

A New Decade of Changes in the Workplace

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2011 kicks off a new decade during which many companies will experience radical changes in the way they organize the workplace to conduct business. There are three major trends that will fully develop during this new decade of workplace innovation.

There will be fewer private offices in the corporate culture. The baby boom generation, and generations before, considered private offices a reward for executive tenure and position — the bigger the office, the bigger the power. Having an office meant that you were an important person in the organization, and the proximity of your office to the CEO or managing partner was indicative of your seniority.

A private office also fulfilled functional executive requirements: a large desk with a return for all that important paperwork; a lot of filing space for sensitive documents; and often a conference area incorporated into the private office. More recently, the workplace has become an ecosystem to bring people together, to collaborate and work jointly to solve problems, versus the nature of work being a private matter where people work in silos.

Other than for the most senior executives, private offices are virtually disappearing. The nature of work has changed, and we can expect to see a migration away from private offices and more towards people working in open collaborative environments, in work stations or open-desk environments.

Contemporary companies in all industries have moved away from formal corporate hierarchy and are putting the executives closer to their teams, even if they are still in private offices. The “executive row” has become a dinosaur in corporate America, as the leaders of the company want to be closer to the people they lead, physically distributing the company’s leadership across the organization.

Technology has also had an effect on the private office. Most people work with computers with high security thresholds, and the telephone has become a distant second business tool. Thus, there is less noise generated in the workplace from noisy phone calls, and there is even less of a need for the seclusion that a private office allows. As business owners and executives conduct much of their business on the computer, the need for desk and filing space has been virtually eliminated and work surfaces have become smaller and fewer.

This shift from private offices to workstations for most employees, and to smaller private offices, also has financial implications. A private office requires 30 percent more floor space than an equivalently functioning workstation. Corporate executives looking to reduce their real estate costs have become more prudent in reducing square footage per employee by eliminating private offices, and reserving them exclusively for those most senior functions that require absolute security or audio isolation. Also, private offices cost \$8,000 to build and \$5,000-\$10,000 to furnish, as opposed to a workstation that costs from \$1,500-\$3,500. Fewer private offices results in more effective utilization of a tenant’s square footage, a lowering of tenant improvement costs and cost reductions from lower-cost furniture and fixtures.

Work stations will get smaller and partition heights will be lower. Employee teams are working more collaboratively and openly. Business owners looking to get more effectiveness out of their real estate costs are putting people in closer proximity to each other so communication can be more natural, versus having large work stations. There will be more conference and community space for employee interaction. As more people work in work stations versus private offices, there will be conference rooms and impromptu “gathering space” interspersed throughout the organization so that teams can spontaneously assemble to tackle the toughest

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customer or technology problems on the fly. Companies will move towards having double or triple the number of conference rooms that they used to have.

Executives will abandon their conference space within their own private offices so that leadership can meet with their teams on neutral turf. There will also be more community spaces where people can get together casually in sofas, beanbags or in an open conferencing environment with floor-to-ceiling white boards to have brainstorming sessions.

We will see the nicest portions of a company's space, with the best views, be used for more general employee purposes. Areas such as the company lunchroom, which so often were stuck in the interior of the space without any natural light, will migrate to the nicer portions of the building where there is significant natural light and views. Spontaneous socialization and informal sharing of ideas will become the norm. The workplace will evolve into a more egalitarian environment, and there will be more open space for inspiration to evolve across all levels of the company, versus the model from decades past which was that ideas germinate from the management team and are dictated down into the organizational hierarchy.

All of these trends will evolve rapidly over the next decade across the most progressive organizations. Those companies that use the old model of isolating company management from the employees, and relegating the employees to the least desirable portions of the building, will find their employee attraction and retention negatively affected. Worse yet, new product development and earnings per share will suffer for those companies that don't match their physical work places with the evolutions of corporate cultural change. A new day is here in facility design, and we're already seeing the most innovative companies in town embracing it.

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