

The New Ways of Working Network brings together thought leaders from disciplines such as workplace design, information technology, knowledge management, human resources, human factors, and organizational culture to collaborate and discuss new ways of working in a distributed world.

## Does Place Still Matter? The Role of the Workplace in a Distributed World

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One of a series of research summaries and studies commissioned by New Ways of Working, “Does Place Still Matter” explores the future of the workplace. The white paper focuses on how the workplace is being impacted by changing workstyles such as distributed and mobile work. If fewer and fewer workers come to the central office to work, how will offices be used in the future? Or is the centralized office as a place to work an artifact of the 20th century soon to be replaced by home, third places or virtual workplaces?

Today, the question of the future of the workplace is not merely an academic exercise. Major investment decisions hinge on the answer. Since real estate holdings represent about 25% of a typical corporation’s assets, the opportunity to reduce these costs is a prospect corporate leaders can’t ignore.

The paper reviews over 150 recent academic publications, technical papers, professional journals and articles in the business media. Brief case studies of innovative workplaces at leading companies such as Accenture, Capital One, Cisco, Hewlett Packard, Pricewaterhouse Coopers, Samsung, Sun Microsystems, and VTT Technical Research Centre of Finland are also included.

From the literature examination, the author identified several broad research themes:

- **Physical place and collaboration**
  - Face time debate. Is face-to-face working absolutely necessary? Research results are mixed, perhaps explained by the differences in the groups studied.
  - Meaning of distance. Does working at a distance affect communication and productivity? Studies indicate that interaction declines dramatically as distance increases.
  - Creating place through technology. Can technology replace physical places with virtual ones? Technology alone can’t solve distance working issues, such as the need for trust.
- **Role of employee choice.** How important is choice in providing satisfactory workplaces and work options? Personal control over the work

environment, and choice in the selection of when and where to work influence satisfaction.

- **The importance of place design**
  - Open vs. closed space controversy. Which is better? Open settings appear to be more conducive to the effectiveness of collaborative work.
  - Productivity and place design. How difficult is it to measure the impact of workplace change on productivity? A discussion of the “Holy Grail” of workplace planning reveals that productivity measurement is daunting.
  - The meaning of stuff. Symbolic communication and the use of universal patterns in the workplace can affect stress levels and productivity.
- **Place’s impact on organizational capabilities.** Organizational capabilities are the collective skills, abilities, and expertise of an organization and represent ways that people and resources are brought together to accomplish work. There is little research of the role of place in enhancing organizational capabilities. We located one study that compared distributed versus collocated groups and its effects on employee engagement.

The literature review pointed to several directions for changes in the workplace. Three stood out:

- **Virtual workplace.** The office-less workplace may morph into a virtual experience, one where workers gather to work together in a digitized office setting, similar to online collaboration spaces on Second Life or other virtual worlds.
- **Third, fourth and fifth places.** Third places for work—neither home nor office—are becoming more common. Distance workers can be found almost anywhere—cafes, cars, hotel lobbies, trains, airport lounges, and client offices. Also growing are satellite offices, temporary workspaces closer to employees’ homes, and on-demand office space, where an individual or an organization contracts with a service provider for workspace on a short-term basis.

- **Über-office.** Some companies are designing spaces to house all workers, but in new ways. One approach is to provide amenities that attract employees to the office. Another method is to develop offices as a combination dorm room/hotel for continuous brainstorming sessions.

A series of discussions with industry thought leaders from the fields of organizational behavior, human factors, psychology, real estate, and technology informed the paper. The purpose of the discussions was to examine workplace change in-depth and discuss predictions for the future workplace—ten years from now. Conversations were held with key people at Accenture, Cisco Systems, Gartner Inc., Haworth Inc., Hewlett Packard, KOKUYO Co., Ltd., Massachusetts Institute of Technology, SRI Consulting Business Intelligence, Stanford University, Sun Microsystems, VTT of Finland and the Work Design Collaborative.

#### Conclusion: We still need places

Our experts were unanimous in maintaining that place is important, even in a world of highly distributed workers. There will be less space devoted to workplaces, due to increases in distributed work. Certainly, there will be fewer “personal workplaces” as work becomes more distributed both outside and inside of corporate offices. But workplaces will be even more important as a means of maintaining relationships, working collaboratively, sparking innovation, and fostering employee engagement.

Four major trends emerged:

- **Place is becoming more distributed.** The workplace is no longer a one-size-fits-all situation. Workers can be found in home offices as well as a number of third places. In addition, workers are increasingly mobile within the office. Improvements in communications and technology allow employees to move seamlessly from a private office to a drop-in workstation to a team room or outdoor quad. Virtual workspaces allow distance teams to collaborate.
- **Place is more “liberated” and less assigned.** Hoteling and other free-range workplace strategies are releasing workspace from its former “ownership” constraints and allowing space to be used dynamically. Many organizations are repurposing space to create more collaborative space.
- **Place is shrinking.** The average workspace today is only one third the size of the average workspace of the 1970s. Not only is the average office becoming smaller, but the total amount of space allocated to offices in general is being reduced. The majority of our experts believe that the distributed model requires less corporate real estate and that the trend is for smaller space allocated per worker. But not all agreed that this will result in a glut in office real estate.
- **Place is still important but its role is changing.** Today’s organizations use place to emphasize brand, reinforce engagement, and anchor loyalties. Places are becoming hives of social activity and hotbeds for creative and innovative interactions.

Number of pages:  
48

Other features:  
bibliography, appendix  
containing highlights  
of conversations with  
thought leaders

Publication date:  
May 1, 2007

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