

RETHINKING WORKSPACES

How work environments affect your people, your brand, and your bottom line

**STEPHENSON
&TURNER**

The ongoing financial struggle and tough economic climate have left most companies under a tight regime. Perhaps you, like many others, have done as much as you can to cut costs and streamline your business into a lean machine.

But what's next?

Stephenson&Turner offers this booklet to help organisations think through how to revitalise their staff, their brands and their work environments.

We would like to take a thought-journey with you to discover how workspace design is a strong part of establishing a people-centred economy; unleashing the potential of the highly skilled members of your team, thinking forward to new paradigms of workstyle and community.

The 21st Century will see new workplaces that are full of vitality, more open, and increasingly globally connected. Let's get started!

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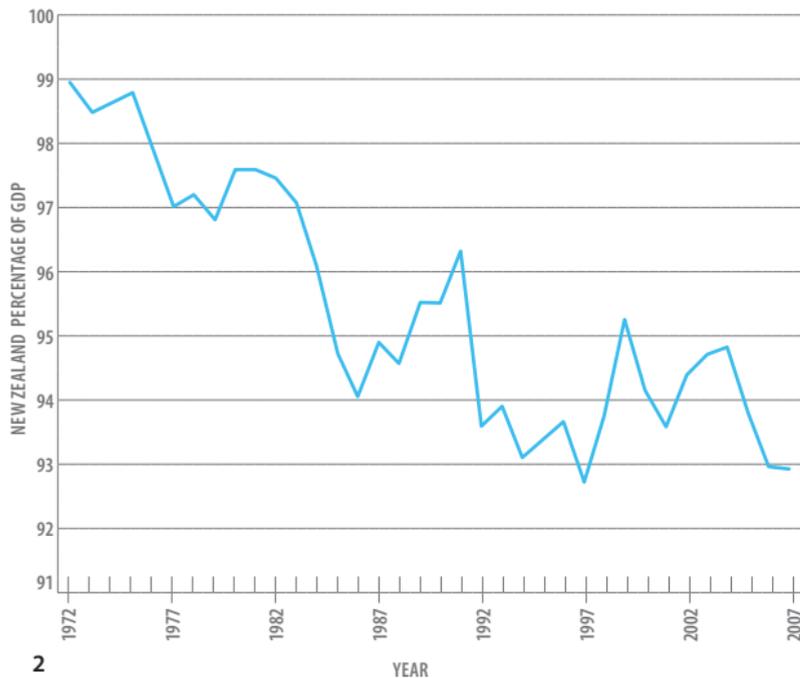


TABLE OF CONTENTS

MOVING FORWARD	2
SUCCESS: PEOPLE MAKE IT HAPPEN	4
A THRIVING WORKING COMMUNITY	8
ENVIRONMENTS TELL A STORY	14
A NEW PARADIGM	20
2 YEARS ON: MERCURY ENERGY CASE STUDY	40
FURTHER READING	58
ABOUT S&T	60

MOVING FORWARD

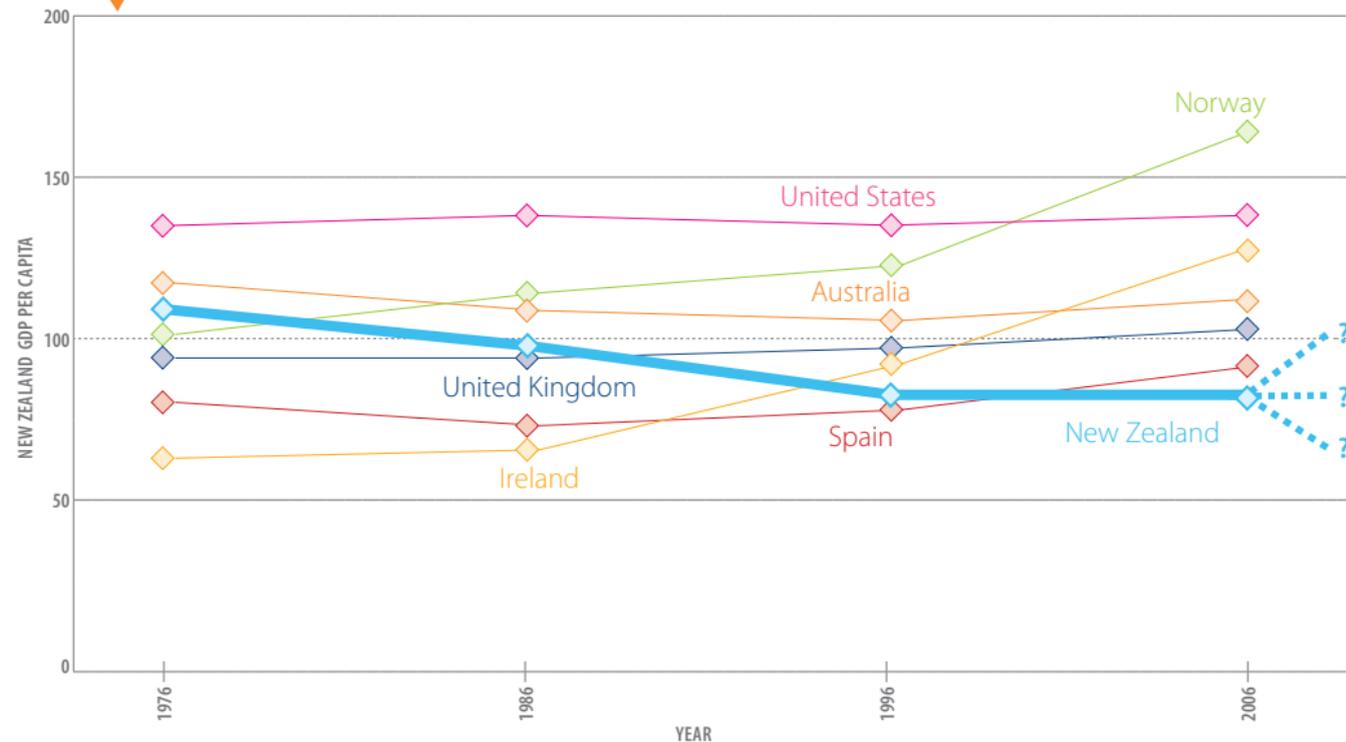
What next in a world of economic uncertainty?



The business world has tightened its belt in response to economic turmoil. We've been through ruthless cost cutting and staff reductions. From the bright confidence of the 1990s our business leaders are now more cautious. Playing it safe is a tempting option.

But successful leadership is not about playing it safe. Growth involves change, and change involves risk. The bigger risk is not to change. In what is now an intensely competitive marketplace, conservative players that lack flexibility or vision tend to fall behind.

Relative to other OECD nations, New Zealand is struggling to hold its ground.¹ We need a new strategy for businesses to strive for success, not just survival.



SUCCESS

people make it happen



LIFE AFTER RESTRUCTURE

Did you know?

A disengaged team can cost companies millions of dollars each year. Gallup estimates that actively disengaged workers “cost the British economy between £37.2 billion (\$73 billion NZ) and £38.9 billion (\$76 billion NZ) per year due to low employee retention, high absentee levels, and low productivity.”¹

Rebuilding Morale

Having come through a period of streamlining and downsizing, the odds are that your staff bear the emotional strain of forging ahead on minimal resources. Your remaining staff members are likely managing heavier workloads and levels of stress, while concerned about their own job security.

In this type of environment people typically become self-protective, demoralised and cynical. When these become ingrained in working culture they are difficult to change. It is imperative that managers take action to build morale, foster hope and work to positively engage your staff in these circumstances.

PEOPLE DRIVE SUCCESS

Attracting, retaining, engaging...

The first and primary drivers behind organisational success are your people. We might not know the specific path to success for each and every business, but we know who the pathfinders will be: people.

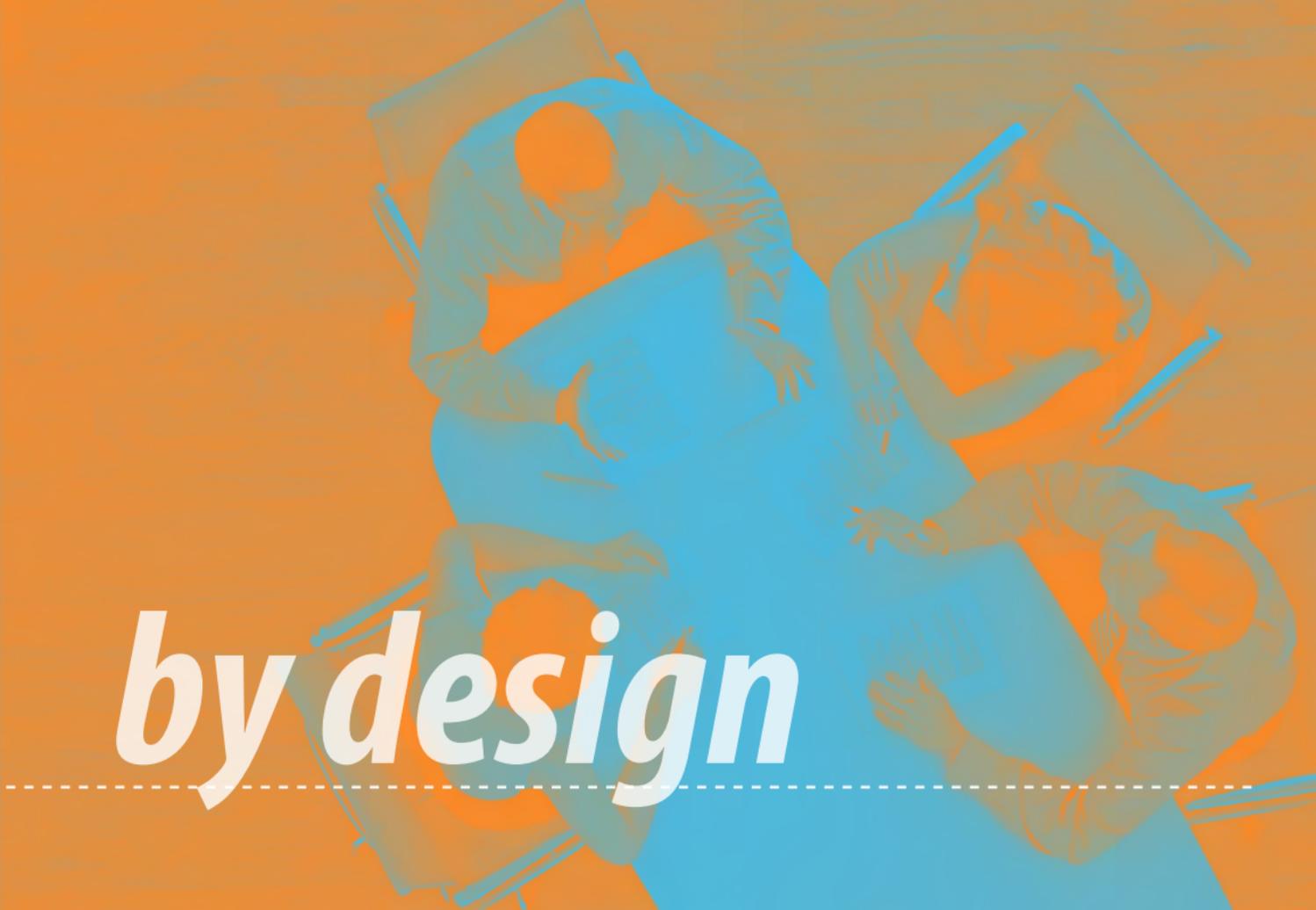
You not only need to attract and retain the “right” people, but you also need to engage them in their work. A disengaged workforce is costly. The Gallup Employee Engagement Index found in October 2011 that 71% of American workers were emotionally disconnected from their workplaces and less likely to be productive¹.

In contrast, a skilled, creative workforce, committed to the organisational vision, will be a powerhouse of success. Imagine the value to our economy if we equipped people to realise a drive for excellence.

Did you know?

Never underestimate the power of your people’s belief in your company. In the late 1950s some poor product decisions had put BMW, the global market leader in luxury cars, on the verge of a takeover by arch-competitor, Daimler Benz. What saved BMW? The company’s management and board had essentially given up on the company and already arranged a deal with Mercedes. It was the staff, dealers, and minority shareholders that convinced management to change their mind and find new investors, emphasising that neither the skilled workforce of the company nor BMW’s brand had been recognised in the valuation of the company. This move established a company culture of empowerment, design, and innovation that would go on to make it one of the most successful global car companies in history. **It wasn’t the management of the company, but the staff who led with a vision.**²

A THRIVING WORKING COMMUNITY



by design

A THRIVING WORKING COMMUNITY

How are you actively building a culture and working environment where your people can thrive?

People of Vision

Your staff need to understand the big picture of what your company is about; your “story”, the unique identity of your company.

The vision needs to be compelling, communicated, and committed to by organisational leaders. But staff also have to own it for themselves. They need to be people of vision.

Every individual in your team needs to know that their contribution is vital, welcomed, and supported. The old corporate model saw the cost factor “workforce” as an anonymous, monolithic group of people. Organisations need to see their people as a community of unique individuals that each contribute in their own unique way to the success of the company.

To support individual growth you will need a working culture that encourages experimentation and allows for mistakes...while at the same time encouraging candid feedback.



“As an organisation we minimise controls on staff, we share a lot of data, we don’t write down a lot and we don’t have offices... All of our objectives as a company are eminently achievable with our great team of people. Without the right people we’ll miss our goals and fall over as a company. Our people are vital to us and as a company we need to look after and grow our staff.”¹

– Michael O’Donnell, Trade Me CEO

People of Vision (cont'd.)

Team relationships are integral to a healthy working community. Does your team interact with genuine respect and support? Are their interactions positive and 'synergetic'?

Teamwork is based on meaningful communication and on an organisational culture of openness and trust.

Our world has become too complex for the isolated genius; we need the synergy brought by clusters of specialised skill. A truly synergised team is of immense value to the organisation.

Synergy isn't likely to happen on demand. It requires a culture that gives permission for informal conversation and encourages team camaraderie.

A lively community creates stories. There should be a "marketplace" within an organisation where teams convene to listen and tell stories that matter to define individual identity and to connect.¹

In the next section we discuss the specific impact of workspace design on company culture and team engagement. Workspace design is a useful and highly underestimated tool in strategic management. It will not solve everything on its own. But it is a powerful illustration of company culture; bringing it to life, giving it tangibility. We want to show you how to use this as a powerful tool in your management strategy.

A photograph showing three women sitting at a curved, orange-colored table in a bright, modern office environment. They are engaged in conversation and drinking coffee. The woman on the left is wearing a white shirt, the woman in the middle is wearing a dark top, and the woman on the right is wearing a yellow sweater. The background features large windows and a blue wall.

"Top-performing companies value socializing. Overturning the notion that socializing is a time-waster rather than a business asset, top-performing companies socialize 16% more than average companies. Further, they consider it almost three times more critical than average companies, the largest gap among all of the work mode comparisons."¹

— Gensler Workplace Survey, 2008

ENVIRONMENTS

tell a story



WORKSPACES

An Illustration of Values

There is a relationship between the culture of a firm and the design of the workspace. Why? Because workspaces can be designed to facilitate or discourage interaction between people; they illustrate hierarchy or equality; openness or privacy. They demonstrate the organisation's level of interest in staff welfare. Designing your workspace therefore is about designing people's interactions and experiences.

If your organisation claims to value innovation, communication, and people-centredness, then our question to you is: does your working environment illustrate and affirm these claims?



THE EXPERIENCED BRAND

When the told values of the firm and the practice of the firm are in alignment, your brand begins to become something staff can find pride and identity in.

Workspaces, for staff, symbolise their experience of your organisation. This is where they are immersed in the company culture. This experience shapes their perception of your brand.

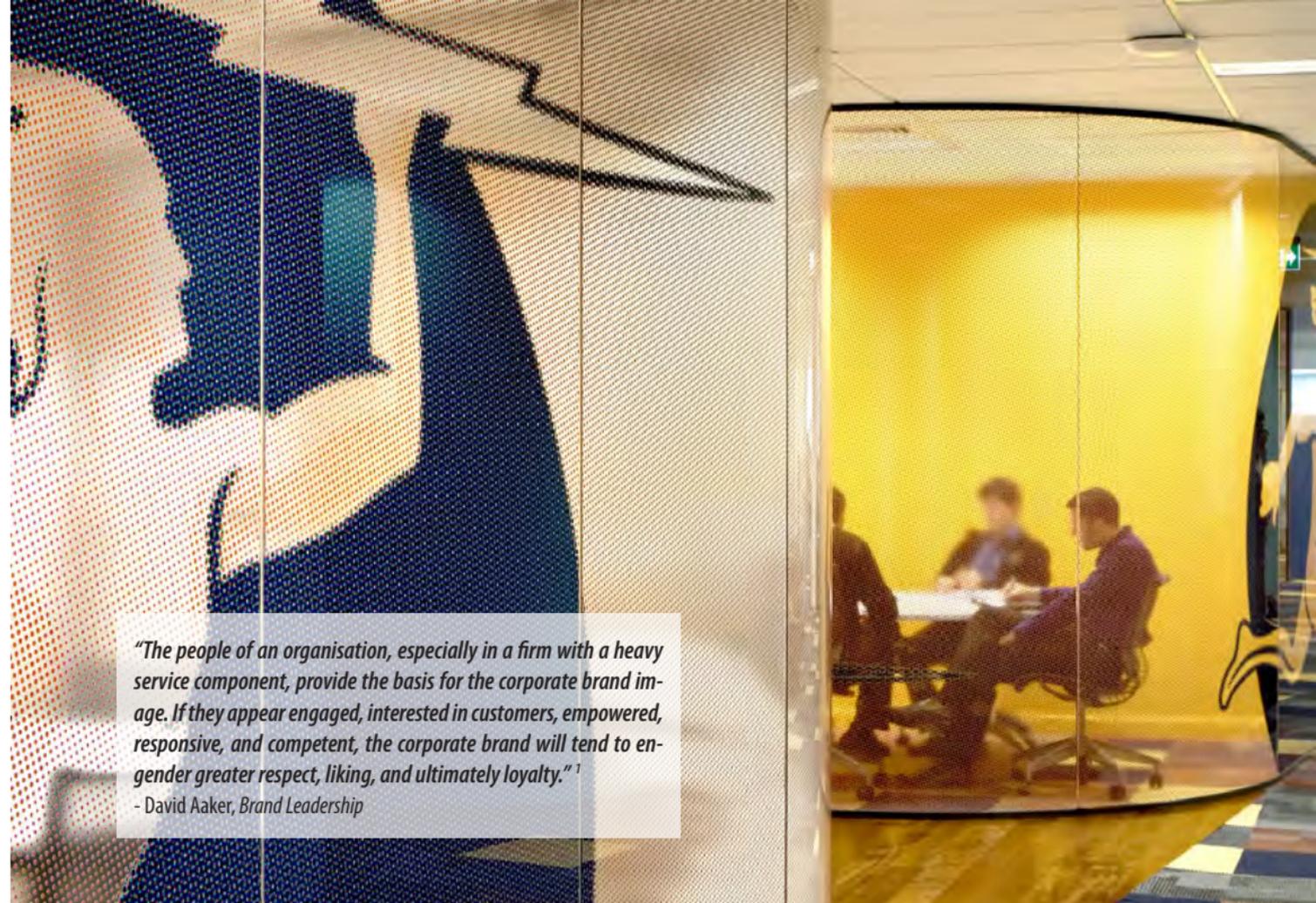
Brand perception is a collection of emotional and abstract qualities that are triggered by visual imagery. The strength of your brand lies in the power and quality of these emotional responses.

In consideration of New Zealand's famous 'two-degrees of separation', it is critical to consider the impact of staff perception on a company's brand on the overall market. Staff may not be direct customers, but they are highly likely to have personal contacts among them.

In casual conversation with friends, what are your staff saying about your organisation?

*"The people of an organisation, especially in a firm with a heavy service component, provide the basis for the corporate brand image. If they appear engaged, interested in customers, empowered, responsive, and competent, the corporate brand will tend to engender greater respect, liking, and ultimately loyalty."*¹

- David Aaker, *Brand Leadership*



A NEW PARADIGM



designing people's experiences

BEYOND FUNCTIONAL DESIGN

Clearly we have come a long way from the soulless rows of standardised cubicles seen in offices in the 1940s and 50s. There have been enormous improvements in workspace design - companies are finally recognising their people are invaluable assets. The wellbeing of employees is now, more than ever, a consideration when designing office spaces.

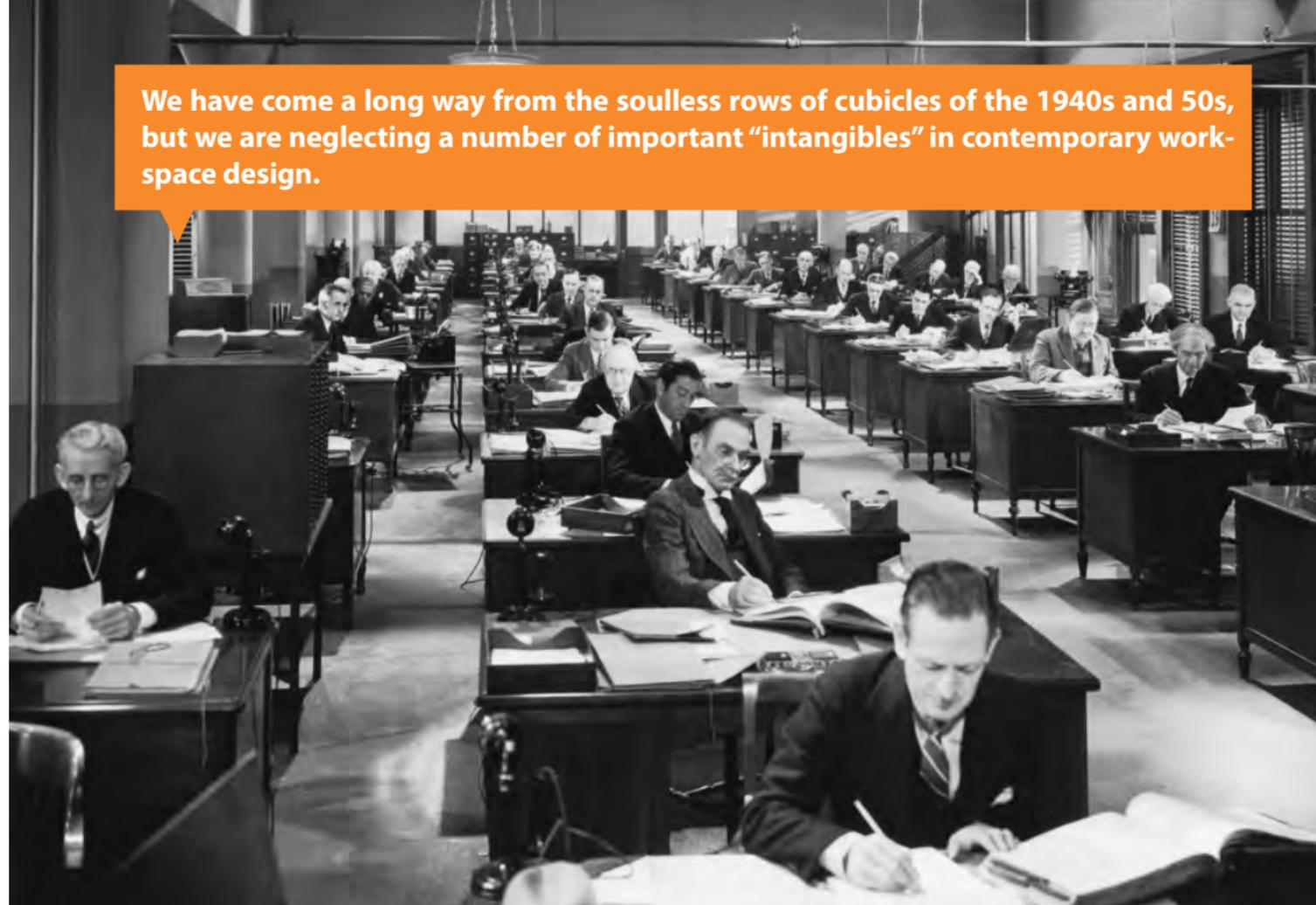
However, the tendency has been to focus almost exclusively scientific, quantifiable design elements of a building such as light, distance, acoustics, and temperature, and then to optimise each for best cost/efficiency.

In the attempt to quantify an optimal workspace we have neglected something very hard to quantify - the psychological impact. Our workspaces should be places we enjoy being in; places where we "breathe".

Look around at your existing office environment. How does it feel?

Instead of designing to minimums - acceptable levels of this or that - we need to change the paradigm to one that aspires to the ideal. We should design workspaces where people thrive.

We have come a long way from the soulless rows of cubicles of the 1940s and 50s, but we are neglecting a number of important "intangibles" in contemporary workspace design.



DESIGNING EXPERIENCE

Supporting Work Styles

Instead of emphasising conformity, workspaces should support people's unique gifts and contribution by accommodating different workstyles, needs and preferences. Individual needs can also vary depending on the nature of work at the time.

Technology is enabling us to work almost anywhere instead of being locked into a specific place. This means we can create zones of activity that might be fixed or temporary, where people can come and go, ranging from 'cave'-like alcoves for highly concentrated, autonomous work to open plan team clustering.

Emphasising Community

Future office plans may resemble an urban map, where diverse precincts are linked by alleys or streets leading to a central marketplace, where people share meals and stories.

We think about this as 'connectivity', which emphasises the human element, as opposed to 'circulation' which considers movement alone, and where a typical tight corridor would suffice. Connectivity brings people together and can also involve giving areas specific identities and visually differentiating them through colour, width, etc.

Imagine a whole different reality... one Monday morning walking into work and being greeted by the smell of blossoming trees outside, the chirping of native birds. A light breeze carries through the open windows. You can choose a place of quiet retreat, or to join the "marketplace" – a chattering community hotspot where people are getting coffee and sharing stories of the weekend...



INTEGRATING NATURE

Filling with Green

Our weekends often involve retreating into the fresh and therapeutic quality of nature. Perhaps this concept of escape is not just about relief from work, but also escaping our largely synthetic work environments?

The typical office's soundscape, air quality, temperature, lighting, and even colour schemes are all artificial.

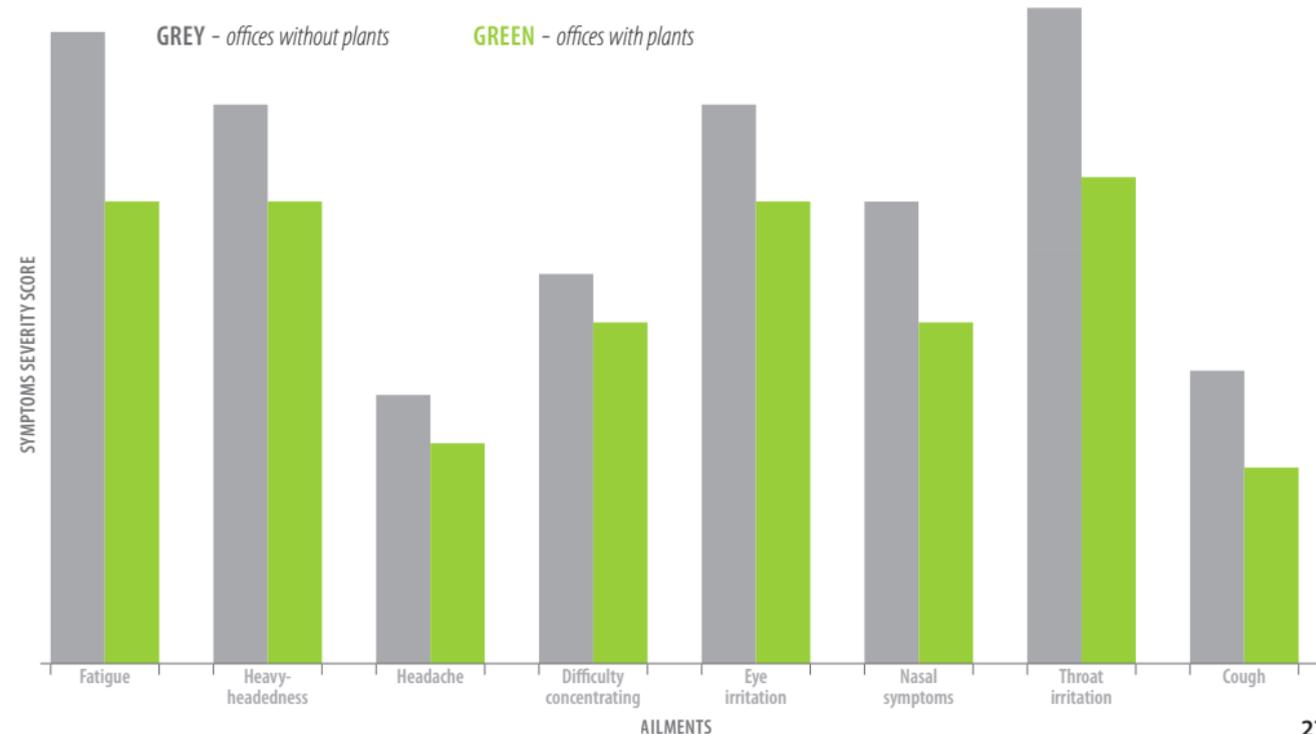
A way to integrate nature is to fill our workspaces with green plants. Creating a Bioclimatic-Edge, by lining the inside of facades with leafy green, will both improve air quality and be reminiscent of the natural world we long to connect with.

Did you know?

Problem-solving skills, idea generation and creative performance improve substantially in workplace environments that include flowers and plants¹.

One study found that by simply adding flowers and plants to indoor office spaces, employee creativity increased and problem solving skills sharpened—up to 12 percent in some cases. The same study found that the people taking a mentally stressful test in a room with houseplants had much lower blood pressures than people taking the same test in a room with no plants.²

Sick Building Syndrome (SBS) costs the companies billions of dollars worldwide each year.¹ Adding plants to an office is a simple way to provide a healthier working environment.²



EMOTIONALLY UPLIFTING

Colour

Our world is colourful; life is colourful. Colours are also proven to influence emotions, which in turn can affect wellbeing and performance in the workplace.

For example, if workspaces are uninteresting, grey, and cluttered, the people working in them have to transcend their environment to be creative, optimistic, and energetic.

Integrating colour into work environments can enliven and energise a working community. Different “fields of activity” within an office can be enriched by colours that align with our psychological, physiological, and sensory-related needs.

Did you know?

Colours can even affect cognitive performance. It is therefore important to carefully consider “where colour is placed, how much of it, and for what purpose” in the design of an office, says one of the leading colour experts.¹

Studies have found that the colour red enhances performance on a detail-oriented task, whereas blue enhances performance on a creative task.² Pink was also found to have a calming influence and to decrease aggression.³ As a result, holding cells in the US are sometimes painted bright, bubble-gum pink.

While people’s reactions to colour vary widely from culture to culture, research has shown people clearly associate emotions to colours in a consistent way.



Colour is a complex “language of emotions”

LIGHT

A Rich Light Spectrum

Our eyes are conditioned for natural light; our senses respond to daily fluctuations in light on a deep level, affecting our mood and wakefulness.

Currently workspace lighting is measured in units of lux, which measure quantity and distribution of light, but not quality in terms of the emotional or health effects on the perceiver. This focus on functionality (and cost efficiency) has led to the broad adoption of fluorescent lights, which emit a limited spectrum of light - far from the full spectrum that our eyes are accustomed to in natural sunlight. As a result, office workers often feel tired and strained after working long hours in fluorescent-lit conditions.

We believe that **integrating natural lighting and using contemporary LED (rich-spectrum) light** is not only functional but a far better response to human sensory needs.

Did you know?

Natural light has been shown to have a positive influence on vitality, depressive symptoms, alertness, psychomotor vigilance and task performance.¹ A number of well-known companies (including Lockheed Martin in the US and ING in the Netherlands) have found moving to new premises with better lighting has increased productivity and reduced worker absenteeism and employee turnover.²

Conversely, a shortage of daylight (and insufficient electrical lighting) for office workers may compromise their health and well-being. Studies have shown the negative effects of fluorescent lighting can range from minor annoyances such as headaches, eyestrain and fatigue to more serious effects including insomnia, increased risk of cancer and increased stress.³



OTHER FACTORS

Air Quality

The concept of connectedness is essential for an holistic approach of design of workspaces. When considering air quality, we should also consider the things that relate to it; the sound and light that air carries, plant-life, space (affecting air currents) and light (affecting temperature).

The air in office spaces is also affected by the largely synthetic materials that are used, which release volatile organic compounds (VOCs)¹. Instead of reducing emissions to “safe” levels we would suggest eliminating them altogether **using natural materials and integrating plants wherever possible.**

Soundscapes

People commonly value sound less than visual stimuli, but as modern offices head to more open-plan environments it is important to pay particular attention to soundscapes. The science of acoustics typically focuses on quantity rather than quality of sound. Our approach is to work with material volumes or surfaces to **create zones that have a distinction in sound, along with look and feel; from vibrant breakout areas to quiet retreats for study or reflection.**

Reducing white noise, for example, by implementing natural or hybrid ventilation can reduce mechanical sound in support of a more natural soundscape.

A “Bioclimatic Edge” along windows of an office environment can reduce glare (by filtering sunlight), improve air quality (by absorbing carbon dioxide and other harmful pollutants and releasing oxygen) and reduce noise.



FLEXIBILITY

Space and Culture

The old paradigm of an working office was a static arrangement of partitions, cubicles and 90 degree workstations with large offices reserved for upper-level management (with increasingly grand furniture and seclusion as one moves up the ladder). **Space, instead of being an indicator of hierarchy, is now an opportunity to cultivate team culture.** From open plan to mixing divisions, current office design is tending towards creating a sense of openness, interaction, and transparency. Partitions are out, engagement is in.

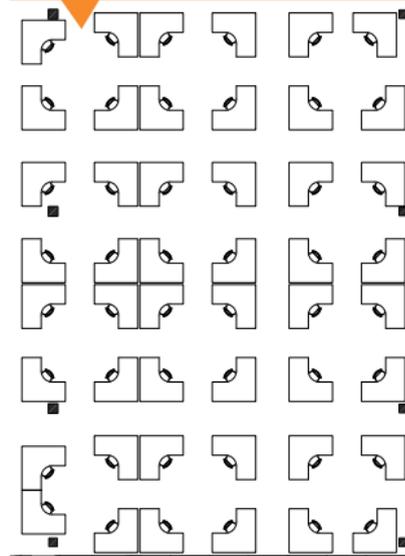
Teams are no longer static, and spaces don't have to be either. Our rapidly-changing working world will increasingly have project teams whose membership changes according to the demands of individual projects. It is possible to **build flexibility into workspace environments** that enable these fluid teams to move together spatially, as well as future-proof for expansion or contraction.

"Understanding the demands for different settings and developing workplace solutions in response to patterns of need and use, avoids the all too familiar situation that exists in most organisations where more than 50% of work-places stand idle and unused at any point in the working day.

Eliminating that waste and using some of the recovered space to provide an appropriate range of settings that properly support the activities of work should be a no-brainer for organisations."

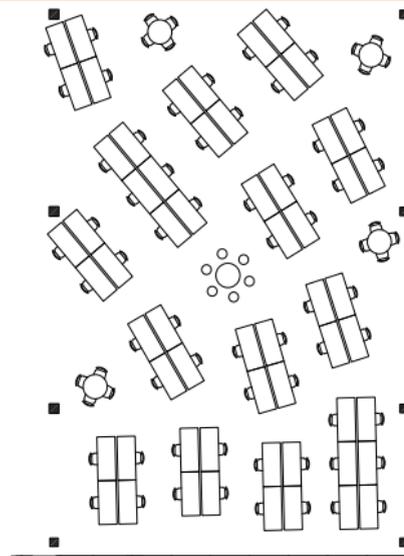
- Wes McGregor, 2020 Visions Workplace: The Life and Death of the Desk¹

Changing from a static arrangement of desks to a more flexible layout can not only improve the feel of an office environment, but can also save space.



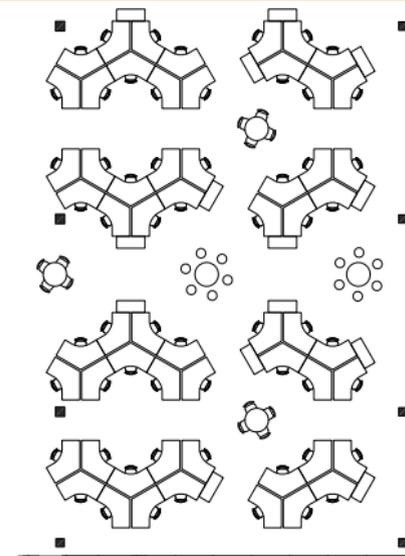
48 desks

Typical "Pod" Layout: Desks arranged in rigid rows at 90 degree angles, lined up against the windows reduces access to views and light (except for those seated along the building's edge). Residual space is mostly circulation.



60 desks

"Swarm-inspired" Layout: Based on the new Facebook Headquarters fitout by Frank Gehry - straight desks are arranged in a more casual way and pulled away from the window to create circulation space and access to views for all staff.



60 desks

Honeycomb Layout: Another more flexible desk layout system. Residual space in this layout (and in the "Swarm" layout) is useful for storage or meeting tables.

DIVERSITY

Sensitive Space

How an office is designed can have an impact on how employees feel in a space. For instance solid walls, low ceilings, narrow corridors, and clutter can have a negative impact on how someone perceives their work environment and the work they do within a space.

Sensitive space is proportioned to human scale – balancing the necessity for boundaries with the freedom of openness. Partially transparent or permeable boundaries such as vertical green walls, lattice work or glass are ways to achieve this balance.

“The effectiveness of spaces where work happens makes a difference in successful employee performance and employee satisfaction in knowledge economy workplaces.

Top-performing companies are designing more effective workplaces than most, but all companies can do more to make their work environments better support focusing, collaborating, learning and socializing to improve organizational performance.”¹

– Gensler Workplace Survey, 2008



WORKSPACES ARE ABOUT PEOPLE

We've covered many of the elements that make up workspace design, but we want to re-emphasise that it is not the design itself that has intrinsic meaning; it is how the design affects people.

We want your people to thrive.

People need to find meaning in the work that they do. People also find meaning in connecting with other people. The spatial environment should support both. Workspaces that serve the people bring a message that tells staff they are valued, help build relationships, and inspire confidence and creativity.

"There is a temptation in our networked age to think that ideas can be developed by email and i-chat. That's crazy. Creativity comes from spontaneous meetings, from random discussions. You run into someone, you ask what they're doing, you say 'wow', and soon you're cooking up all sorts of ideas."

"If a building doesn't encourage that, you'll lose a lot of innovation and the magic that's sparked by serendipity."

- Steve Jobs, late co-founder and CEO of Apple

"...you walk inside the building you see plants, you look outside the building you see plants, it's a pretty damn good place to work!"



In his own words: Joerg Kistler, Director Institute for Innovation in Biotechnology, University of Auckland

2 YEARS ON

the mercury energy case study

MERCURY ENERGY

Mercury Energy's office was completely refurbished just over two years ago. It included an open plan layout with chill out zones, casual meeting areas, and a large and spacious cafeteria complete with outdoor courtyard and BBQ. The office was also brought to life with vibrant colours and branding throughout.

Twenty months after the office's refurbishment, employees report that their workspace has been revitalised with new life and energy.

The following is a picture tour and quotes from Mercury Energy employees.



To watch a video of interviews with Mercury Energy staff, please visit www.vimeo.com/44009638 or scan this QR code.

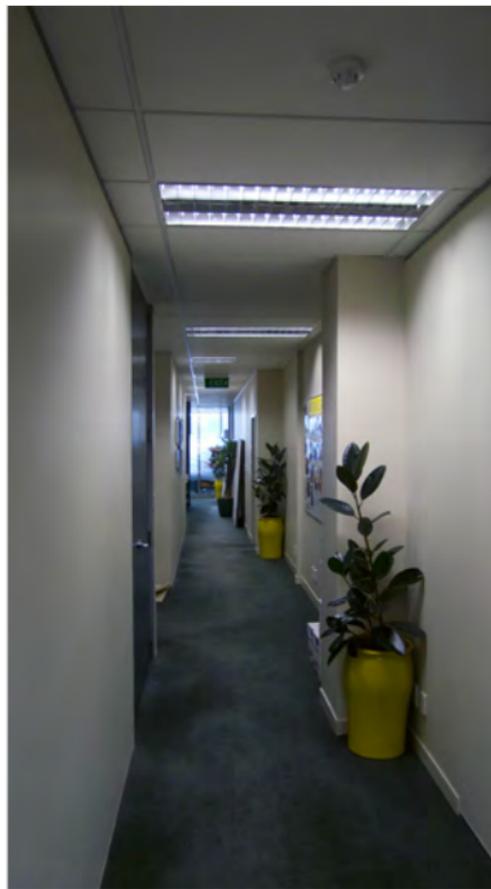


“Light, colour, flow, and openness represent the values of Mercury Energy.”

Before



*“You’re not hindered
by several walls and...
a corridor that’s dim
and depressing.
There’s none of that!
It’s all open!”*



Before





"In nice weather we can spend the training time in our gorgeous outdoor area."

Before

"I can just look up to see if he's in his office, and yet there's a level of privacy there as well, with the frosting."



Before





“The kitchen has brought us all together, it’s an amazing transformation to people’s lives.”

Before



"It's clean, bright, and refreshing"



Before



“The one thing that I really love is the freedom to move, the freedom to see, the freedom... full stop.”

Before



56



FURTHER READING

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(2) Nicole Bergmann. (2009). *Annual Meeting 1959-a new Beginning for BMW*. www.bmwvcca.com/images/Article-Sept09-annualmeet.pdf
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- Pg 12:** Andrée Iffrig. (2008). *Find your Voice at Work: The Power of Storytelling in the Workplace*, Limegrass, Calgary.
- Pg 13:** *Gensler Workplace Survey*. (2008). www.gensler.com/uploads/documents/2008_Gensler_Workplace_Survey_US_09_30_2009.pdf
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(2) Ravi Mehta & Rui (Juliet) Zhu. (2009). *Blue or Red? Exploring the Effect of Color on Cognitive Task Performances*.
(3) Alexander Schauss, Ph.D. (1985). *The physiological effect of colour on the suppression of human aggression, research on Baker-Miller Pink*.
(4) Anat Lechner, Ph.D., Leslie Harrington, Ph.D. & Paul Haft. (2008). *Understanding the Role of Color in Workplace Design*.
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ABOUT S&T

Stephenson&Turner provide a consistently professional service characterised by innovation, quality and design excellence. Our work is supported with a significant investment in the latest proven technology, incorporating the principles of sustainable design.

This booklet is part of an ongoing thought series. Booklet 1 is *Adaptive Urbanism - Sea Level Rise, Resilience and Urban Development* and can be downloaded from our website.

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Interior Fitout projects include:

- Mercury Energy Headquarters, Auckland
- Microsoft, Wellington
- S&T Design Studios, Auckland and Wellington
- Mighty River Power Headquarters, Hamilton
- Interger, Wellington
- REANNZ, Wellington
- FMG Headquarters and Corporate Offices, Palmerston North and Wellington
- EDS Refurbishment, Wellington
- Meridian Energy, Twizel
- ACC Office, Palmerston North
- The Hub - NZDF JLSO, Wellington
- CISCO, Auckland and Wellington
- The AMP Society Building, Refurbishment
- Les Mills Extreme, Wellington

S&T Wellington Design Studio, won Best Interior Workplace in New Zealand in the Interior Awards by Interior magazine in 2012.



The first and primary driver behind organisational success is your people.

Designing workspaces is about designing people's interactions and experiences. Workspaces can tell a story about you – your values, your vision.

Are you actively building a culture and working environment where people thrive?

Stephenson&Turner New Zealand Ltd. has been a thought-leader in the field of architecture in New Zealand since 1955. For more information, visit our website: www.stephensonturner.com

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