When the walls come down

How smart companies are rewriting the rules of the open workplace

Introduction

Picture the modern office: minimalist design schemes, rows of employees sitting close to one another in open-plan spaces, maybe some impromptu collaboration happening around a ping pong table—a bit of Silicon Valley start-up culture transplanted to even the most traditional companies. That is, if people go in to work at all, since mobile devices and communications software allow us to do our jobs easily from home or on the road.

These changes in workplace design, technology, and culture are meant to pay off in terms of business performance. Tearing down walls and collapsing time and distance should encourage spontaneous interactions, increase flexibility, and foster a more engaged and productive workforce.

But there are hazards on the road to this utopia, from the noise and distractions endemic to the open-plan office to employees' frustration with technology and their inability to disconnect from it after hours or while on vacation. To help people get more done during the work day (and make it easier for them to unplug after hours), executives must understand the challenges their employees are facing, and take steps to address the management disconnects that are standing in the way of success.

Oxford Economics, in collaboration with Plantronics, surveyed more than 1,200 senior executives and non-executive employees from a range of industries around the world to better understand the opportunities and challenges of the modern workplace. We also had in-depth conversations with a handful of executives who are successfully navigating this new landscape. Among our key findings:

- **Workers want to work.** The ability to focus without interruptions is a top priority for employees when it comes to office design; access to amenities like free food is far less important.

- **Technology integration is a work in progress.** Employees are expected to be connected to the office all the time—but only 40% say the devices they use at home integrate seamlessly with their work tools.

- **Constant connectivity breeds compulsive behavior—and could lead to burnout.** More than one-third of employees say they use their tech devices primarily out of habit or compulsion, fear of missing out, or social pressure.

- **The boss does not see the problems.** Nearly two-thirds of executives say employees are equipped with the tools they need to deal with distractions at work; less than half of employees agree.

However, some businesses are already getting it right. One group of executive respondents in our survey reports more business value from technology than their peers, in terms of employee productivity and even bottom-line performance. Perhaps unsurprisingly, these companies are also more likely to have taken specific steps to equip employees with the right working environment, tools, and culture. (For more on these leaders, see page 9.)

Better office environments and workplace technology should improve productivity, engagement, and happiness at work, both for executives and their employees. And as work and life are increasingly intertwined, these changes are likely to extend to the hours outside the office. Businesses must recognize the challenges of this new environment and create a tactical plan to navigate them. Getting it right will position them to capitalize on the value of technology and the way we work now.

It's loud in here: Dealing with noise and distraction at work

At one major online retailer, leadership works hard to build a culture of openness. "People are encouraged to interact with one another, rather than hide in their cubicle," says a senior executive at the company. The culture fits well with the company's broader goals of encouraging open communication among management, employees, and customers. But an open-office layout can have its drawbacks: "I'd be lying if I said noise wasn't an issue from time to time," the executive says. "It's a tradeoff."
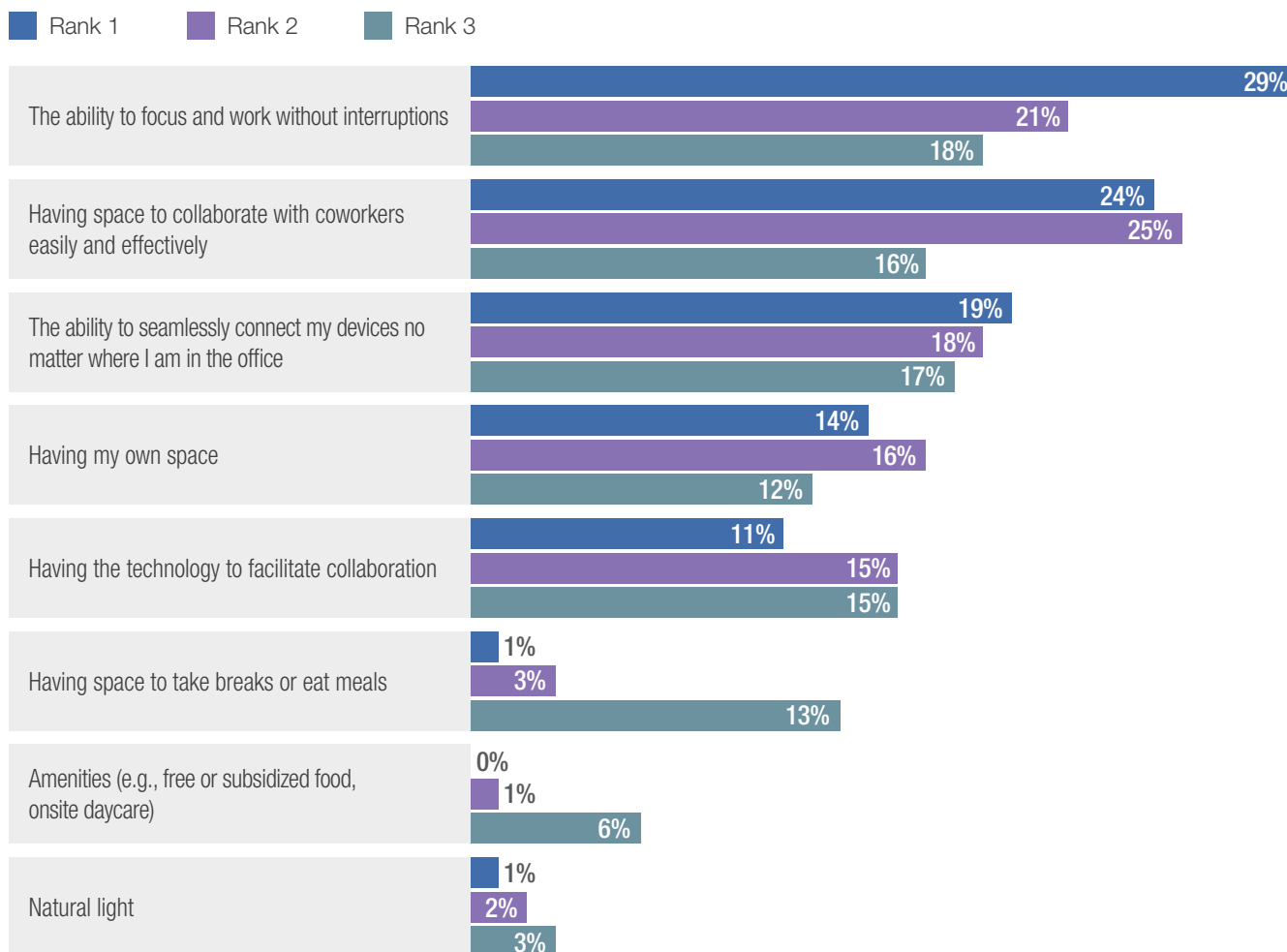
Noise and distractions present big challenges in the workplace, especially in an era of open-plan layouts and telecommuting. "Ambient noise and lack of personal space can make it hard for employees to concentrate and get things done," says Jeff Lowe, vice president of marketing at Smart Technologies, the Canada-based developer of interactive learning tools and software. As privacy dwindles, people have fewer places to escape the sounds of their coworkers' chatter, sneezes, or phone calls. Noise from the open-plan office is picked up on calls and can distract those working from other locations, too. "All of this has led us to reimagine the workspace and productivity," says Mr. Lowe.

"Ambient noise and lack of personal space can make it hard for employees to concentrate. All of this has led us to reimagine the workspace and productivity."

*Jeff Lowe,
Smart Technologies*

Productivity trumps free food

Q: Which of the following are most important to you in your work environment? *Employee responses; Rank top 3*

Legend: Rank 1 | Rank 2 | Rank 3

Category	Rank 1	Rank 2	Rank 3
The ability to focus and work without interruptions	29%	21%	18%
Having space to collaborate with coworkers easily and effectively	24%	25%	16%
The ability to seamlessly connect my devices no matter where I am in the office	19%	18%	17%
Having my own space	14%	16%	12%
Having the technology to facilitate collaboration	11%	15%	15%
Having space to take breaks or eat meals	1%	3%	13%
Amenities (e.g., free or subsidized food, onsite daycare)	0%	1%	6%
Natural light	1%	2%	3%

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These are not minor considerations. Leadership at some companies may think employees only care about bean bag chairs and free burritos, but our survey shows that most people come to work to—well, work. In fact, the ability to focus without interruptions ranks at the top of employees' workplace wish lists, while novel amenities like onsite daycare or free food are far less important.

And finding quiet time is about happiness as well as productivity; more than half of employees say ambient noise reduces their satisfaction at work. Many feel compelled to solve the problem on their own, blocking out distraction through visits to the breakroom, taking walks outside, or listening to white noise and music on headsets or headphones.

The first step in fixing this issue is recognizing that it exists. But only 39% of executives say ambient noise affects their employees' productivity, and just 33% say loud colleagues are an issue. Unsurprisingly, then, very few companies have taken meaningful steps to address the problem: noise is an afterthought in office construction, and executives overestimate employees' ability to drown it out with the tools available to them.

Good workplace design takes employee needs into consideration and facilitates activities that enhance productivity.

Noise is an afterthought in office design

Q: Which of the following were considered when designing your organization's office space?
Executive responses; Select all that apply

Allow and encourage employees to interact with each other often — 85%

Improve employee productivity — 81%

Improve employee satisfaction — 81%

Allow the organization to minimize costs — 77%

Allow employees to collaborate often and effectively with each other — 75%

Allow employees some privacy — 72%

Minimize distractions from excessive noise inside the office — 69%

Minimize distractions from excessive noise outside the offiice — 64%

Good workplace design takes employee needs into consideration and facilitates activities that enhance productivity. If companies are not careful, workers may turn conference rooms into de facto offices, defeating the purpose of both open-plan layouts and shared meeting spaces. Smart Technologies makes a conscious effort to help its people manage the challenges of noise and open space, creating designated individual pods and smaller meeting rooms to allow for privacy and quiet during the work day and providing employees with the flexibility to work remotely. "Designing for today's workplace means building spaces that help employees be as productive as possible and do their best work," says Mr. Lowe.
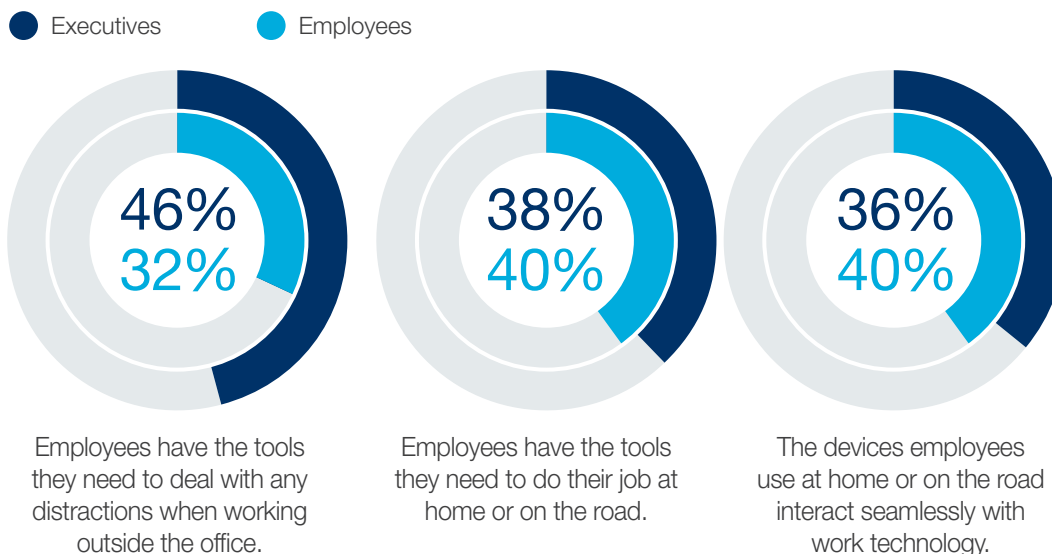
Wanted: Technology that actually works

The transformative promise of workplace technology is clear. Collaboration platforms make it easier than ever to work together, while mobile devices and connectivity enable work at any time, from any location. But if technology is supposed to be empowering for workers, why do many feel so frustrated by it?

One key problem: despite the proliferation of devices, only about one-third of employees say they are equipped with the tools they need to work distraction-free when outside the office. This is another instance of executives not understanding the extent of the challenge—substantially more say their workers are equipped with the necessary tools than employee responses suggest.

Better tools, please

Q: To what extent do you agree with the following statements about your employees'/your work environment outside the office? *"Agree" and "Strongly agree" responses*

● Executives   ● Employees

46% 32%	38% 40%	36% 40%
Employees have the tools they need to deal with any distractions when working outside the office.	Employees have the tools they need to do their job at home or on the road.	The devices employees use at home or on the road interact seamlessly with work technology.

A productive work environment demands more than just the right technology. "We even take the acoustics into account with a team member's home setup."

Dan Ponefract, Telus

Telus recognizes that access to technology is essential if remote workers are to deliver high-quality customer service. The Canadian telecommunications company prioritizes access to tools like laptops and mobile devices for its domestic call-center employees, most of whom work from home. To make this arrangement functional, leadership outfits each employee with a standard set of tools and works with them to ensure home workspaces are as conducive to getting the job done as the office would be. The company also knows that a productive work environment demands more than just the right technology. "We even take the acoustics into account with a team member's home setup," says Dan Pontefract, the company's chief envisioner.

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Even when workers do have the right tools, companies must make sure the technology works properly—and interoperates seamlessly. Many employees are often frustrated with the communication and information technology they use at work, and a strong majority say issues with devices affect their work performance. And as more workers demand compatible devices that work well together—65% of employees say they prefer a single device for their personal and work lives, rather than different devices for each—having plans in place to combat integration challenges will be crucial.

When technology performs up to expectations and interoperates seamlessly, employees are happier, more productive, and free to think about bigger issues. Ideally, they get the benefits of both remote work and a centralized hub. "We have all of the technology tools to be as effective at home as you are in the office or on the road—the location matters not," says Anthony Bartolo, president of mobility and collaboration services at global communications provider Tata Communications. "People still come into the offices for the social aspect, or because they feel ideation can happen more quickly."

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Anthony Bartolo, Tata Communications

Millennials really hate that noise

Our survey includes a healthy sample (50%, or 300 respondents) of Millennial employees between the ages of 18 and 35. While other Oxford Economics research has shown that Millennial workers are not as different from their older colleagues as stereotypes suggest, the younger workers in this survey do set themselves apart in a few key areas.

Technology at work and in life
Millennials and their older coworkers tend to agree about the role of technology in career development, but Millennials are even more likely to emphasize mobile technology and personal connectivity as major influences. Millennials are more focused on technology as a time-saver at work, especially in the simplification of routine tasks and as a tool for time management. Outside of work, Millennials are more likely to use their devices to stay in contact with friends, while non-Millennials are more likely to say their motivation is keeping up with their workloads.

Device usage
Millennial workers are somewhat more likely to bring a mobile device to work. People of all ages are frustrated with technology and wish they spent less time looking at their devices, but when it comes to solving these problems, Millennials are somewhat more likely to say broader use of touch-screen technology and voice activation would be helpful.

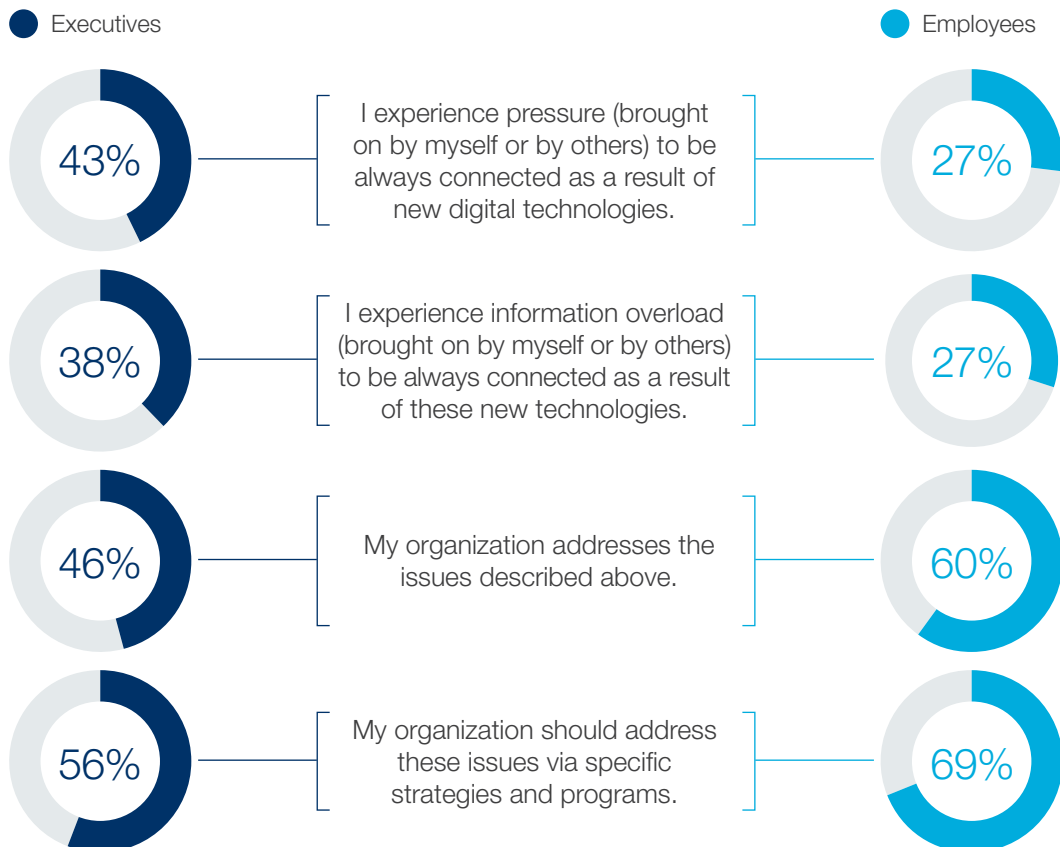### Dealing with distractions in the workplace
Millennials are more likely to say noise distracts them from work, and in general are more annoyed by ambient noise in the office. In fact, they are more likely to take steps—like listening to music or leaving their desks—to drown out noise, and to say blocking out distractions increases their productivity and improves their mood.

Constant connectivity and the threat of burnout

The modern workplace and the factors that shape it—heavy technology use, shrinking personal space, vulnerability to noise and distraction—contribute to a larger issue: many feel pressure to be "always on" and experience the strains of constant connectivity and information overload.

Pressured to connect

Q: Please rate your agreement with the following statements. *"Agree" and "Strongly agree" responses*

Executives   Employees

43% — I experience pressure (brought on by myself or by others) to be always connected as a result of new digital technologies. — **27%**

38% — I experience information overload (brought on by myself or by others) to be always connected as a result of these new technologies. — **27%**

46% — My organization addresses the issues described above. — **60%**

56% — My organization should address these issues via specific strategies and programs. — **69%**

One executive we spoke with cites presence-detection indicators as a driver of the pressure to respond immediately. "People can look up whoever they want and see what their status is. The assumption is that if they're 'green,' they are free and willing to talk. But just because I'm 'green,' it doesn't mean I'm not in the middle of something," the executive says. Collaboration technologies offer opportunities to work together in new, better ways—but only if companies build a culture that respects employees' quiet time.
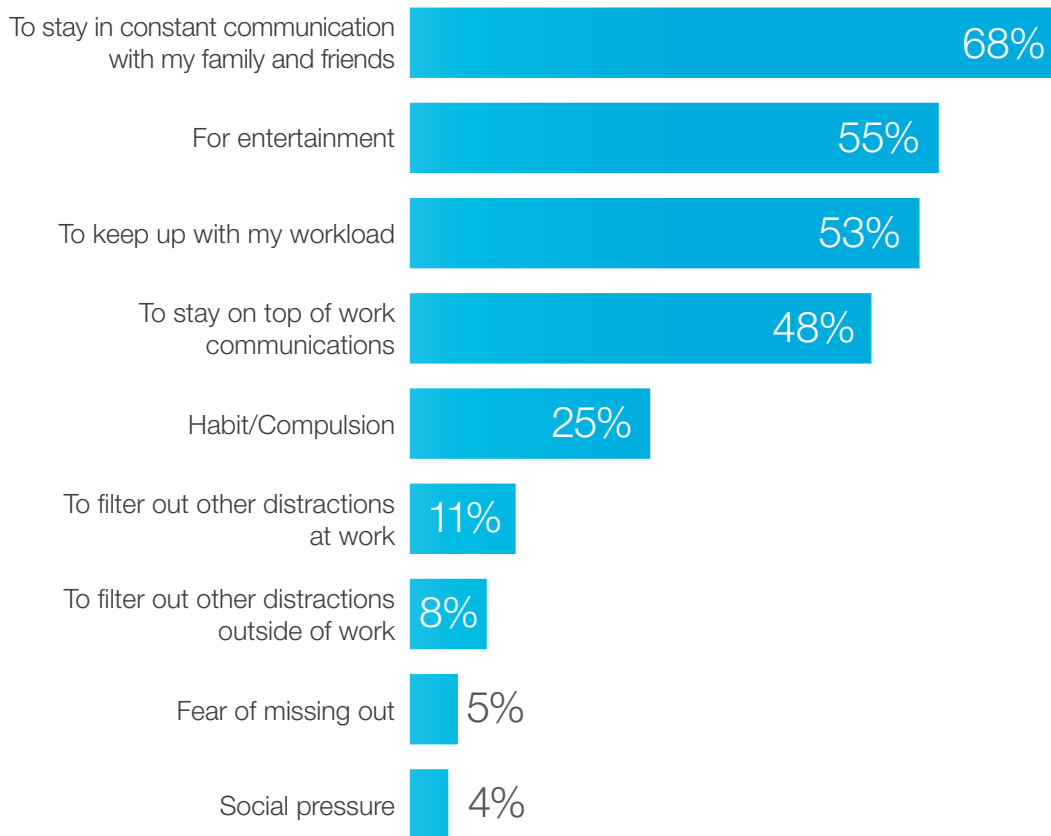
Mobile technology and pressure from colleagues are not the only drivers of constant connectivity—there are other forces at work too. Despite awareness of information overload and burnout, many people have trouble putting away their devices for extended periods of time. More than one-third of respondents say their primary reasons for using their phones, tablets, and laptops as often as they do include habit or compulsion, fear of missing out, or social pressure. Many understand that this could have potentially serious consequences: one-fifth of executives say technology has a negative effect on their health.

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Too much of a good thing?

Reason	Percentage
To stay in constant communication with my family and friends	68%
For entertainment	55%
To keep up with my workload	53%
To stay on top of work communications	48%
Habit/Compulsion	25%
To filter out other distractions at work	11%
To filter out other distractions outside of work	8%
Fear of missing out	5%
Social pressure	4%

Constant connectivity will pose a greater threat to health and happiness as technology advances and inundates us with information at all times. To combat this problem proactively, executives should take action to protect employees against information overload and burnout—and to help people help themselves. Currently, less than half of executives say their organization addresses pressure to be always on, tackles information overload through specific programs, or buys technology with these issues in mind—despite the fact that a majority say they should.

One solution is setting realistic expectations with employees about if, how, and when they should check in after hours. Our research shows that employees and their managers do not always see eye to eye on this question—workers are much more likely to say the boss wants them available at all times than executives say they are.

Depends on your definition of 'rarely'

Q: Because of 24/7 mobility and connectivity, to what extent do you expect your direct reports to be available outside of normal working hours? *Executive responses*

6%
20%
34%
29%
11%

26% of executives say they expect employees to be available after-hours always or frequently...
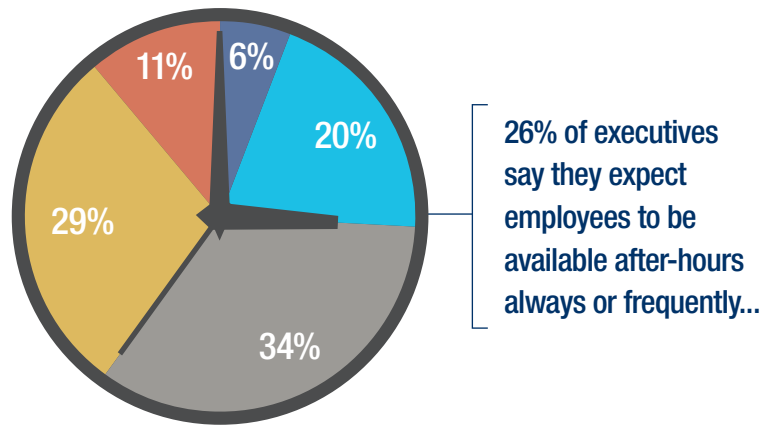
Q: Because of 24/7 mobility and connectivity, to what extent does your supervisor expect you to be available outside of normal working hours? *Employee responses*

7%
5%
9%
40%
38%

...but 47% of employees say this is expected of them.
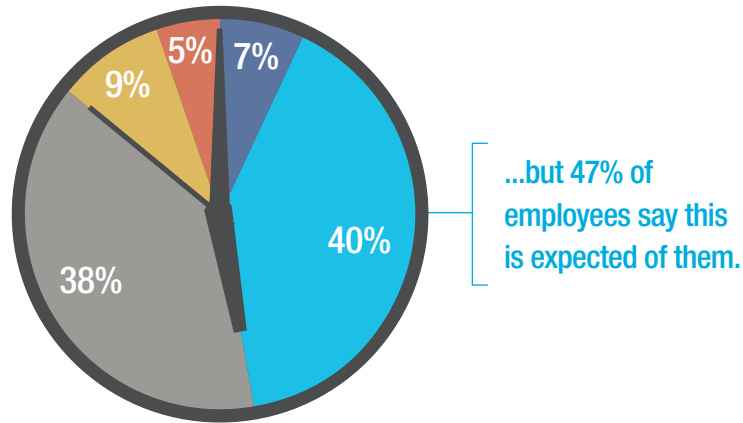
■ Always   ■ Frequently   ■ Sometimes   ■ Rarely   ■ Never

Leadership should collaborate with employees to establish a culture that works for everyone. That means recognizing that if work can interrupt personal lives, personal lives can also interrupt work. "I would love for the term 'work/life balance' to not exist for my son's generation. It's just life," says Emmajane Varley, global head of insight, culture, and group CEO communications at HSBC. "Work enters your personal life all the time. So, as far as I'm concerned, if my personal life enters my corporate life occasionally, that's the tradeoff."

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Business value

Noise, technology, and culture are critical issues in the modern workplace. Getting these things right will boost employee engagement and drive business value. Employees say blocking out noise and distractions increases their productivity (64%), reduces errors in their work (52%), and allows them to focus on the task in front of them (48%)—all things that matter a lot to workers.

Tools and office design that allow for focused work enable people to get more done—and do it better—during working hours, no matter where they are. Yet our research shows that most people feel they cannot perform as effectively in coffee shops, airports, or other locations, possibly because they are not equipped with the full set of tools they need to communicate with coworkers, access information, and block out distractions. Substantive efforts on these fronts will contribute to a happier workforce.

This is more than feel-good stuff. Employee satisfaction and productivity are closely tied to financial success. While many of our survey respondents say better technology is allowing employees to do higher-value work and even contribute to bottom-line performance, the full value cannot be realized unless technology works as planned and employees have the distraction-free space they need to do that strategic work.

In short, giving employees what they want—the ability to do their jobs well, and with minimal stress and distraction—pays off. Companies that recognize the challenges of constant connectivity and working in varied, sometimes distraction-filled environments will see increased productivity and engagement from their employees, which in turn should translate into business value and customer satisfaction. "There's a link between an engaged workforce and a higher degree of customer-service satisfaction, and that then improves your business results—which is the holy trinity," says Mr. Pontefract of Telus.

Attention to noise, technology, and culture are critical to business performance, and getting these things right will help businesses get maximum value out of the way we work now.

Leading in the new workplace

Some companies are more advanced than others when it comes to setting strategies for—and getting value from—the modern workplace. Oxford Economics identified a group of leaders (roughly 15% of the overall executive sample) who say:

- New and emerging technologies have a positive impact on their employees' **productivity**.

- Digital technology allows employees to do **higher-value work** for the organization and **contribute to growth and bottom-line performance**.

- Their organization **addresses noise issues** through wellness programs, work/life balance, time off, or other methods.

This group of leaders tends to better understand the consequences of distractions and technology for their workers. They are addressing these issues at the senior level, solving critical problems like device integration, and are more likely to provide technology that helps workers block out distractions. Adopting similar strategies for managing the opportunities and challenges of the new workplace should be a priority for all companies.

What to do next: Survival tips for the modern workplace

The survey results are clear: workers want to do their jobs well. They crave a distraction-free environment and the ability to create their own productive workspaces outside of the office. And they want full access to the tools that would make this possible.

Companies that recognize and respond to these challenges are more likely to empower employees to be efficient in their tasks, engaged with their work, and excited about the company. Where to begin?

- **Start a dialogue between executives and employees** about what is working—and what needs to change—about office design, policies for remote work, and technology.

- **Make sure employees have the tools and integrated devices they need** to do their jobs from anywhere. With access to all the information they would have at the office (and equipment that allows them to block out distractions), the flexibility promised by remote work can become a reality.

- **Give employees the quiet time, spaces, and devices they need for focused work** to allow them to be more productive during the work day. The ability to create a quiet environment or escape a noisy one is more important to employees than free food or other novel amenities, and should be prioritized when designing the office layout and planning for collaboration technology.

- **Encourage everyone—executives and employees alike—to disconnect after hours.** As better technology and office design allow everyone to get more done during the work day, it should be easier for people to find the right balance between work and the rest of life. This will ultimately lead to a more relaxed, engaged workforce—and better business results for the company as a whole.

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About the research

Oxford Economics surveyed more than 600 executives and 600 non-executive employees across multiple industries in the third quarter of 2015. Respondents represent companies headquartered around the world, with a range of sizes (measured by both revenue and employee count).

Respondents by industry

Q: What is your organization's industry segment?

Executives
- 10% Healthcare (top)
- 10% Retail
- 10% Government
- 10% Manufacturing
- 26% Financial services
- 34% Other

Legend:
- Healthcare
- Retail
- Government
- Manufacturing
- Financial services
- Other

Employees
- 10% Healthcare (top)
- 10% Retail
- 11% Government
- 10% Manufacturing
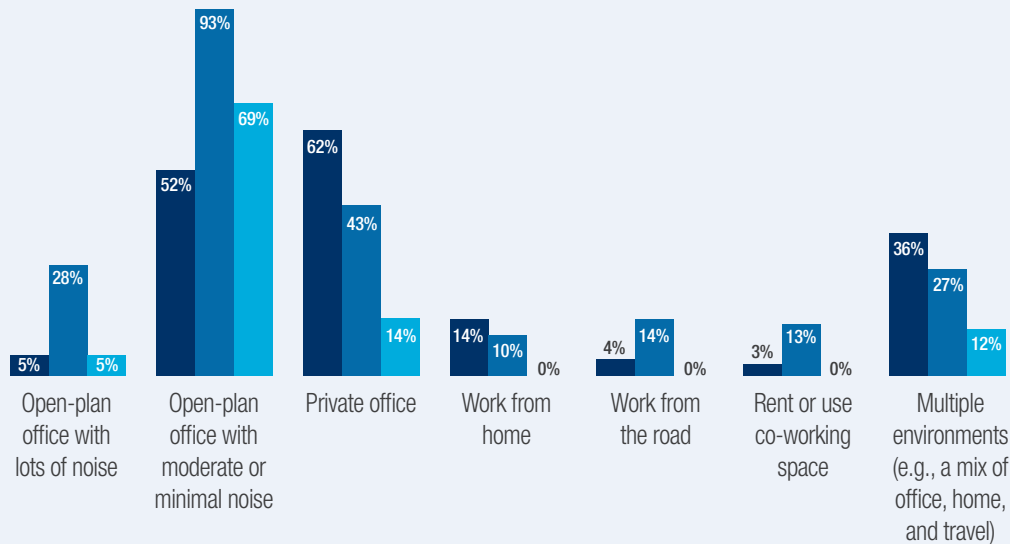- 13% Financial services
- 46% Other

Of the employees we surveyed, 50% are Millennials aged 18–35. Our respondents work from a variety of locations and office types, with roughly one-third reporting a mix of home, office, and travel.

Where people work

Q: Which of the following best describes your organization's work environment?

- ■ Executives say this describes their own work environment
- ■ Executives say this describes the work environment for most employees
- ■ Employees say this describes their work environment

Work environment	Executives (own)	Executives (most employees)	Employees
Open-plan office with lots of noise	5%	28%	5%
Open-plan office with moderate or minimal noise	52%	93%	69%
Private office	62%	43%	14%
Work from home	14%	10%	0%
Work from the road	4%	14%	0%
Rent or use co-working space	3%	13%	0%
Multiple environments (e.g., a mix of office, home, and travel)	36%	27%	12%

To add valuable insight to the survey data, Oxford Economics also conducted interviews with senior executives from organizations including HSBC, Telus, Tata Communications, and Smart Technologies.

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