only are new hires baffled by the relevance of their physical space (“cube farms”), but also by the work styles expected of them.

This fact held true for the great majority of companies interviewed.

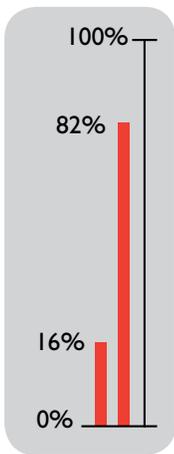
Given respondents’ acknowledgement of this fact, we were surprised to learn that only 16% of the companies interviewed actually offered workspaces that responded to the preferences of new workers.

The impact of this disconnect may manifest serious repercussions for corporations. “Lost” employees translate into lower retention rates. Such turnover is both an important metric and an expensive disbursement for organizations.

When companies stop to consider the learning environments from which their new workforce has emerged, they would be wise to emulate these environments in the workplace. Companies can benefit from providing similar workspaces several ways:

- Creating workspaces that foster coaching and mentoring supports ongoing training and development, opportunities new hires seek.
- Workspaces that leverage technology and support e-learning provide a crucial tool the recent graduates are accustomed to and have come to expect.

Providing comparable corporate environments gives organizations an edge in talent recruitment and retention. These environments lessen the shock for recent graduates as they enter the workforce, reducing the “lost in transition” affect.



Lost In Transition Breakdown

82% of companies experience new hires “lost in transition”
(6-12 months average adjustment period cited)

16% of companies try to provide responsive spaces

(Research conducted by KI and HOK)

An engineering professional at a major aerospace company shared this first-hand account of how “lost in transition” can impact a business:

“In mid-2000, 1 in 5 graduating engineering students in the country listed our company in the top three places they’d like to work. At the same time, upwards of 40% of new college hires turned over in the first three years of working for our company. Part of the reason for the turnover was dissatisfaction over the physical workplace/environment and the fact that it was not conducive to young professionals.”

—Expressed to Jonathan Webb, KI, Vice President of Business Markets

A recent college graduate expressed a similar concern regarding today’s workplace expectations.

“Professors give me assignments and deadlines. How I complete those tasks is entirely up to me. They don’t say, ‘You will write this paper between 9 a.m. and 5 p.m. while sitting at this assigned library table.’”

—Recent college graduate and new hire



■ INSUFFICIENT RESEARCH

How do new hires like to work? Most employers aren't sure because they aren't asking.

There is a lack of research being conducted on work styles and on the connection between collegiate design and workplace design. Ironically, while most companies have campus recruitment campaigns to hire the best and brightest from universities, only a third bothered to ask soon-to-be graduates how they prefer to work.

Clearly, corporations are missing an easy opportunity to gather valuable information about their workforce.

Even simple questions such as, "What do you look for in your physical work environment?" and "Do you sit, stand, or lie down to be most productive while working?" were omitted on career day interviews. The answers to such questions can provide businesses with important insights into the work styles they must eventually manage.



Moreover, when businesses were asked whether collegiate design could impact the layout of their workspaces, 75% said yes. Despite this realization, none of the companies had formally studied the physical collegiate learning environment to determine how it might apply to their workplaces and needs of a new workforce! All were missing out on the valuable opportunity to learn from learning environments.

Are there any clues within the industry?

Looking for extensive research on a topic that's rarely discussed, we turned to industry research to see if we could make a "reverse connection" to our premise. Could we identify a link between current corporate design trends and their potential relativity to recently hired graduates and environments?

In IFMA's 2010 Space and Project Management Benchmarks Report #34⁵, trends in workplace design were derived from industry data. Three trends stood out as clear "connectors" between collegiate and workplace design:

1. Increased adoption of Distributed Work Strategies. Classified as a way of distributing work based on tasks and responsibilities, it is often simply defined as a "work anywhere, work anytime" policy. In the workplace, that often means accommodating a variety of work styles and tasks—heads-down, concentrative work, collaboration, offsite and mobile, etc.

Thinking about this strategy in the context of today's university students, it is evident that they have "worked" (studied, produced) in a "distributed" manner for years. Perhaps university planning established this anywhere/anytime design trend long before the workforce created the distributed work strategy.



- 2. Less for me, more for my team. The need for individual workspaces has diminished in corporate environments, while the need for more shared spaces has multiplied. Companies are allocating more square footage for collaborative, conference, support and amenity spaces. The premise that more shared space is required for everyone, while less is needed for the individual has long been a hallmark of university planning. Students and even faculty have limited individual space so that the bulk of campus space can be shared among everyone.*
- 3. A higher degree of worker choice and control improves results. There is a corporate notion that's becoming prevalent in many industries. By allowing workers to have a higher degree of choice with regard to their workplace, greater productivity will result.*

The parallel of this flexibility trend to collegiate design demonstrates that students always choose how they complete assignments and where they will be most productive. They maintain control of time and space and produce the necessary results to complete tasks. While workplaces have only recently placed more emphasis on this approach, students have long been accustomed to it.



■ INADEQUATE RESPONSE

“They’re finding that their workspace isn’t the most effective space.”

—Fortune 100 global manufacturer and distributor on recently hired graduates

When it comes to the work styles of new graduates, businesses are making some observations.

36% recognize that recent graduates carry collegiate work styles into the workplace

25% feel new hires like to work “everywhere”

100% agreed that newly hired graduates like to work in groups

To further gauge their understanding of employee needs, we then supplied interviewees with a list of the top five physical workspace priorities valued by recently hired graduates. The survey revealed potential hires ranked two priorities—technology and community/collaboration spaces—as being the most important elements relative to their potential workplace.

The response to this insight however, was practically nonexistent.

Only 8% of companies said they actually consider attributes of collegiate design when designing their work environments. This was a stunning revelation.

So, while organizations are beginning to recognize that recent graduates may prefer to work in a more open, collaborative environment, they are either unwilling, unable or unprepared to alter the physical workplace in order to accommodate these evolving work styles.

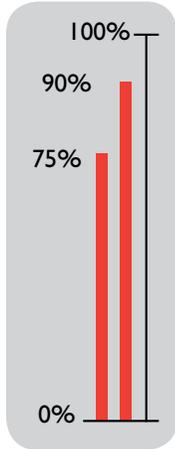


“The nearly 80 million Millennials who are about to enter, or who are already in the workforce, will fundamentally change how business is conducted in the future.”⁴

—Maximizing Millennials in the Workplace, UNC Kenan-Flagler Business School

■ IS BACK-TO-SCHOOL THE FUTURE OF WORK DESIGN?

When reviewing our overall research, we're left with this final picture:



90% of corporations are recruiting their future workforces on campuses

75% recognize that collegiate design can have an influence on workplace design

0% are looking at learning environments to discover solutions for greater organizational success

(Research conducted by KI and HOK)

■ SUMMARY

As companies begin to recognize the need, value and benefits of accommodating the work styles of the newest generation of employees, few know how to take the next steps.

The design community and furniture manufacturers with higher education expertise will play a critical role in helping companies meet a new workforce's preferences, successfully evolving their corporate environments.

Those companies that recognize the significance of collegiate design will leverage valuable insights for designing more effective, relevant and productive workplaces.



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