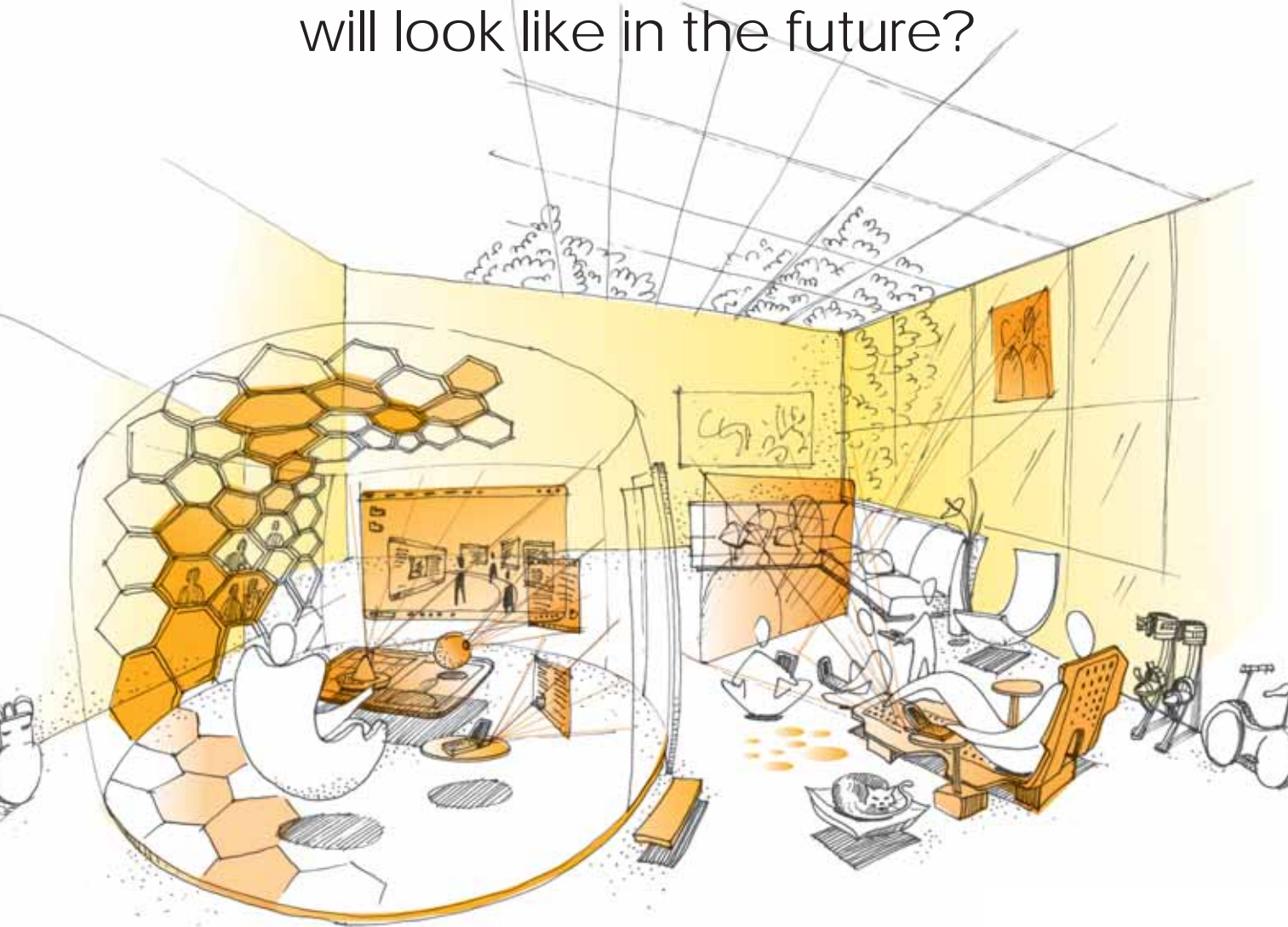


**NewStatesman**

# Tomorrow's world

Is this what your workplace  
will look like in the future?



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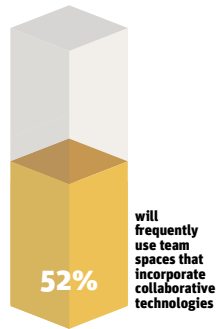
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## In 2020



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# Hidden assets in our offices

The nuts and bolts of working life are changing at a great pace. From the how and where to the when and with whom, the notion of “getting the job done” is in flux.

Advances in technology have made mobile working a possibility for many, catering to a demand for work/life fluidity and businesses’ increasing need to stay responsive, agile and alert in a 24-hour, globalised economy.

Flexible working is a topic that is being discussed at the highest levels of business and politics.

On page three, Jenny Willott explains why “navigating this new working environment” is prompting the government to extend the right to request flexible working to all UK employees.

Companies, too, are taking note of the benefits of flexible working, such as increased productivity and improvements in employees’ welfare.

However, one of these benefits remains largely unexplored. This special supplement outlines how flexible approaches to work can positively maximise a company’s real-estate portfolio and enormously reduce unnecessary expenditure on property.

As Ken Raisbeck notes on page four, currently, on average, only 49 per cent of office space gets used, which shows that both space and money is being wasted. By analysing employee behaviour and reconsidering how we work, modern companies

can do much to deliver smarter business outcomes.

The way we work is changing; where we work needs to catch up. Employee demand for co-working, mobility and human-centred workplaces will have a decisive impact on the offices of the future. It is here that property represents a potential resource – but one on which many companies have failed to capitalise.

Now is the time for us to look around and reassess the way we use our workplaces. Making choices based on data-driven insight will be critical if companies are to innovate, stay competitive, and unlock the wealth hidden within one of their most valuable assets. |

This supplement, and other policy reports, can be downloaded from the NS website at [newstatesman.com/supplements](http://newstatesman.com/supplements)

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A look at the next generation of workplaces, which will encourage networking and interaction

# Nine-to-five in flux: the right to flexible working

By Jenny Willott

Choosing what hours you work can increase both participation and productivity in the workplace, which is why the government is introducing new rules regarding working arrangements

The world of work is changing fast. Technological developments have made the traditional nine-to-five office a thing of the past. Social network platforms, video and teleconferencing have made it easier than ever to work remotely or on the move, and to communicate with others in a variety of ways. Sophisticated device mobility means we can take our office in our pocket wherever we go.

But it's not just how we work that is changing. It's also how we balance that work with our personal lives and how we run our families. Striving for a better work/life balance is becoming more important; and it can no longer be assumed that it is mainly a woman's role to stay at home and look after the children.

Many more women are the family's main breadwinner and fathers are increasingly opting for working arrangements that will enable them to take a more active role in childcare and to balance their work and family responsibilities better.

One way in which the government is helping to support this new working environment is by giving all employees the right to request flexible working from later this year, a right which has, to date, been available only to parents and carers.

Flexible working encompasses a wide range of working arrangements, from job shares, part-time and shift work to compressed hours and working from home. Allowing all employees to request changes in their work pattern will give more people than ever before the chance of a better work/life balance, and in turn make them happier and more productive.

It will provide people with more opportunities to do things that matter to them, whether that is spending more time with their families, volunteering or pursuing further study or hobbies.

Older workers will be able to take on flexible working so that they can stagger their retirement, and a much wider group of people will be able to adjust working patterns to assist them in care-giving responsibilities for children, grandchildren or others who require assistance.

But it's not just employees that benefit – flexible working can help businesses to retain experienced and skilled staff, and

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Happy workers are more productive and lose fewer days to sickness

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widen the talent pool from which they can recruit. It can also increase the commitment and loyalty of staff members.

Research shows that happy workers are 12 per cent more productive and lose fewer days to sickness. We estimate that overall the extension to the right to request flexible working will benefit business by £55.8m per year, on average.

Offering flexible working arrangements can assist employers in meeting their customers' demands. Allowing employees to stagger their day can extend the operating hours of a business – from the time a production line is active to the hours when the business can respond to customers or clients.

We have asked the Advisory, Conciliation and Arbitration Service to produce a code of practice to help employers to manage requests for flexible working under the new rules. We are also encouraging employers and their staff to have open discussions about how flexible working could suit their particular circumstances. Employers will still be able to refuse an employee's request for flexible working on business grounds.

We believe the benefits are clear, which is why the government is leading by example, advertising jobs on a flexible or part-time basis as standard. It has also worked with private-sector organisations to develop the "Happy to talk flexible working" strapline for use on advertisements. A business can use the strapline to promote that it is a flexible employer and is open to discussing flexible working patterns when candidates apply to it. This enables roles to be designed to support agility from the outset and gives organisations the opportunity to demonstrate this support to potential applicants, thereby making themselves a more attractive employer.

Flexible working has the potential to increase overall levels of participation in the UK labour market as well as levels of productivity and profitability. I would encourage all employers to consider carefully how requests from their employees to work flexibly could fit in, and start exploring the benefits of a flexible, more motivated and happier workforce. |

*Jenny Willott is a minister at the Department for Business, Innovation and Skills*

# Big data, big insight, big results

By Ken Raisbeck

On average, only 49 per cent of office space gets used around the world. Is it therefore time to reinvent the way we work? And why aren't companies making their environments more efficient, to deliver smarter business outcomes?

There have been decades of speculation about the offices of the future. Are open-plan environments here to stay? Will having a desk of your own be a thing of the past? Will organisations even need office buildings?

All of these are valid questions as we seek to understand the role of the future office – bearing in mind the challenging economic climate, the relentless advances in technology, evolving flexible working practices (such as those discussed on page three), and changes in workforce demographics and attitudes.

Given all these dynamics, it is becoming increasingly clear that it's time to rethink, reinvent, even reimagine the office.

Many organisations are trying to improve the efficiency and effectiveness of their operations. With property typically the second-highest business cost after people, it represents a significant area of opportunity that is still largely untapped. Furthermore, recent studies provide clear evidence of less tangible benefits of flexible working, including decreases in travel time and absenteeism, and employee attraction/retention, all of which result in productivity improvements.

So why haven't more companies taken advantage of this opportunity?

The reality is that some organisations have tried to realise this potential, particularly in the UK, Netherlands, Scandinavia and on the US West Coast. One of the most successful stories is of a global bank that transformed 20 per cent of its 100,000-workstation estate, delivering a

cost avoidance in excess of €26m (£21m). However, while generally delivering positive results, global firms have typically focused on isolated pilots and pockets of innovation – so the scale of the implementations has been relatively small.

The moment to widen these opportunities is now, driven by several factors:

- ▮ The pace, quality and affordability of technological developments such as smartphones, tablets, Office 365, the Cloud, WebEx and Skype, which are enabling improved and alternative ways of collaborative working.

- ▮ The necessity of cost leadership during economically challenging times and the tight scrutiny around any business investment versus the return.

- ▮ More organisations acquiring the necessary skills to lead change, and developing roles such as transformation manager and head of innovation.

- ▮ Agility becoming an increasing demand from businesses, as compressed planning horizons mean a quick response is key to competitiveness.

We now find ourselves positioned to take advantage of the opportunity but lack the insight to make informed and intelligent business decisions. The recent Big Data explosion has generated more information than ever. It is widely acknowledged that 90 per cent of the data that exists today is less than two years old. The challenge is to make sense of it and use it to deliver business results in line with our workplace strategies. The property industry is data-rich, insight-poor.

The effective use of good data will be instrumental in enabling real-estate providers to consider people, equipment and the operational environment in a more holistic and predictive way.

Lots of organisations gather data, but few are making real use of it to improve decision-making and operations. The key to success is to use the information intelligently and to be focused on outcomes.

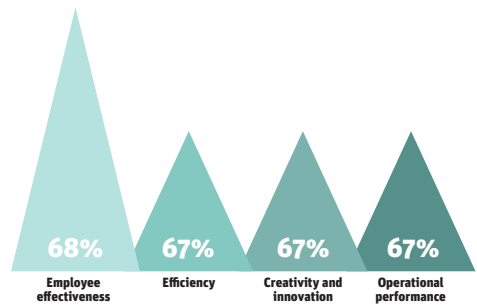
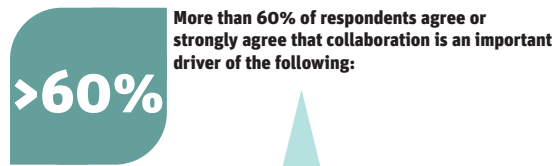
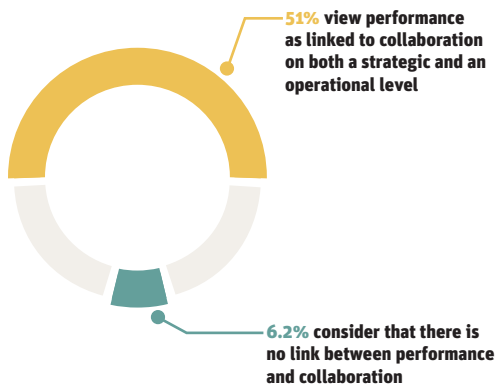
To give an illustration: car manufacturers often provide a thick, detailed handbook with a new car – great for when you have the time and interest. But they also typically provide a smaller booklet with just the most important, or frequently needed information – great for when you are in a hurry or an emergency situation. Chances are you look at the detailed handbook only once, but refer to the summary often. We need to do the same with workplace data: filter it down to what is really important, what we really need.

The challenge is to move from an understanding of what has happened in the past to what is happening now, and then make meaningful predictions about what might happen in the future. These predictions can be formulated on several scenarios, with decisions made from a more informed point of view.

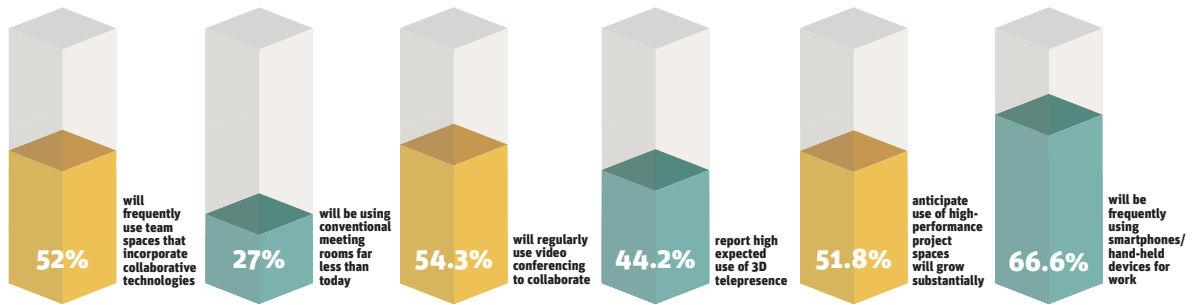
Managing a building portfolio involves making sense of complex data streams such as costs, performance and maintenance information. Data is everywhere, but building intelligence into this data is critical. For example, take advantage of lease breaks, avoid taking on unnecessary



# Collaboration 2020: how should companies position themselves towards the future?



## In 2020



Source: [www.johnsoncontrols.co.uk/content/gb/en/products/globalworkplacesolutions/gwi/projects\\_workplace\\_innovation/collaboration-2020.html](http://www.johnsoncontrols.co.uk/content/gb/en/products/globalworkplacesolutions/gwi/projects_workplace_innovation/collaboration-2020.html)

space, know where to accommodate growth and change, understand where costs can be cut, and understand opportunities for alternative work practices such as desk-sharing. One quick test is to ask yourself: if you were starting your business again, would your portfolio and workplace look the same as they do today?

In most cases the answer is no. The average utilisation of office space around the world is 49 per cent, based on studies conducted by Johnson Controls of 531 buildings in 41 countries. There is huge overprovision of space and with high occupancy costs, the wastage is significant.

All too often, people's personal views and needs can colour the facts of the situation. Accurate profiling is essential if occupancy levels are to be assessed, services refined and a more intelligent model for supply and demand developed.

Effective workplace strategies are the way to unlock this hidden value. It is possible to achieve greater efficiency, get the portfolio working optimally, create the agility and mobility that businesses today need and, above all, deliver smarter business outcomes. |

*Ken Raisbeck is the lead adviser on global workplace strategy for Johnson Controls*

## Workplace health check: five must-dos

### Understand your space

The turbulent economy has forced portfolios to increase based on the prosperity of the first half of the past decade, then contract quickly in response to the downturn. For many businesses, this means that costly pockets of legacy space are emerging. There has never been a better time to identify the financial gain to be made by efficiency.

### Understand your business needs – today and tomorrow

Technology and emerging markets are increasing the need for agility. As your business adapts, changes shape, takes new direction or tackles new markets, real estate must be able to keep pace. Only by aligning property with corporate strategy can the portfolio deliver against the needs of the business.

### Understand your consumers

The workforce is changing – and so must the workplace. A younger, dynamic breed of worker is coming up through the ranks: they are technologically sophisticated, highly flexible, and value social workplace

interaction. Most rank workplace and work style as critical in their choice of employer. To continue to attract, retain and develop talent, businesses need to understand what drives their workforce.

### Understand your brand

Buildings should amplify brand. A building user – employee, supplier, customer – should see corporate values reflected throughout. Office workspaces, retail outlets, leisure facilities and commercial space have different uses but should share a brand. These spaces are the most effective billboard for a business: every day, millions of building users all over the world are taking in messages about the spaces where they work or spend time.

### Understand your opportunities

Every business has a significant opportunity to make its space work harder. While big data is the source, the big insight is achieved from focusing on the most relevant data only. Ensuring data is collected with desired outcomes in mind will lead to informed decisions that deliver value. ●

# Workplaces of the future

By Marie Puybaraud

The workplace of tomorrow is emerging – and it will embrace innovation as never before. Collaboration, adaptability and dynamism will define the next generation of workspaces

**T**he rate of change and added complexity in society and business structures are increasing the need for efficient and innovative spaces in which to work. The culture of entrepreneurship we now find in workplaces is a major indicator of change, especially among the younger generations who form the pool of brainpower on which our organisations will rely for future growth.

We are evolving into a new world where mastering collaboration and collectivism could create critical business advantages. The changes happening in our working environment are having a huge impact on performance and the future holds more disruption still. The Johnson Controls Global WorkPlace Innovation Roadmap anticipates change and maps out future developments. For instance, today we know that big data insight without big data entry will play a crucial role in guiding an organisation's decision-making process (see page four for more on this), that a human-centred workplace will be a priority, that organisations will need to cope with unchecked employee mobility, and that offices will evolve into co-working environments integrating more incubator-like concepts to boost entrepreneurship.

According to research by the leading management consultancy firm McKinsey, the number of “interaction workers” – highly skilled employees, including managers and professionals whose roles require face-to-face contact – is increasing. Social media has the potential to up the productivity of these workers by 20 to 25 per cent, while phone and video conferencing can also minimise the amount of time spent away from the office. Yet, despite the availability of these technologies, the most valuable form of communication is still to meet in person.

So, what will be the impact of all this on the workplace?

▮ **Space** The workplace will need to reflect more adaptability in the way it is designed, to support more mobility and connectivity. More time will be spent in team spaces that have inbuilt collaborative technologies. There will be increased use of video conferencing, more use of dedicated collaboration rooms and far less time spent at desks or in old-style meeting rooms.

▮ **People** The workforce will need to embrace a dynamic entrepreneurial culture to respond to and move with the market. Equally, a dynamic human resources approach will be required to follow markets and customers in rapidly changing industries. Developing countries, for example, are expected to have a shortfall of about 38 to 40 million highly skilled workers by 2030, according to McKinsey.

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The most creative teams  
“sought fresh perspectives  
constantly”

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▮ **Experience** Collaborative working environments must grow with the increasing demand for engagement. A study by the Massachusetts Institute of Technology found that the best-performing and most creative teams “sought fresh perspectives constantly, from all other groups in (and some outside) the organisation”. Global companies must allow pockets of extended entrepreneurship to flourish by introducing collaborative technologies in the workplace.

▮ **Technology** Workplace infrastructure must support extensive collaborative tasks and a high level of interaction through technologies. Increasing use of technology

has greatly amplified our ability to interact simultaneously with large numbers of people. Organisations that are not implementing a powerful technology platform will not survive in the future.

▮ **Community** A stronger reliance on networks will ensure organisations can grow rapidly in new markets and maintain strong positioning in existing ones, particularly by enlisting social technology users to “crowdsource” product ideas and co-create new features.

Those individuals and teams focused on creating a hybrid working environment should plan to achieve a number of goals within their strategies. These include nurturing a networked organisational culture and mastering a dispersed workforce that has the freedom to collaborate.

It will also become important to build a stimulation-seeking workforce, one that continually scans for ways to improve its well-being both at home and at work. Creating unique experiences that focus on the comfort and welfare of employees can enable organisations to differentiate themselves from the competition.

As our economy shifts from an industrial to a service-based design- and knowledge-driven workforce, one of the least understood, and most exciting, consequences will be the impact on the physical workplace itself. The office is becoming a crucial resource in leveraging innovation, social networking, collaboration and performance. The role of the real-estate and facilities management industries is to respond to these trends and foster innovative environments that will convey performance and growth within all sizes and types of organisations. ▮

*Dr Marie Puybaraud is the director of the Global WorkPlace Innovation programme at Johnson Controls*

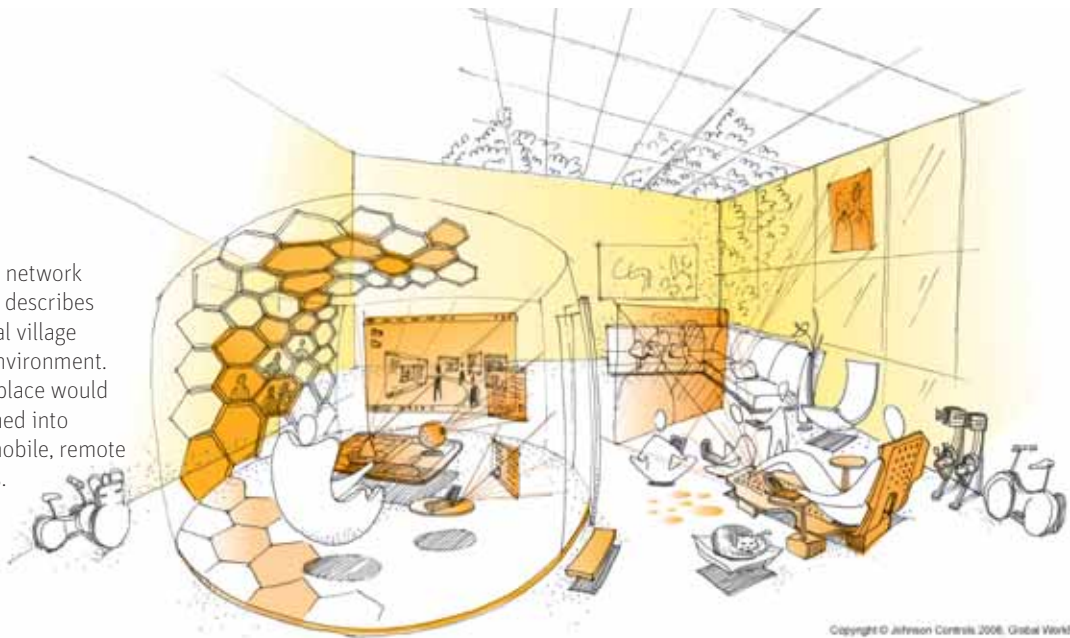


### The eco office

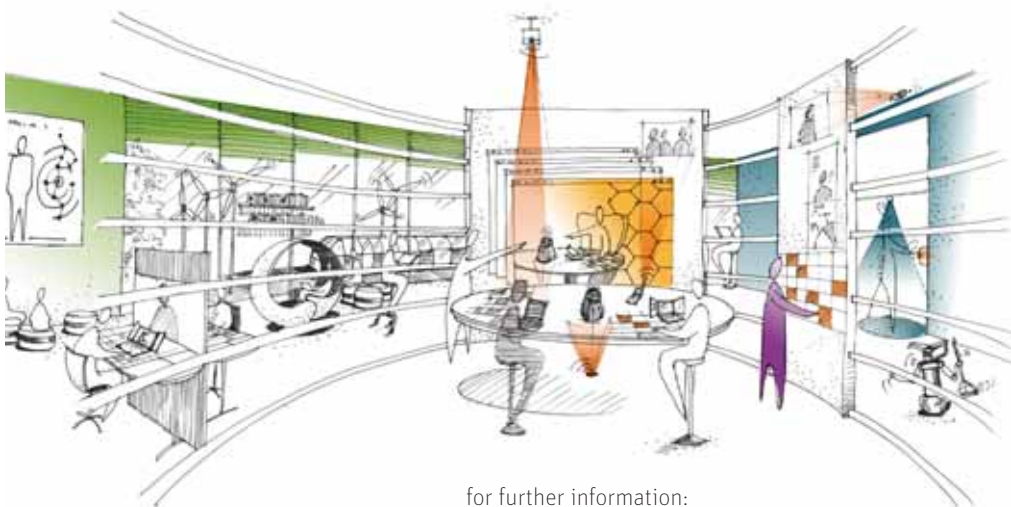
The workplace as a community of experts; it's a sustainable world where the creation and sharing of knowledge drives economic well-being. It would be more community-orientated, with "employee villages". Workplaces support the shift from hierarchies to self-managed teams, working within a flexible work/life balance.

### The hive

The workplace as a network of specialists – this describes a competitive global village and a networked environment. The hive as a workplace would be more agile: formed into "clubs" for highly mobile, remote and virtual workers.



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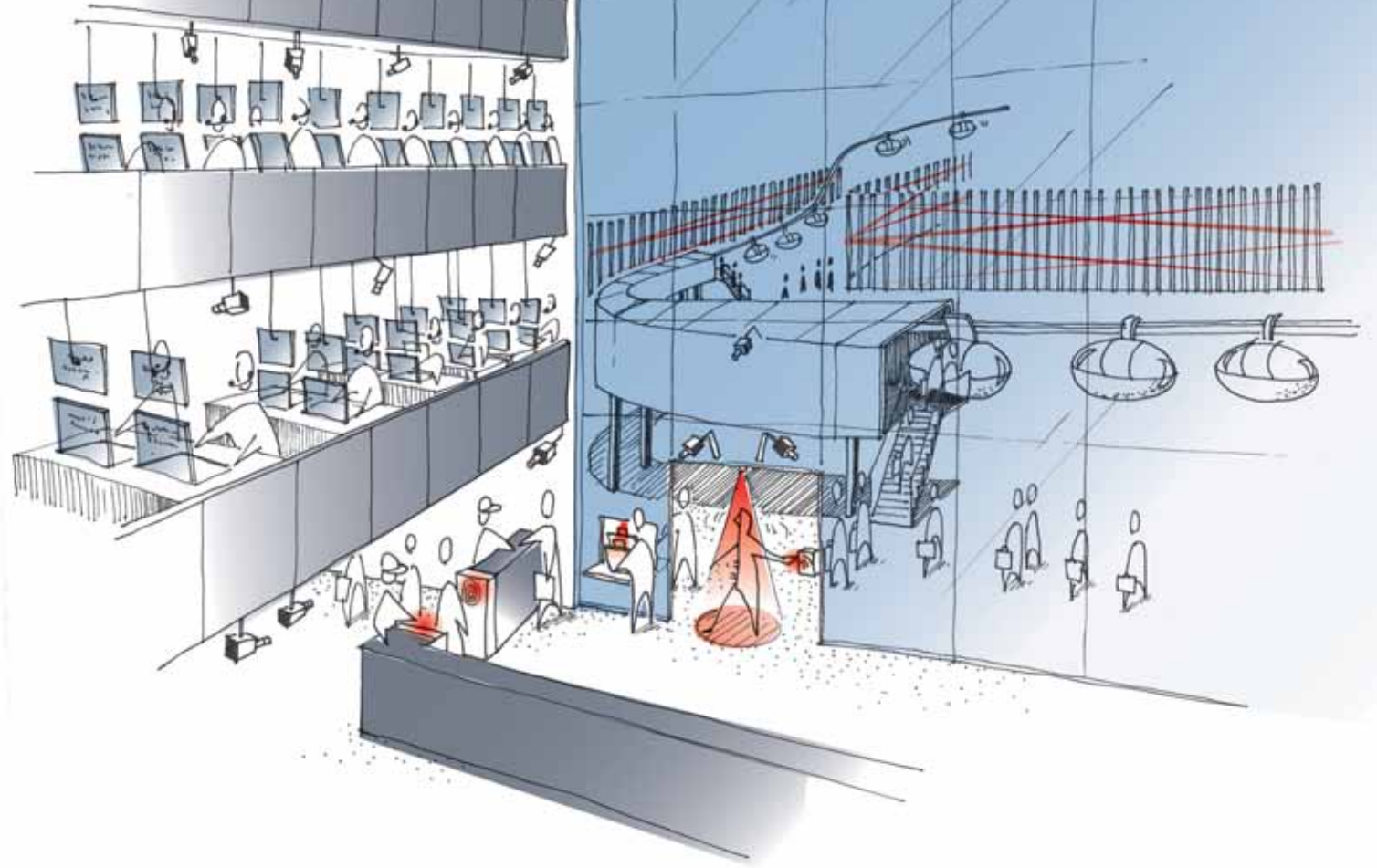


### The smart workplace

An incubator of talent, this workplace promotes collaboration and interaction over individually based work activities. As a result, the workplace has evolved into an arena that combines high performance, social interaction zones and managed spaces for inspiration, creativity and reflection.

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# Your facilities impact your business results.

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