

Gensler

U.S. WORKPLACE SURVEY 2016

KEY FINDINGS | EXTENDED REPORT

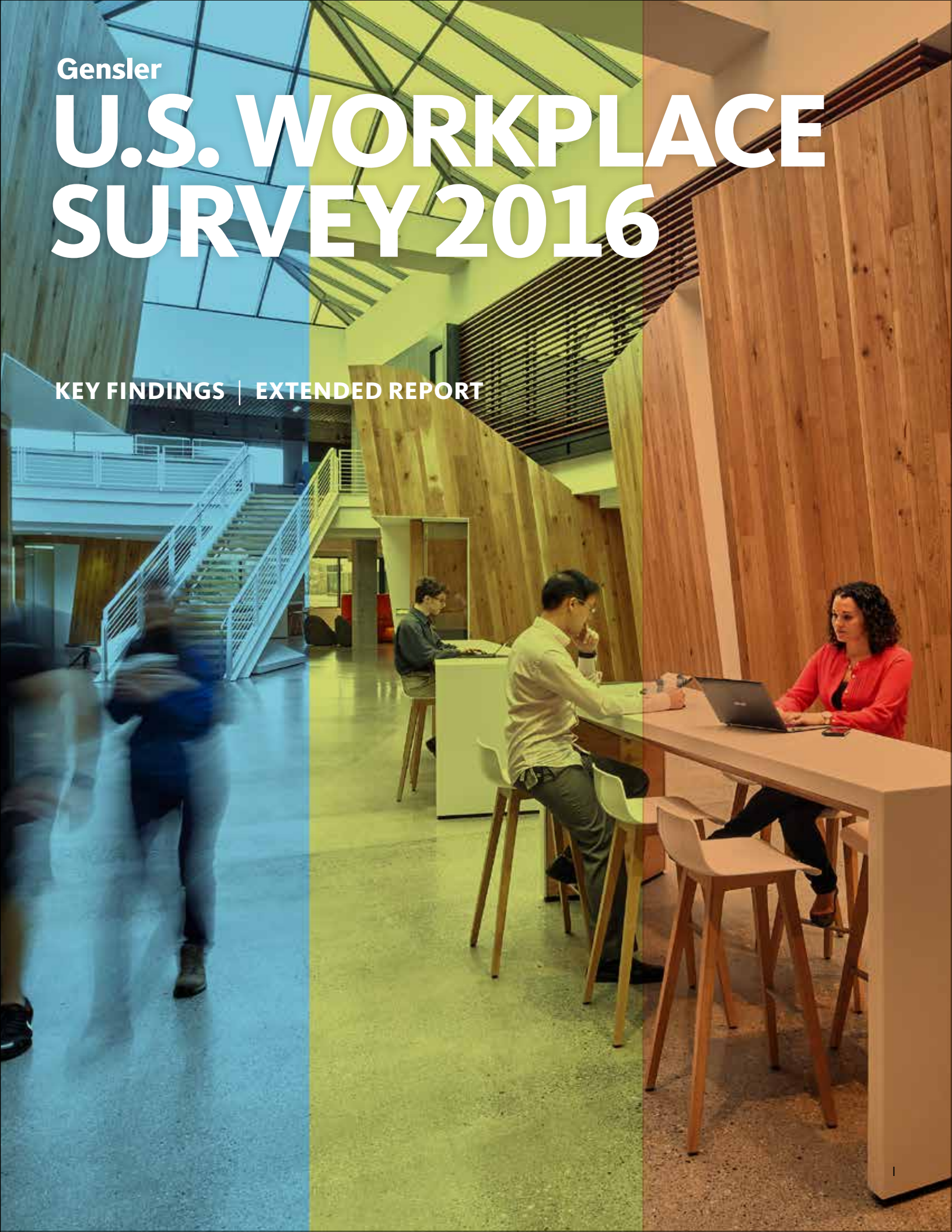


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INTRODUCTION



above: Smashbox Studios; Culver City, CA

Gensler's U.S. Workplace Survey 2016 examines how and where work is happening today, how effectively the physical workplace supports that work, and how the workplace can drive organizational innovation and improve the employee experience. Based on the responses of more than 4,000 U.S. office workers, representing a wide range of geographies, industries, ages, and job roles across the United States, it is Gensler's largest workplace survey to date, and also the most actionable—identifying not only broad organizational implications of workplace design, but also tactical design solutions to help employees innovate and perform.

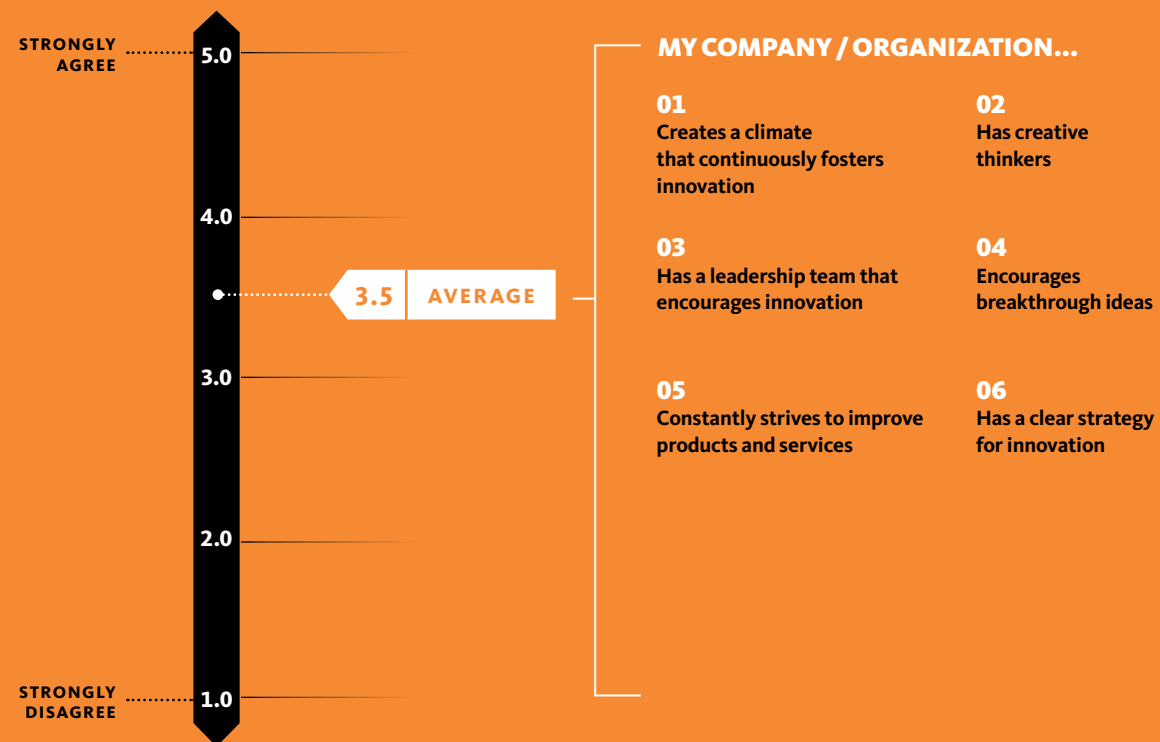
The U.S. Workplace Survey 2016 arrives at a critical moment in the evolution of the knowledge economy. The nature of work and the places in which work unfolds are experiencing paradigm shifts due to factors such as technological developments and an increasingly volatile global economy. In aggregate, workplace performance is on the rise. Today, one in three U.S. workers have an optimal workplace experience, a noticeable increase from one in four in 2013—good news for today's organizations. Our 2016 data confirms the link between workplace design and the level of innovation employees ascribe to their companies.

Significant room for improvement still remains, however. For the two-thirds of the workforce that continues to work in underperforming environments, innovation, performance, and engagement are suffering. Professional, technical, and administrative workers—an estimated 67 percent of the U.S. office-based workforce—are bearing the brunt of workplace design challenges, as they continue to struggle with the difficulties of focus and distraction in the modern workplace.

Our U.S. Workplace Survey 2016 helps us understand what differentiates innovators and high-performers from the rest, and identifies the steps every organization should take to improve the workplace for everyone, and advance innovation and creativity as a result.

GREAT WORKPLACE DESIGN DRIVES CREATIVITY & INNOVATION

THE INNOVATION INDEX | 6 KEY PERFORMANCE INDICATORS



HOW DESIGN DRIVES INNOVATION

INNOVATION INDEX



Innovation, creativity, and differentiation are top of mind for every organization today—and for good reason. The pace of change has never been faster, and the market and business climate seemingly never more volatile. We live in an age of unbridled opportunity, with new technologies that offer to revolutionize the way we work—and live, and play—arriving at a constant clip. Yet, each shift presents a new suite of challenges that organizations and workers must face on a daily basis as they adapt to new ways of working and communicating.

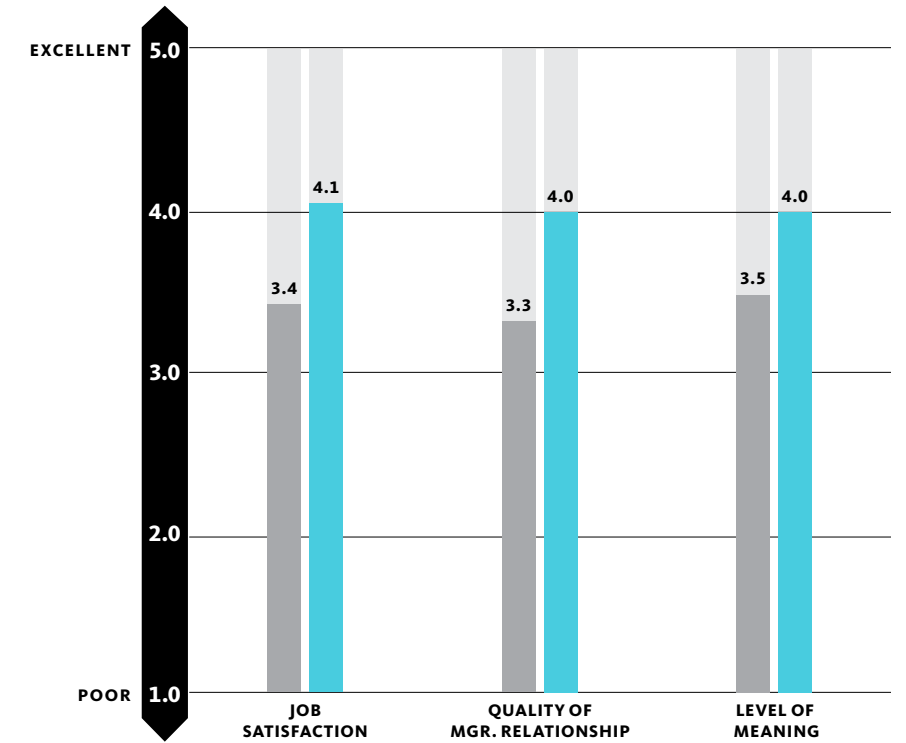
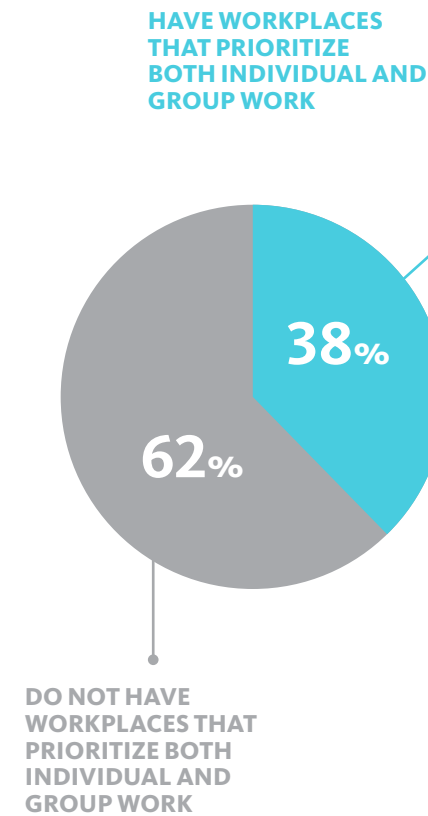
The best workplaces leverage the opportunities of today head-on, providing high-performance work environments designed to support the who, what, and where of work today. And our data proves the impact—**employees in well-designed workplaces report higher levels of organizational innovation and creativity.** How do we know? Our Workplace Performance Index (WPI) score is calculated via 30+ individual questions on workplace effectiveness and functionality, and our Innovation Index aggregates a series of six questions focused on the quality of innovation, creativity, and leadership in an employee's

organization. When plotted against one another, we see a strong upward trend between an employee's WPI and Innovation Index scores.

Additional explanatory and regression analyses of our 4,000+ person, panel-based sample supports this point and broadens the picture of what truly drives innovation for today's workers. Three key variables proved particularly important to innovation today—**workplace design**, in particular the level to which an employee's workplace supports collaboration; **meaning and purpose**, or whether an employee sees their organization as making a positive impact on society; and **managerial relationships**, specifically if and to what extent an employee's manager cares about their well-being and career development.

INNOVATIVE WORKPLACES PRIORITIZE BOTH INDIVIDUAL AND GROUP WORK

CURRENT STATE OF THE WORKPLACE



COMPANIES RANKED AS INNOVATIVE BY THEIR EMPLOYEES ARE 5X MORE LIKELY TO FOSTER WORKPLACES THAT PRIORITIZE BOTH INDIVIDUAL AND GROUP WORK, A KEY PERFORMANCE INDICATOR IDENTIFIED IN GENSLER'S 2013 WORKPLACE SURVEY, THAT CONTINUES TO HOLD TRUE TODAY.

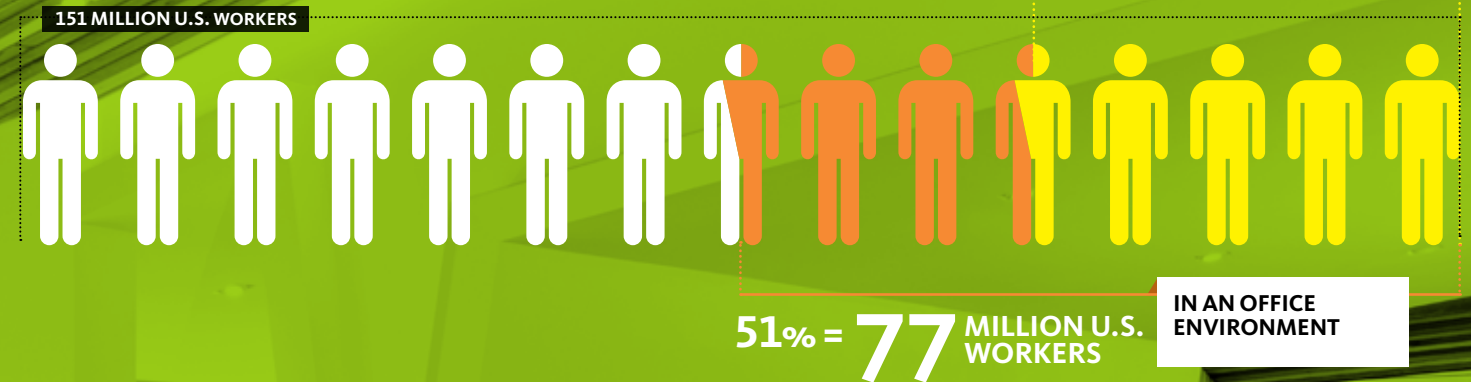
So what makes a workplace innovative? To support innovation, collaboration and connection must be top-of mind—our data proves this, as does other research on the topic. MIT research into performance and collaboration at work indicates the connection between employee communication patterns and performance, and Gallup's ongoing research into employee engagement underscores the importance of relationships and meaning to the employee experience.

Collaboration and connection don't operate in a vacuum, and a collaborative workplace doesn't necessarily mean an open one—though it can. What we know from our ongoing study of the workplace is that to support collaboration and connection, you also need to support the individual work that continues to dominate employees' time and is

essential to their performance. And innovative companies know and respect this duality—**innovative companies are 5X more likely to have workplaces that prioritize both individual and group work**, and by doing so out-perform their peers across key workplace performance measures.

This need to accommodate both individual and group work was a key finding from our last Workplace Survey in 2013, and continues to hold true—in fact, the workplace appears to have improved in recent years. In 2013, roughly one in four (24 percent) of surveyed U.S. workers reported working in a high-performance or “balanced” workplace environment. In 2016, that number has risen to one in three (38 percent). This also tracks with overall improvements in workplace performance (WPI scores rose on average from 63 to 69). But even with these improvements, organizations today are still leaving significant opportunity on the table—**the 62% of U.S. office workers in unbalanced work environments continue to struggle.**

48 MILLION U.S. WORKERS WITH OPPORTUNITY TO IMPROVE



WHO ARE THE INNOVATORS IN TODAY'S ORGANIZATIONS?

To determine the best ways to optimize the workplace environment in support of organizational innovation, we examined the innovators in our sample to see what makes them different. By segmenting our respondents into four groups based on their Innovation Index scores, we were able to identify the employees ranking their companies as the most innovative in our sample—these are our innovators, employees, and organizations who are getting the workplace equation right.

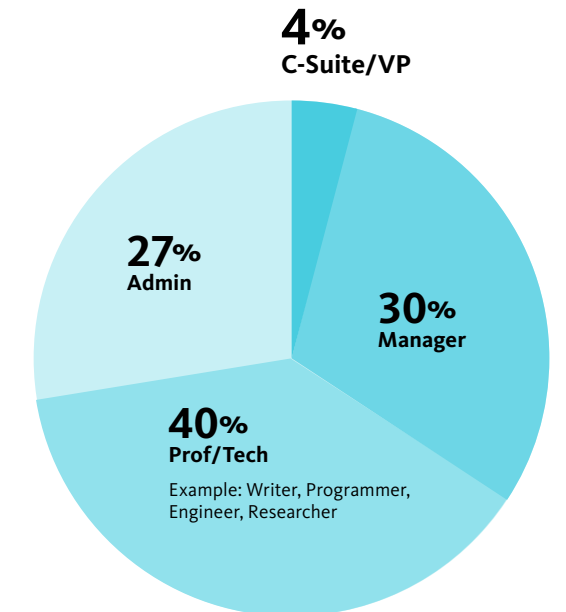
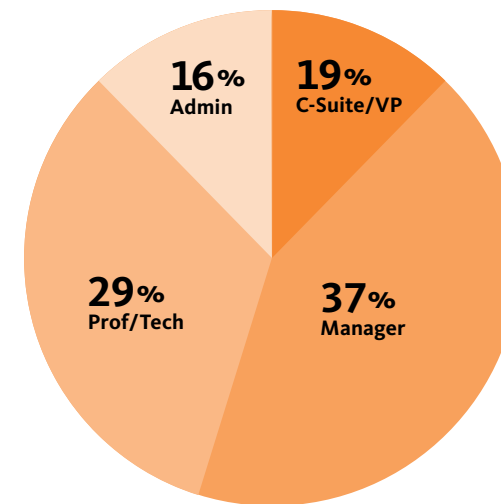
Who are these innovators? Our data shows that **innovation is possible at every level of the organization**, from the C-suite to the administrative assistant, in every industry and in every space type, whether a private office or an open one. Our data also shows where this innovation appears to be concentrated or lacking—on average, the more senior in the organization an employee is, the more likely they are to see their organization to be innovative.

By comparing the innovators in our sample to the group with the lowest innovation scores, we are able to identify areas of the biggest difference between the two, and therefore of the greatest opportunity to facilitate innovation by improving workplace design.

CURRENT STATE OF THE WORKPLACE

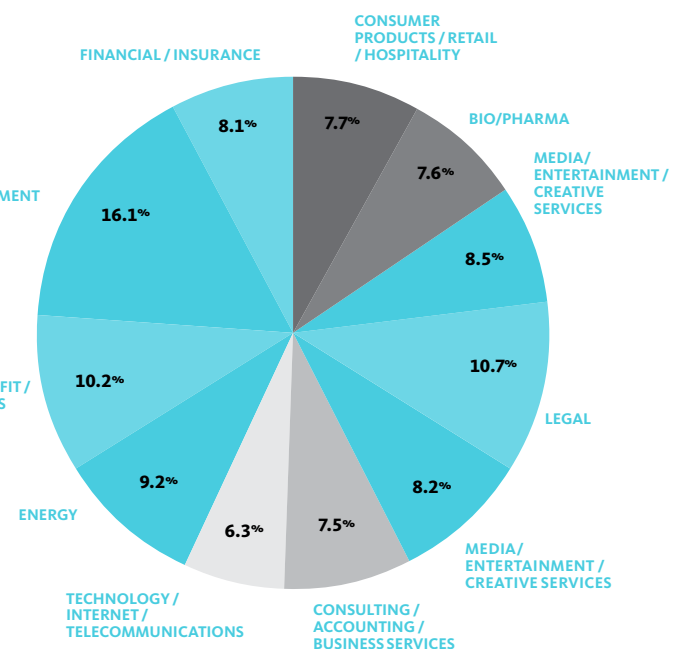
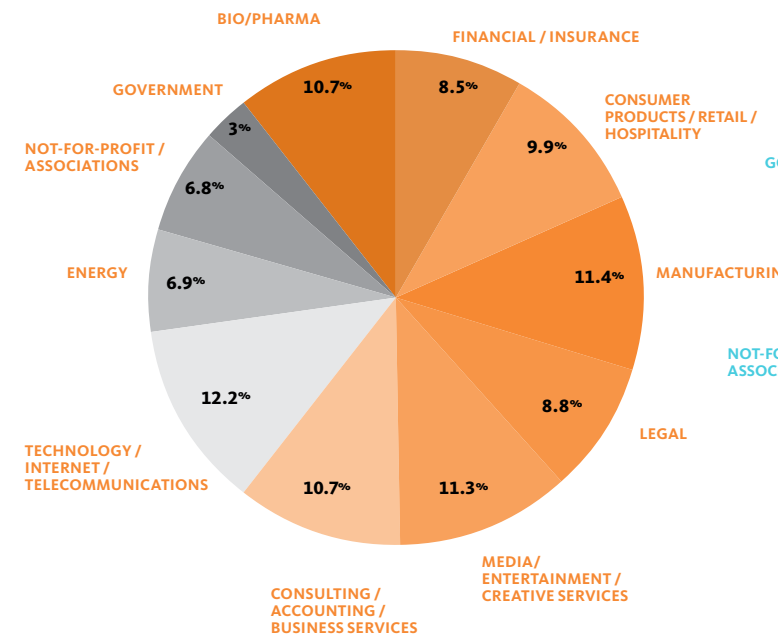
COMPARISON BY JOB ROLE

 MOST INNOVATIVE  LEAST INNOVATIVE



COMPARISON BY INDUSTRY

 MOST INNOVATIVE  LEAST INNOVATIVE



INNOVATORS DON'T JUST WORK FROM THEIR DESKS

THE DESK REMAINS EMPLOYEES' PRIMARY WORKSPACE, AND A KEY TOUCHPOINT IN THE GROWING WORKPLACE ECOSYSTEM—BUT FOR INNOVATORS, IT IS JUST ONE OF THE MANY PLACES IN WHICH WORK HAPPENS, AS THEY MOVE TO AND FROM ALTERNATE LOCATIONS BOTH WITHIN AND OUTSIDE OF THE OFFICE.

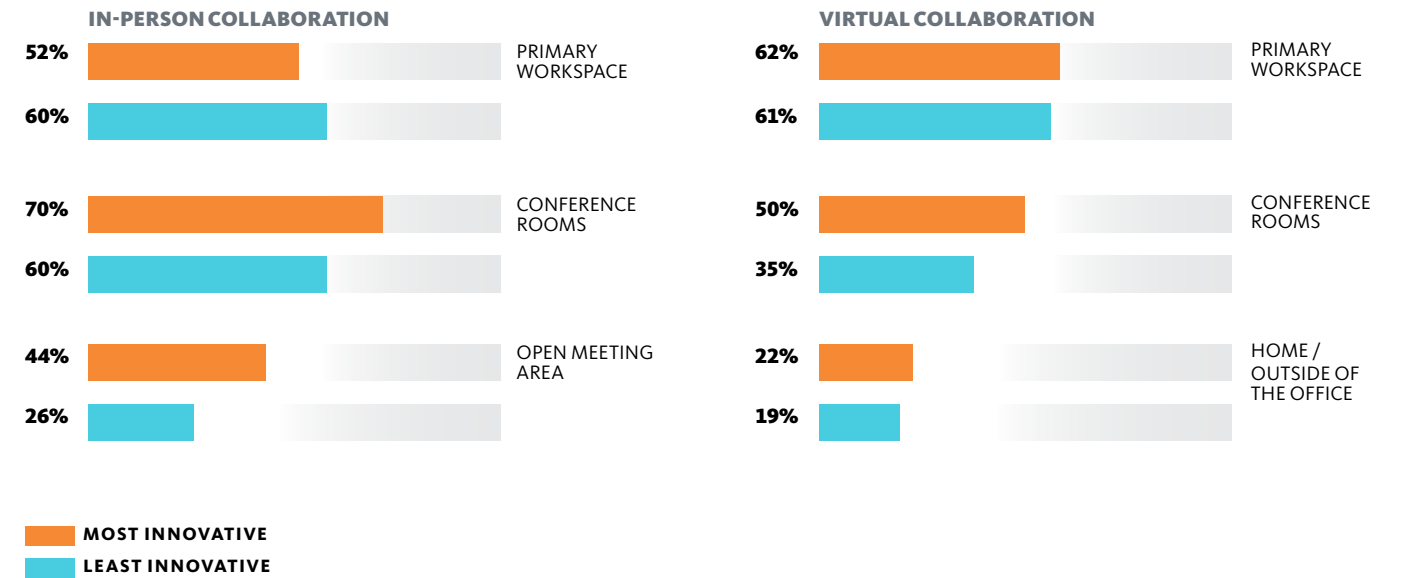
When we compared respondents with the highest innovation scores to those with the lowest, a suite of behavioral differences emerged among the two groups, which speak to how best to leverage mobility and the modern office to greater effect. Respondents sit across a wide variety of space types, from private offices to bench seating and everything in between—what makes the difference is how they're spending their time and where.

Innovators spend comparatively more time working with others, in particularly more time collaborating virtually. And when they are collaborating, they're less likely to collaborate at their desks—instead using conference rooms and open meeting areas within the office more. This means they're not only optimizing their own behavior by using spaces better designed for collaboration, but they're also being more respectful coworkers. Collaboration is distracting to non-participants

trying to focus, especially virtual collaboration—research suggests that an overheard one-way conversation is even more distracting than a two-way one. Couple this with a dramatic rise in virtual collaboration we observe since our last survey in 2013 (it more than doubled, from seven percent of an average work week to 15 percent), and this makes a big difference.

Innovators spend more time working away from the office. The greater in-office mobility we observed among innovators is also paired with greater out-of-office mobility. The average, full-time employee in our sample spends 80 percent of an average week in their office, or four out of five work days. For the least innovative, this rises to 86 percent, while for the most innovative, it falls to 74 percent. A separate analysis segmenting respondents by the amount of time they spend in the office confirms the importance of spending time elsewhere—employees spending more than 80 percent of their time in the office had significantly lower scores on job satisfaction, meaning, and managerial relationships. But this doesn't mean employees shouldn't be coming to the office—those spending less than three days a week in the office also showed lower scores.

INNOVATORS SPEND MORE TIME COLLABORATING AWAY FROM THEIR DESKS



INNOVATORS SPEND MORE TIME WORKING AWAY FROM THE OFFICE

3.5 DAYS

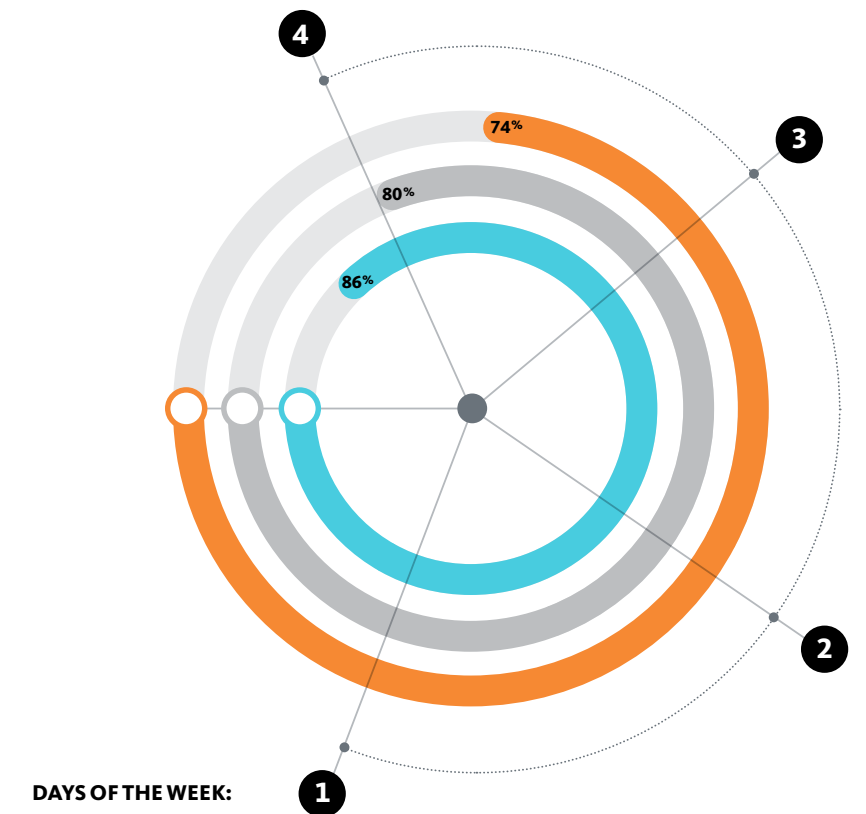
INNOVATORS SPEND 74% OF THEIR AVERAGE WORK WEEK IN THE OFFICE.

4 DAYS

EMPLOYEES WHO SPEND 80% OR MORE OF THEIR TIME IN THE OFFICE ARE SIGNIFICANTLY LESS SATISFIED WITH THEIR JOBS AND WORKSPACE AND REPORT LESS MEANING IN THEIR WORK.

4+ DAYS

LESS INNOVATIVE EMPLOYEES SPEND 86% OF THEIR TIME IN OFFICE.



INNOVATORS VALUE DESIGN AND AUTONOMY

EMPLOYEES WHO RANK THEIR COMPANIES AS HIGHLY INNOVATIVE REPORT BETTER DESIGNED SPACES OF ALL TYPES IN THE WORKPLACE. NOT ONLY DO THEY HAVE BETTER SPACES, THEY ALSO HAVE THE AUTONOMY TO USE THOSE SPACES AS-NEEDED, CHOOSING TO WORK WHEN AND WHERE IS BEST FOR THE TASK AT HAND.

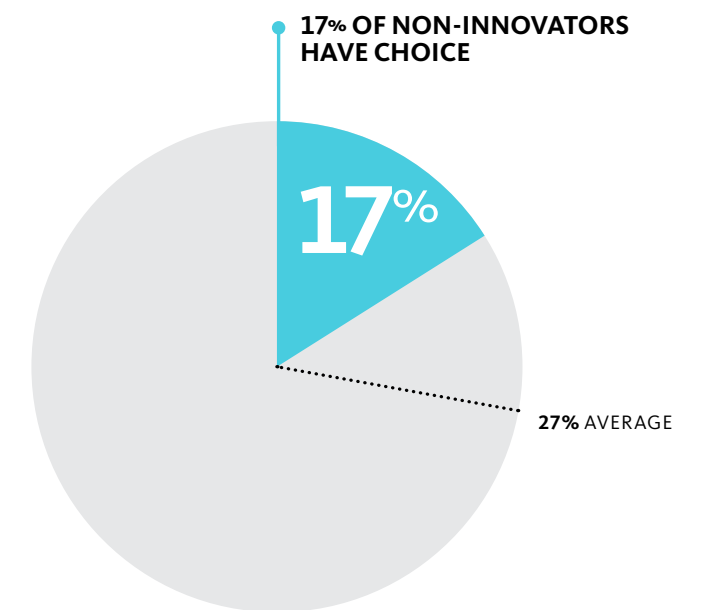
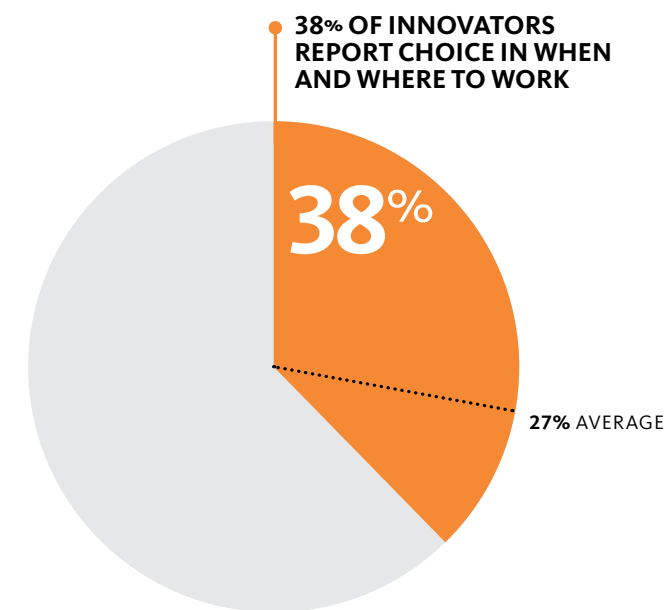
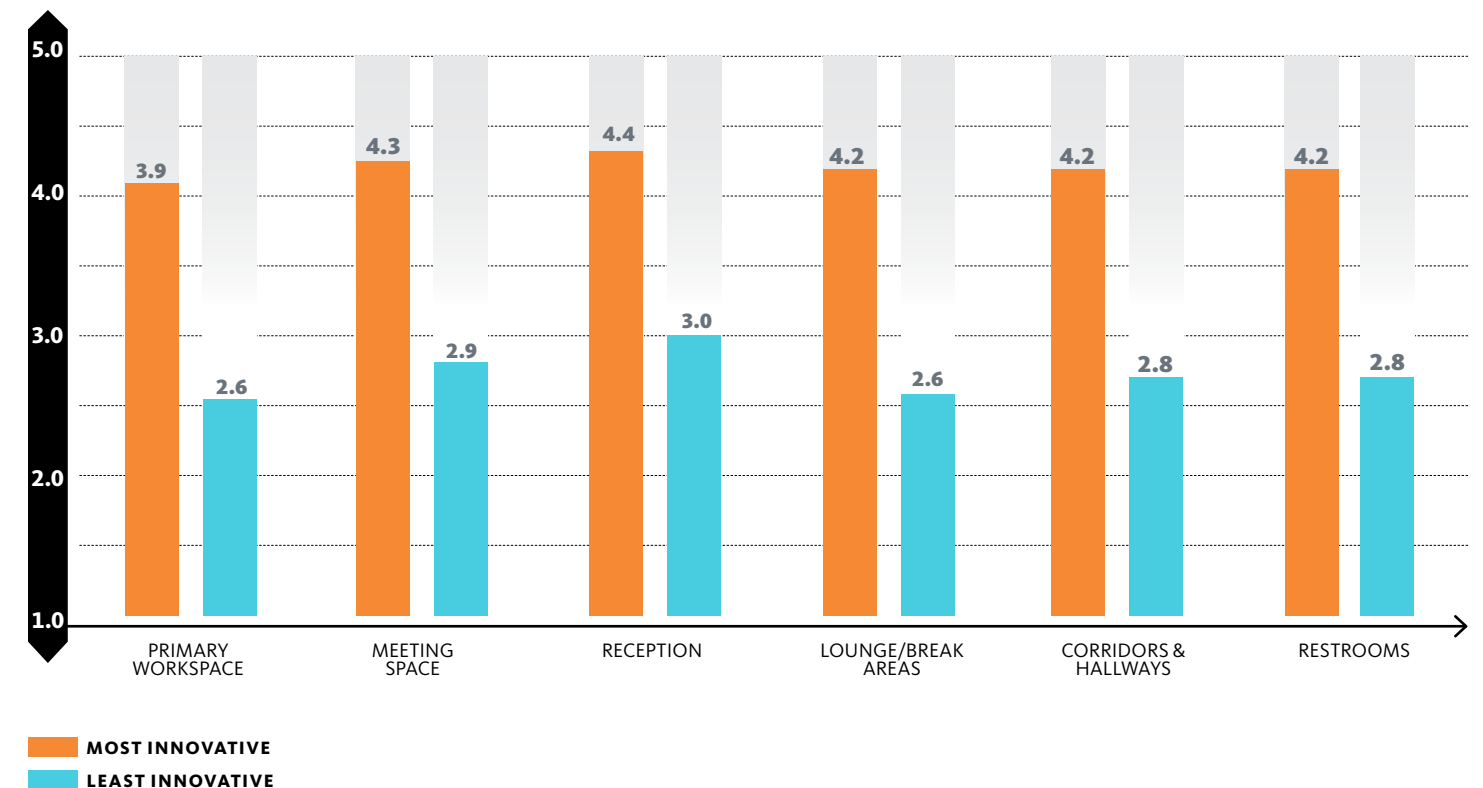
The behaviors exhibited by the innovators in our sample align, importantly, with the autonomy and spaces necessary to support these more positive, mobile behaviors. Our analysis also helped to identify the key design and experience factors associated with the most innovative.

Innovators have better designed spaces of all types. Every office space we measure—from individual desks, to meeting rooms, common areas, and bathrooms—is rated significantly higher on design look and feel for the innovators in our sample. They also report these spaces to be more effective for all work mode activities and indicate that common areas promote a greater sense of community. Pair the improved design quality of these spaces with their greater overall utilization

by innovators, and a bigger picture emerges—innovators have better designed, more inviting spaces, and the quality of those spaces supports increased utilization and engagement.

Innovators have more choice. Having a variety of well-designed, highly functional spaces in which to work is necessary to enable the kind of mobile, flexible workstyles innovators exhibit—but it's nothing if they're not granted the autonomy to use those spaces as needed. Innovators in our sample are twice as likely to report having a choice in when and where to work—38 percent of the most innovative respondents compared to only 17 percent of the least (27 percent is the sample average). But even for the most innovative, this still shows significant room for improvement—in an age when work becomes increasingly seamless, transcending the confines of the office thanks to mobile technology, the majority of employees continue to report that they must work in the same space most of the time. In fact, the level of choice reported by employees has fallen since our last survey in 2013, from approximately one in three respondents to one in four reporting choice today.

THEY HAVE BETTER DESIGNED WORKSPACES



HOW DOES DESIGN HELP EMPLOYEES INNOVATE?

Gensler



INVEST IN THE INDIVIDUAL



DESIGN
(LOOK & FEEL, LAYOUT,
ADJUSTABILITY)

+



NOISE
MANAGEMENT

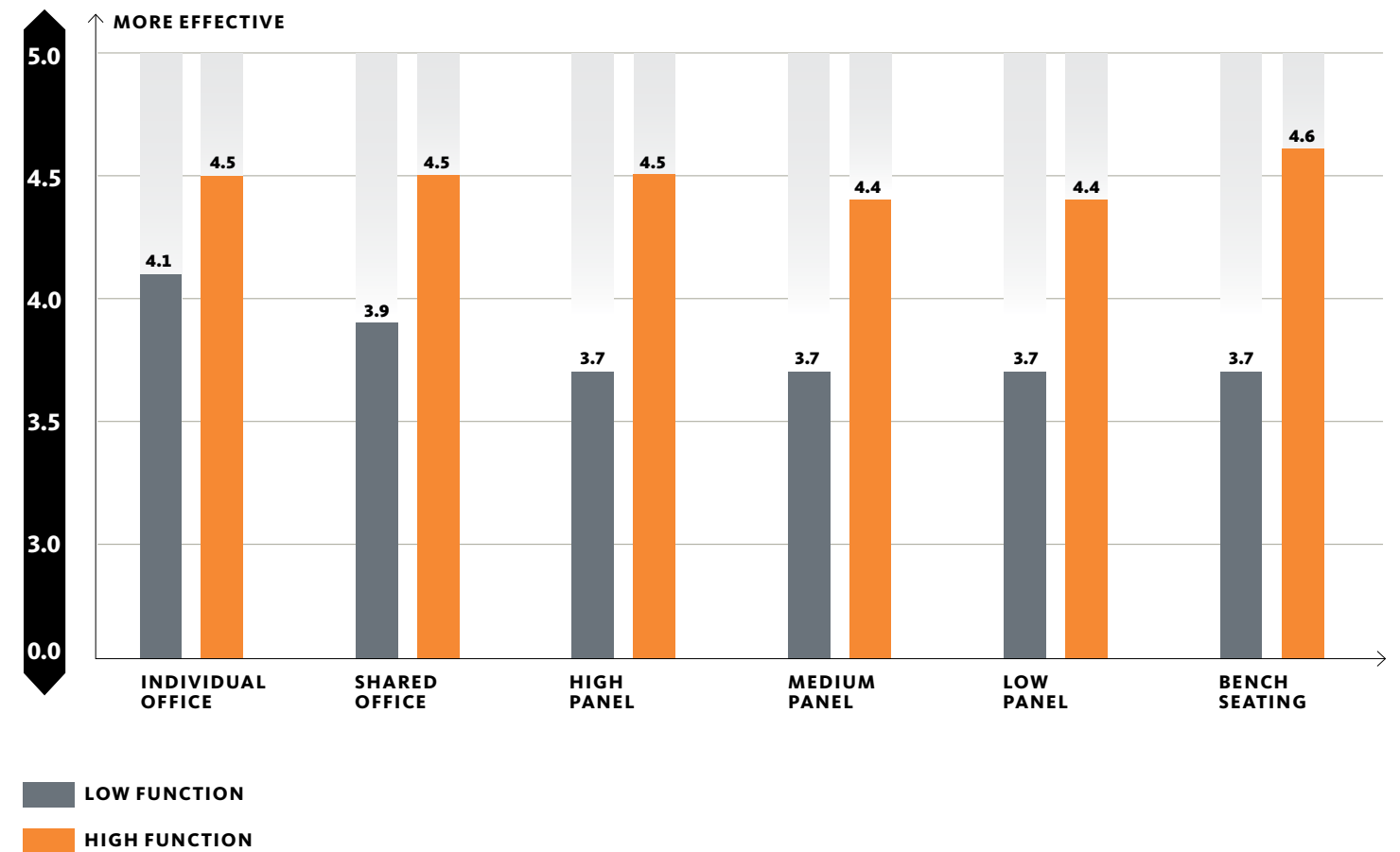
+



ACCESS TO PEOPLE
& RESOURCES

Image: Hyundai Motor America Headquarters; Fountain Valley, CA

OVERALL EFFECTIVENESS BY INDIVIDUAL SPACE TYPE



EMPLOYEES AT INNOVATIVE COMPANIES HAVE BETTER DESIGNED AND MORE FUNCTIONAL WORKSPACES, NO MATTER HOW OPEN.

Employees at innovative companies have better designed and more functional workspaces, no matter how open. And if those functional aspects are managed, an open office can be as effective as a private one. In particular, design (look and feel, layout, and adjustability), noise, and access to people and resources are the key factors that differentiate innovators in our sample. A closer look at employees who rank their individual spaces highly on these factors demonstrates a dramatic increase in how effective employees rate their workspaces to be and removes the otherwise detrimental impact of open environments on work effectiveness.

DIVERSIFY GROUP WORK SPACES



WIFI & PLUGS

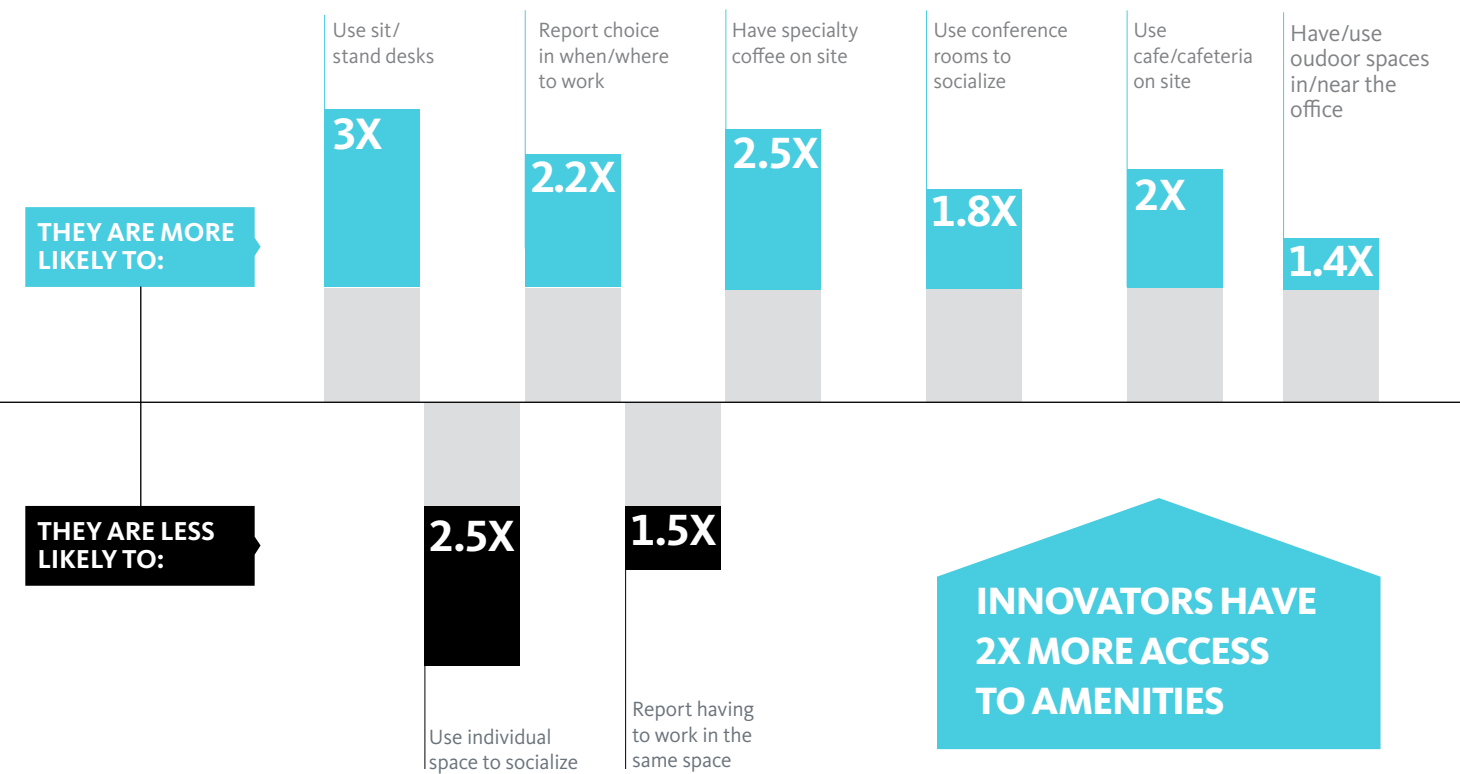


MEETING SPACES
(PROXIMITY,
AVAILABILITY)



ACCESS TO
OUTDOOR
SPACES

INNOVATORS EXHIBIT BETTER OFFICE BEHAVIOR



INNOVATORS HAVE ACCESS TO, AND USE, A GREATER VARIETY OF WORKSPACES IN AND OUT OF THE OFFICE.

Innovators have access to, and use, a greater variety of workspaces in and out of the office, particularly for non-focus activities. Meeting areas—both open and enclosed—and areas for socializing proved particularly important for the innovators in our sample. Looking outside the office, innovators also reported double the overall access and use to amenities in or near their workplaces, with particular importance placed on food and beverage, well-being, and outdoor spaces. Greater access to and use of alternative work spaces improves the dynamic between employees, making them more conscientious and respectful of one another's space and time—innovators were much less likely to report socializing at their desks, thus creating and promoting a more focused, distraction-free environment.

EMPOWER THE WHOLE COMMUNITY



CHOICE



PURPOSE

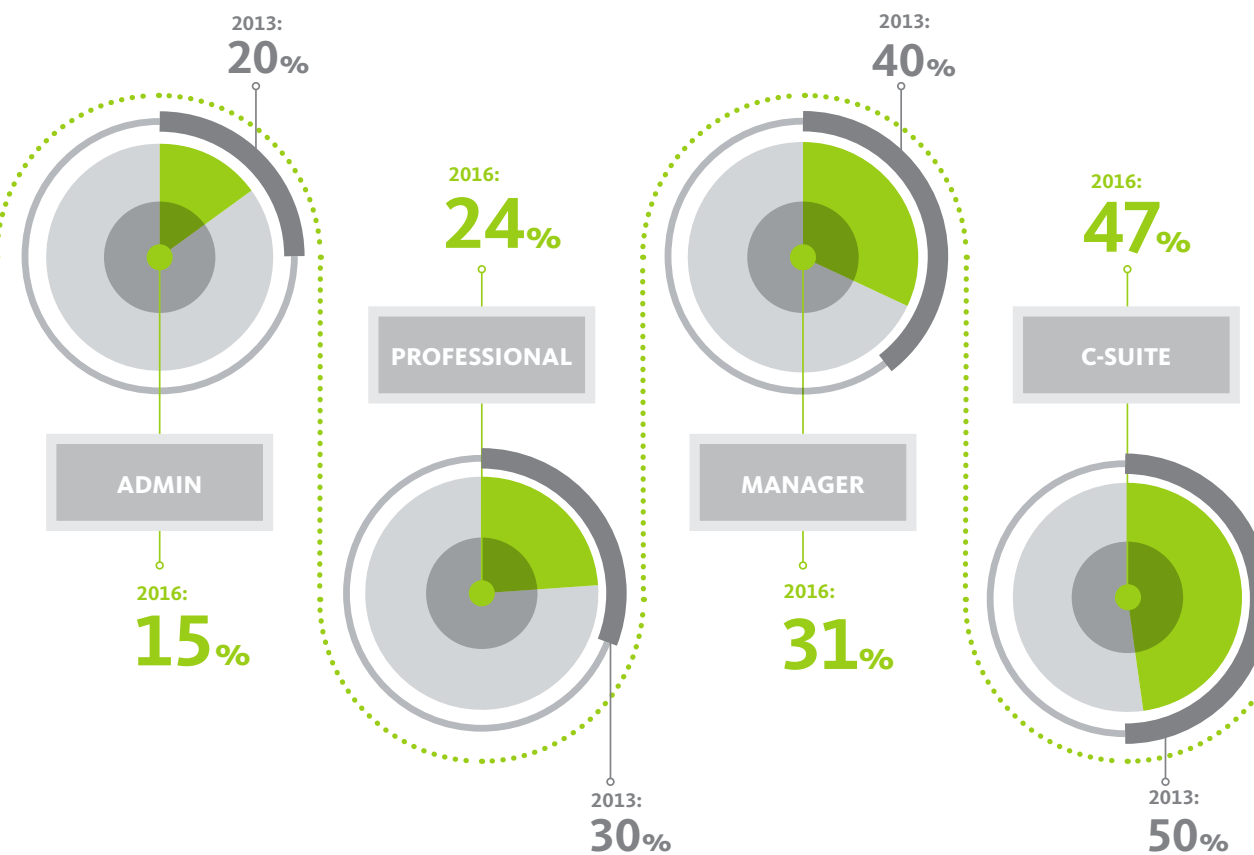


EQUITY



CHOICE

WITH CHOICE WITHOUT CHOICE



IMPROVE THE WORKPLACE, AND EXPAND CHOICE AND AUTONOMY ACROSS THE ORGANIZATION TO DRIVE INNOVATION.

The ability to work wherever is best for the task at hand shouldn't be a perk just for leadership. Increasing choice and autonomy, allowing employees to work when and where best suits the task at hand, can have a positive impact at every level of the organization—and the biggest opportunity to improve lies with professional, technical, and administrative staff today. Autonomy is just part of the equation, however—employees must be empowered but also inspired, connecting to the broader mission of their teams and organizations, and forging relationships with colleagues and managers, a proven equation in engagement and retention.

EVOLUTION OF THE WORKPLACE SURVEYS

Gensler's 2016 survey is the latest iteration of ongoing research on the workplace, which began in 2005 with Gensler's first workplace survey. A subsequent survey in 2006 established the connections between workplace design, employee productivity, and business competitiveness. In 2008, our research established a framework for understanding knowledge work through the lens of the four "work modes": focus, collaborate, learn, and socialize. We discovered that the effectiveness and support of all four work modes connect to employee engagement and company performance.

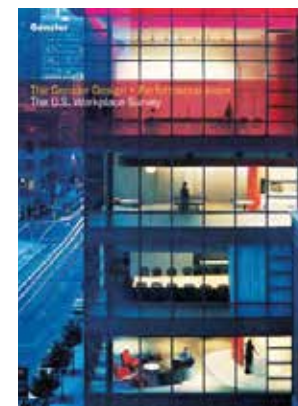
Gensler's 2013 U.S. Workplace Survey continued this thread by taking the pulse of the American workplace as it related to employee effectiveness, business performance, and opportunities to create a culture of innovation.

Today, the U.S. Workplace Survey 2016 dives deeper into the role between great workplace design plays in driving creativity and innovation.



2005
U.K. WORKPLACE SURVEY

KEY FINDINGS
Employees see a clear link between the physical work environment and personal productivity.



2006
U.S. WORKPLACE SURVEY

KEY FINDINGS
The link is confirmed between the physical work environment and productivity in the minds of workers.



2008
U.S. & U.K. WORKPLACE SURVEYS

KEY FINDINGS
Four work modes—focus, collaborate, learn, and socialize—emerge as the framework through which to understand time at the office.



2013
U.S. WORKPLACE SURVEY

KEY FINDINGS
Focus, balance, and choice in the workplace emerge as key drivers of satisfaction, performance and innovation.



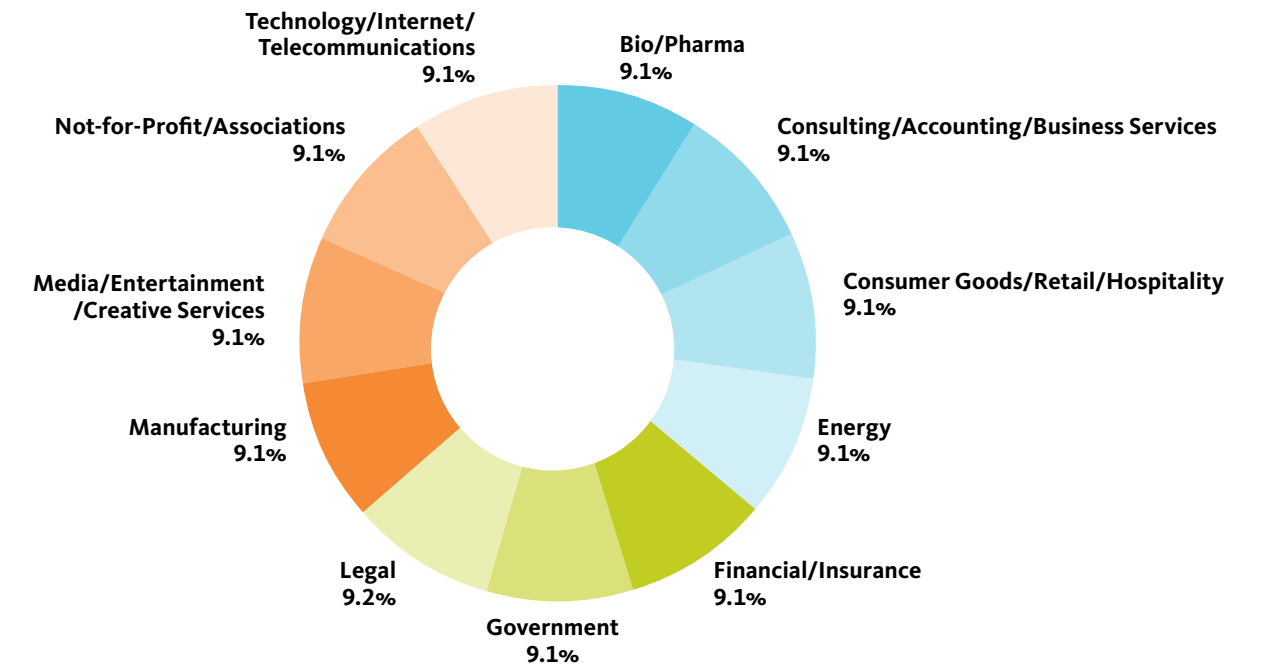
2016
U.S., U.K. & ASIA WORKPLACE SURVEYS

KEY FINDINGS
Tactical strategies to use the workplace to drive organizational creativity and innovation.

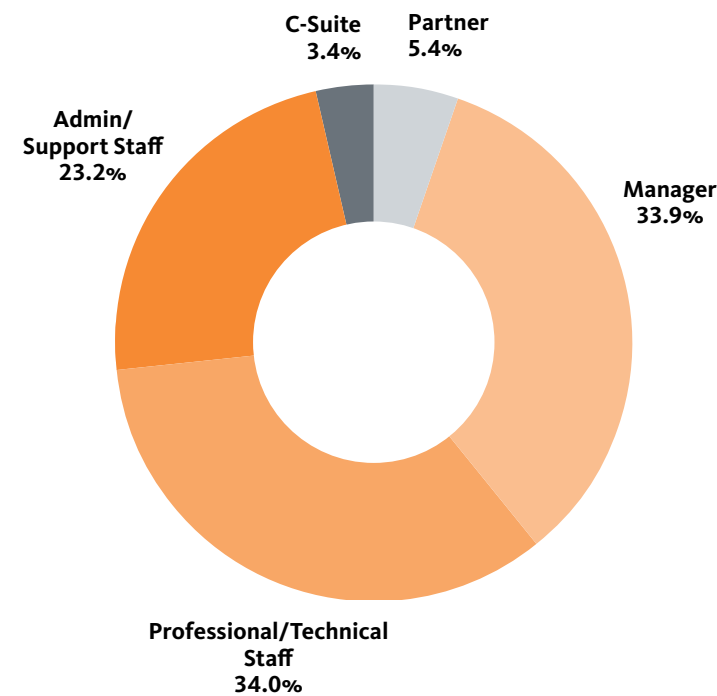
METHODOLOGY + DEMOGRAPHICS

Data for Gensler's U.S. Workplace Survey 2016 was gathered via an online survey of a panel-based sample of more than 4,000 office workers distributed evenly across 11 industries, conducted using Gensler's newly redesigned Workplace Performance Index® platform. Responses were gathered via an independent Qualtrics panel to ensure randomness, and are not limited to Gensler clients or projects. Respondents were required to work in an office environment at least some of the time, and to work for a company of 100 people or more. Multiple checks were put in place to manage response validity, including time and attention filters embedded in the survey. Statistical analysis was conducted in-house via Gensler's internal research team with expertise in data analytics, survey design, and data visualization.

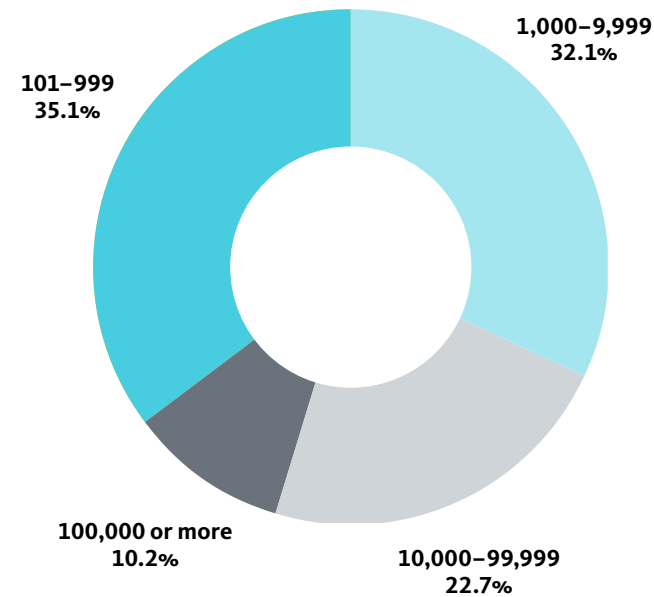
INDUSTRIES



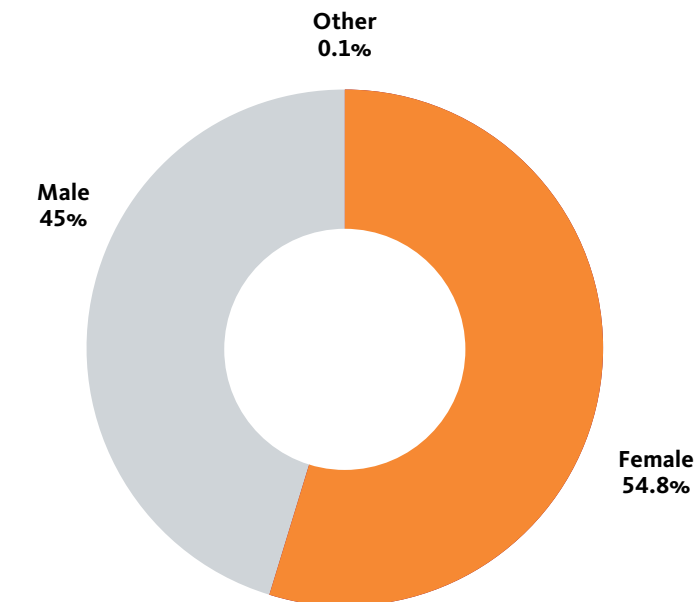
ROLE



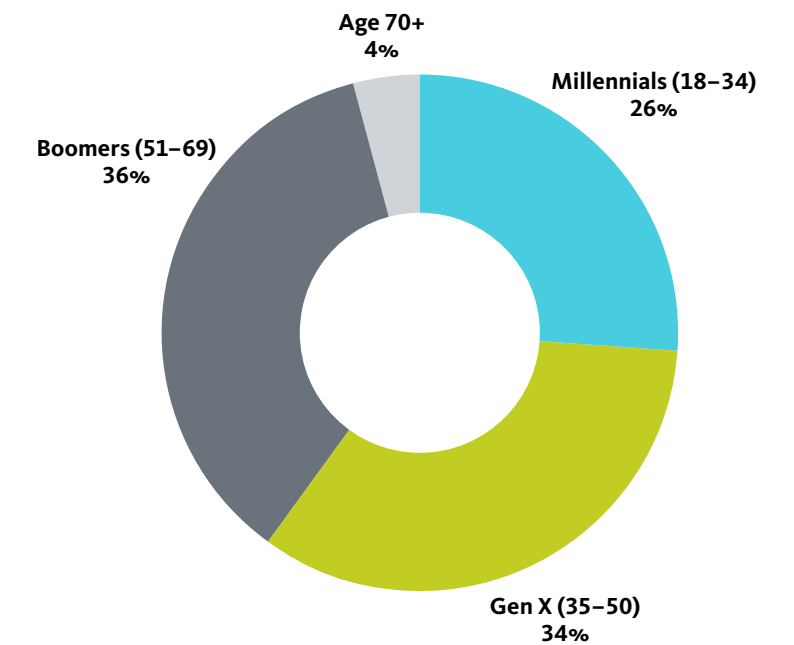
COMPANY SIZE



GENDER



AGE / GENERATION



WORKPLACE PERFORMANCE INDEX®

The best design solutions come from the most informed design approach. In 2007, Gensler created the Workplace Performance Index® (WPI), an online survey platform to uncover how employees work, what spaces they use for work, and how effective those spaces support that work. Along with questions on topics like organizational culture, amenities, and health and wellbeing, the WPI is used as pre-occupancy survey to provide the design team with critical knowledge and diagnostics of our client's current workplace effectiveness and functionality.

To identify where you want to go, you have to know where you are. The WPI helps us identify the unique dynamics and work processes of your organization from the viewpoint of the people doing the work. This information is critical in directing the change you want to achieve with the new environment, and ensures the design solution maintains what's working while solving for pain points getting in the way of employee performance. There is also the ability to compare each client's results to Gensler's Workplace Survey 2016 research findings for industry benchmarks to identify the greatest design opportunities. In addition, WPI is also used as a post-occupancy survey to measure design performance after move-in.

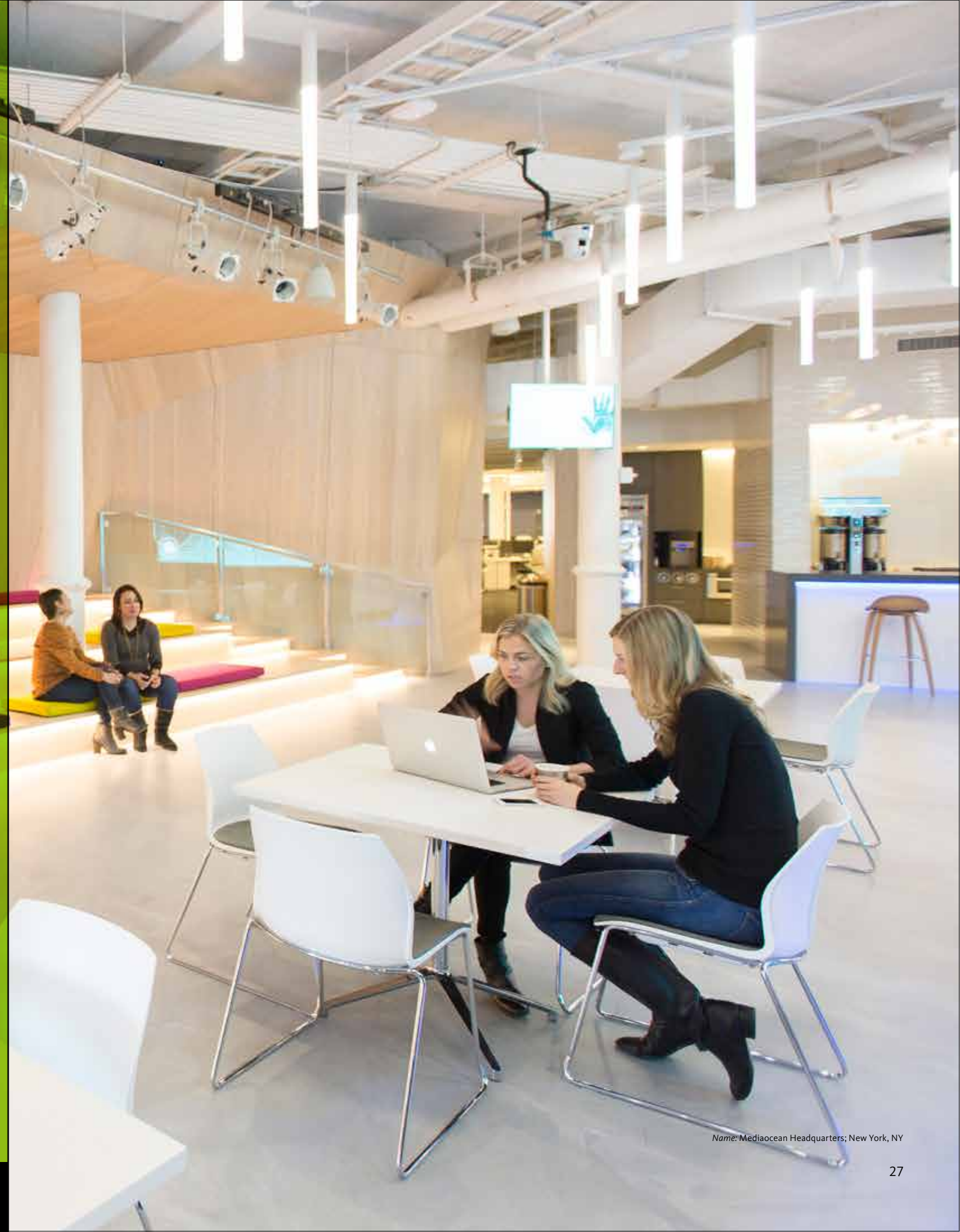
Work evolves, and the WPI is evolving, too. We routinely adapt the WPI to keep pace with changes in the workplace and how people work. This year, rather than incremental improvements, we initiated a comprehensive redesign of the WPI. The question set has been streamlined along with design of a new, more engaging interface to make the survey experience faster and more enjoyable for respondents. The new WPI is now offered on all our workplace projects and become a valuable part of our design process.

The Growth of Gensler's
WPI Respondent Database
08/2007-07/2016

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

THE WORLD'S LARGEST
SURVEY DATABASE
Over 205,000 people in 23
countries (and counting)
representing the world's most
admired companies have taken
the WPI.

205k
respondents since 2007



Name: Mediaocean Headquarters; New York, NY

About Gensler

As architects, designers, planners, and consultants, we partner with our clients on some 3,000 projects every year. These projects can be as small as a wine label or as large as a new urban district. With more than 5,000 professionals networked across 46 locations, we serve our clients as trusted advisors, combining localized expertise with global perspective wherever new opportunities arise. Our work reflects an enduring commitment to sustainability and the belief that design is one of the most powerful strategic tools for securing lasting competitive advantage.

Gensler's Research Program supports research investigations important to our firm, our clients, and to the ongoing learning and development of Gensler professionals. Research projects are practitioner-led with involvement across the globe. Our teams bring thought leadership to the table as we seek to solve our clients' and the world's most pressing challenges by creating high-performance solutions that embrace the business and world context in which we work, enhance the human experience, and deliver game-changing innovation.

Team

Diane Hoskins, Janet Pogue, Christine Barber, Tim Pittman, Amrapali Agarwal, Isabel Kraut, Chandra Lapsley, Erik Lucken, Sophia Papka, Renny Shih, Xiao Xie

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Locations

Abu Dhabi
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Austin
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Beijing
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La Crosse
Las Vegas
London
Los Angeles
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Morristown
New York
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