British Council for Offices

savills

What workers want 2016

June 2016

ABOUT THE BCO

The BCO is the UK's leading forum for the discussion and debate of issues affecting the office sector. Established in 1990, its membership base comprises organisations involved in creating, acquiring or occupying office space, including architects, lawyers, surveyors, financial institutions and public agencies.

The BCO recognises that offices don't just house companies, they hold people and so what goes on inside them is paramount to workplace wellbeing.

IMAGES

COVER
Living Planet Centre, WWF-UK Headquarters, Rufford House, Brewery Road, Woking, Surrey
Courtesy of Hopkins Architects

ABOUT THE AUTHORS

This report was written by Steven Lang, a Director at Savills, and Simon Preece, an Analyst at Savills. Savills plc is a global real estate services provider listed on the London Stock Exchange. It has an international network of more than 700 offices and associates throughout the Americas, the UK, continental Europe, the Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

The case study was written by Jenny MacDonnell, Director of Research and Policy at the British Council for Offices (BCO).

The survey was undertaken by YouGov. YouGov plc is an international full-service market research agency. Its core offering of opinion data is derived from its highly responsive panel of respondents. It combines this continuous stream of data with its deep research expertise and broad industry experience into a systematic research and marketing platform. This allows it to deliver data, analyses and reports that can be used to plan, manage and refine all types of campaigns, whether they have commercial, political, social or other objectives. YouGov has a panel of almost 4 million members worldwide, and offices in the UK, the USA, Europe, the Middle East and Asia.

Contents

Executive summary

This is the third edition of the What Workers Want survey and the second joint publication from the British Council for Offices (BCO) and Savills. The previous version of the survey was published in April 2013. This is an important research paper for Savills and the BCO, as we believe that it is essential to investigate the issues that will drive office trends and design in the future.

The survey investigated the needs of the individual office worker, rather than the views of practitioners, and provides an invaluable reference document which will help to provide companies, developers and investors with a clear indication of those issues that will ultimately affect the organisation's bottom line. Increasingly, real estate decisions are influenced by employees, and this will increase in importance through the next decade.

Over three-quarters of the respondents (77%) work in a traditional office and 18% work in serviced offices (Figure 1). The 2013 survey showed 69% were in traditional office space, but only 9% in serviced offices. The doubling of the proportion of respondents working in serviced offices highlights the trends within this current hot topic.

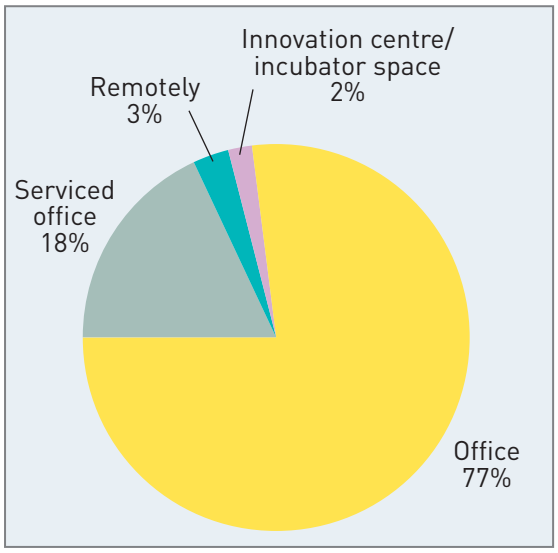


Figure 1 The mix of offices for the survey respondents

Source: YouGov, Savills, BCO

We received 1,132 responses to the online survey, resulting in a report that reviews 64,500 data points provided from the YouGov survey. The results have an impact on the location, fit-out and operational aspects of office space. This report also identifies more recent trends around wearables and 'standing desks'.

In this survey we asked not only what is important but also how satisfied employees are with the various factors within the office workplace.

KEY FINDINGS

- Over three-quarters of the respondents work in a traditional office and 18% work in serviced offices – a doubling in the proportion from the previous study.
- Nearly two-thirds are 'fairly' or 'very' proud of their office workplace: Although there are still improvements to be made, the office is not dead.
- The city/town centre is still the most popular place to work, as employees seek proximity to public transport and a wide selection of amenities. This is the case across all age groups.
- Half of employees are not satisfied with the cleanliness of their working

environment. Occupiers and landlords need to give more consideration to this as an 'easy win'.

- Open-plan offices are still the dominant choice of occupiers, but only 45% of respondents were satisfied with the noise levels in their office. It is therefore important to have areas where employees can concentrate on work in a quieter setting.
- Employees are seeking greater control of their office. Lighting and temperature are of key importance to employees, and there is increased demand for new technologies that would allow these factors to be controlled at desk level.
- Satisfaction in serviced offices is surprisingly similar to that in corporate offices. The main positive difference for the serviced office is the choice of work locations, whereas for the corporate office it is the ability to control temperature.
- Importantly for occupiers, 40% of respondents believe that the office positively impacts on their physical health and 48% believe the office positively impacts on their mental health. These proportions are higher than expected but we would point out that, for physical health, 30% have the opposite view: 340 of our respondents effectively said the office does them harm.
- Further improvements can be made to improve physical health by providing more alternative desk arrangements such as the standing desk; 20% of male survey respondents would always or often use a standing desk if offered one.
- Technological enhancements have enabled employers to monitor employees' performance in the workplace through using wearable technologies. The survey uncovered that those in the over 25 age bracket felt very uncomfortable with the potential increase in the use of wearable technologies. This highlights that if these technologies are used they need to be implemented in a sensitive manner so as not to lower the morale of the workforce.
- The importance of the office to the employee cannot be denied, and is highlighted by the fact that 25% of the respondents would be willing to commute an extra 30 minutes to work in their perfect office. This highlights the opportunity for occupiers to expand their potential labour pool if they fit out the office to their employees' requirements.

Where to work?

In terms of the location, excluding the option of working at home, the employee sample was asked where they would most like to work. Just over half opted for a town/city centre location (Figure 2). These locations offer close proximity to public transport, the widest range of amenities, and benefit from clustering and agglomeration. As discussed later in this report (see pp. 19–20), the commute to work is also a very important issue.

Investors and developers may feel satisfied that the push towards town/city centre developments has been justified. Also, the desire to attract talent and the younger workforce is clearly met in the city/town centres, where more than 65% of 25–34 year olds prefer to work. One surprise is the level of interest in rural locations. Admittedly, this is not popular with the youngest age group, but is an aspiration of older workers.

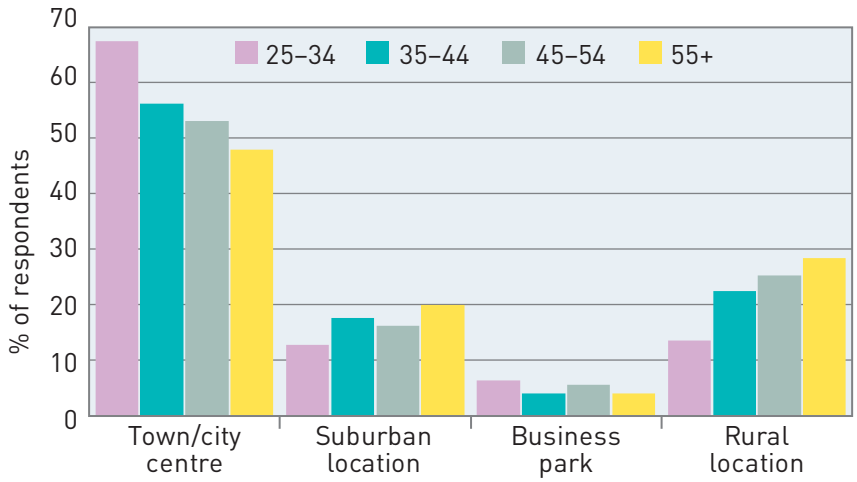


Figure 2 The preferred location
Source: YouGov, Savills, BCO

The implications for office space may be significant. The rise of the rural office conversion is a trend that has been recorded for many years and is consistent with the evidence surrounding biophilia (i.e. incorporation of elements of nature in the built environment). However, there is also evidence of larger land and property owners accommodating office-based workers on their estates. This is a trend to watch closely, and one that may provide some country house owners with a valuable source of income!

The other major aspect is that the business park is very much out of favour, and owners of business parks need to act to create a more attractive environment.

The city/town centre is the preferred location amongst all age groups. Organisations considering relocating out of the centre will therefore need to consider carefully the impact on staff recruitment and retention.

Figure 3 shows that the physical office space is important. This may sound obvious, but there is workplace choice between serviced offices, remote working and innovation-type space, which are also listed. The older age groups prefer the traditional office, but it is interesting to see that younger age groups are much more accepting of the serviced office option, which would be expected with the explosive growth in well managed co-working space fostering entrepreneurial environments. These results highlight the type of demographic an occupier can expect to

attract by locating in either a traditional or alternative office space.

Figure 4 presents the difference between where employees are allowed to work and where they would most like to work (only the 'most like to' bars add up to 100% as the respondents were asked to choose just one option).

The majority of places that office workers are allowed to work do not appeal to all of the respondents. Having a dedicated desk is by far the preferred option, accounting for 60% of respondents' preference, a notable increase from 41% in the 2013 survey. This is of note: despite the rapid evolution of hot-desking, collaboration and flexible working technology, most want to work from their own desk.

Working from home appeals to 28% of workers, a significant reduction from 45% in 2013, potentially signifying that, although workers prefer their fixed desk, they value the collaborative atmosphere the office environment provides – so long as they have their own desk when they need to work, of course.

Desk sharing is not popular, and despite the best efforts to maximise utilisation of office workspace only 4% of the respondents would prefer to work this way, an increase from 1% in 2013. This highlights the importance of a dedicated desk to employees. Occupiers may choose to cater for this preference in the future.

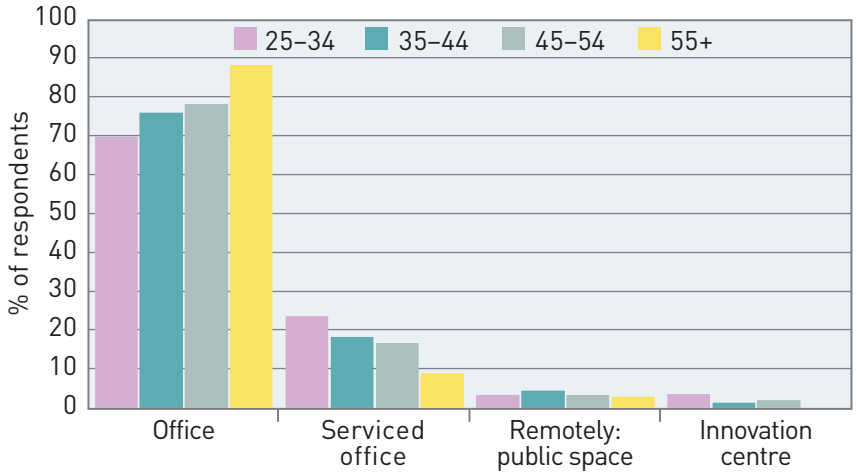


Figure 3 The preferred type of office space

Source: YouGov, Savills, BCO

The survey showed that 30% of respondents spend one or more days working from home each month. However, only 8% spend more than five days per month working from home. This is not very flexible, and shows either that there is still a pressure to be in the office and that corporates are not looking to push their workers away from more expensive real estate and to work more remotely, or

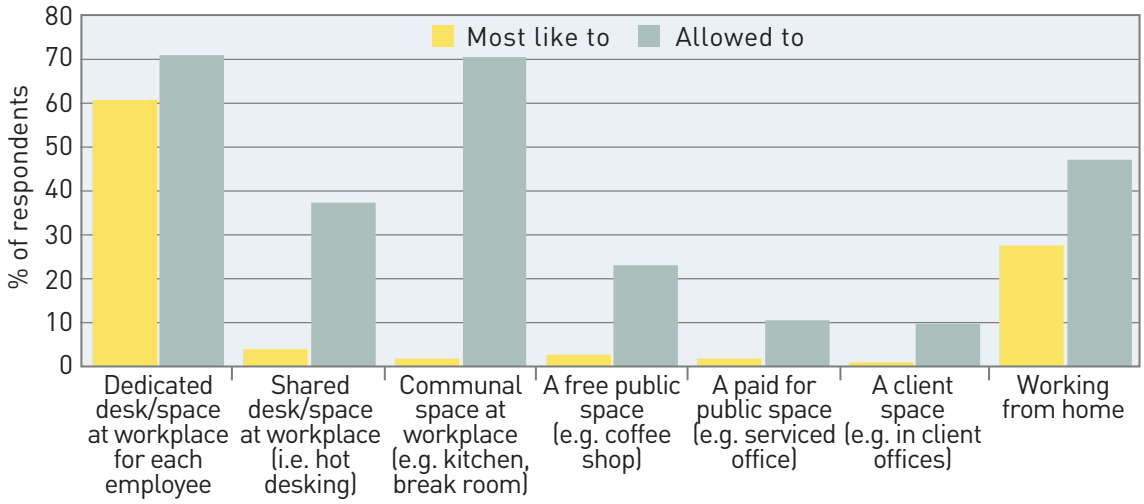


Figure 4 Where you can and where you would like to work

Source: YouGov, Savills, BCO

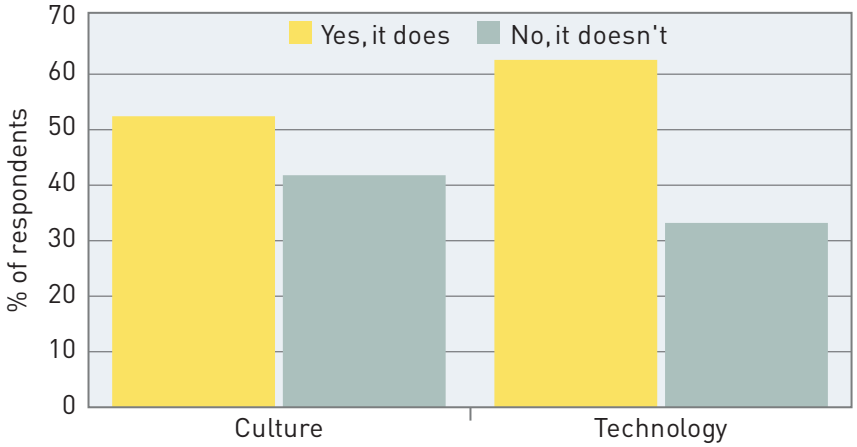


Figure 5 Does your company encourage flexible working?

Source: YouGov, Savills, BCO

the workers themselves are not that keen on remote working. Figure 5 shows the acceptance of working flexibly, whether by location (in or out of the office) or time, is recognised in the corporate culture of just 52% of respondents.

Working from home requires supporting technology to enable seamless working. While organisations are not necessarily providing, or encouraging, home working as a clear alternative to working in the office, the technology is in place for a higher percentage (63%) of survey respondents.

The most important office issues and how satisfied workers are

This section looks at the factors and variables that impact on all aspects of an office employee's wellbeing and work–life balance. Keeping employees satisfied, beyond salary and perks, is a key differentiator for employers and will lead to a higher level of staff attraction and retention. Reducing staff turnover, coupled with not wasting training and recruitment costs, has become increasingly important to companies.

Figure 6 shows the importance of factors affecting an employee's wellbeing at work and compares these with the results from 2013. The order, from most to least important, remains very similar. It is imperative for occupiers to ensure that the comfort of the work area is optimised for each employee during the fit-out process, as this is still the most important factor. Only temperature and lighting have swapped places. Lighting

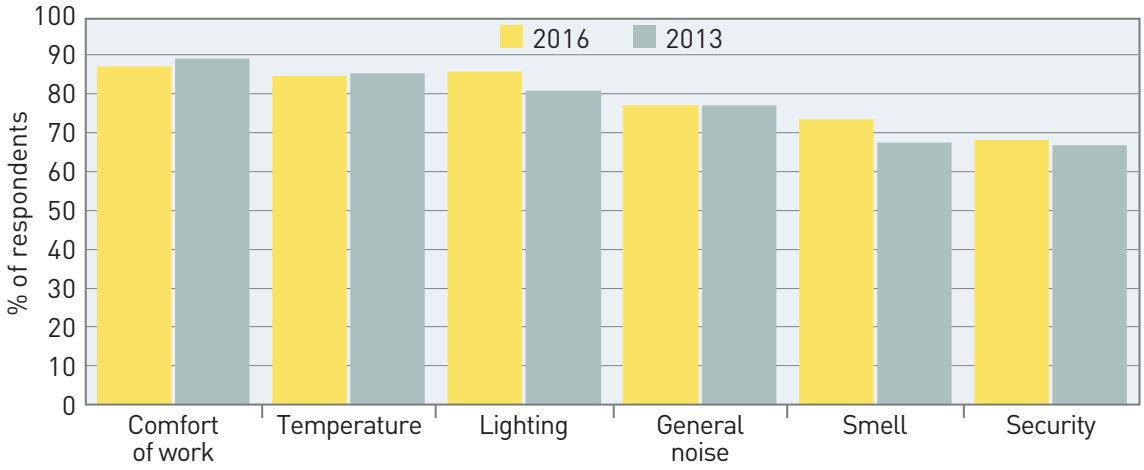


Figure 6 Changes in workers preferences in the past 3 years – no significant differences

Source: YouGov, Savills, BCO

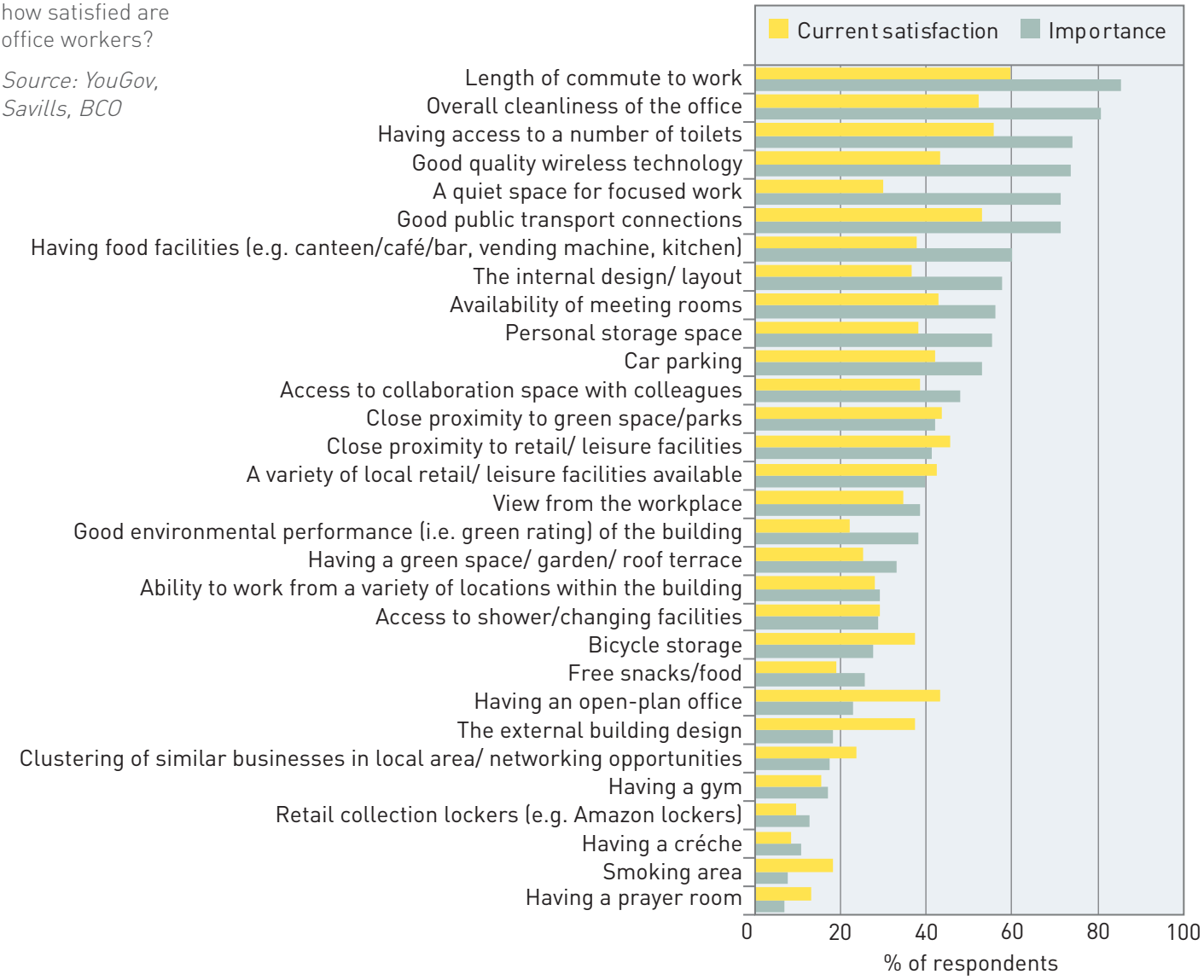
was slightly more important in the 2016 survey, with 85% of respondents giving it four or five out of a maximum score of five. With global events since 2013 linked to terrorism, it was slightly surprising to see that security did not move further up the ranking.

In this report we have included a review of the level of satisfaction as well as importance. As shown in Figure 7, there is a '60%-plus club', where a clear break of six factors that have the most importance can be seen. Starting at the top, 86% of office employees are most concerned with the length of commute to work, but only 60% are satisfied with their commute. (For a more detailed analysis of commuting trends see pp. 19–20).

Personal wellbeing and comfort-related factors were two surprises in the top three. Of course we care about our health, but clean workplaces and access to toilets were ranked significantly higher than showers and bike storage. The major surprise is that the degree of satisfaction with these two factors was much lower than expected. Cleanliness has a major impact on personal health, so why are 50% of workers dissatisfied? This is something that can be easily solved, and spending

Figure 7 What's the most important and how satisfied are office workers?

Source: YouGov, Savills, BCO



money on the appropriate level of facilities management is clearly important.

Finally, the importance of external building design is relatively low. Although considerable expense is incurred in the design of buildings, the responses from across the UK show that less than one in five workers place a high importance on this factor. Moving to inside the office, the internal design and layout is relatively more important compared with the external building design. This has implications on refurbishment versus redevelopment decisions. The implications of open-plan offices specifically are reviewed on pp. 12–13, but so much of an office space is described in terms of the fit-out, furniture and facilities. This is often seen as the differentiator between offices and the cause of office 'envy'. However, the score of 58% for this factor indicates that its importance is perhaps not as high as would be expected. It could be suggested that offices are assessed by the industry on what they look like but the users/workers are more interested in cleanliness and toilets.

Productivity in the workplace is vital to support an efficient organisation and enhance the bottom line. As shown in Figure 8, a third of respondents believe that the internal layout and fit-out of their office has a negative impact on their levels of productivity, scoring either a 1 or 2. This is important, and it shows how the office can have a direct bearing on attitudes to work and levels of productivity. However, responses show that the 'ideal' office for productivity would result in an increase of 25% of respondents who believe that their current office fit-out either increases or significantly increases productivity. This shows the importance and potential productivity gain of getting the fit-out right. Before relocating, occupiers could carry out an internal survey to uncover their employees most productive work environments to ensure their fit-out enhances their employees' productivity.

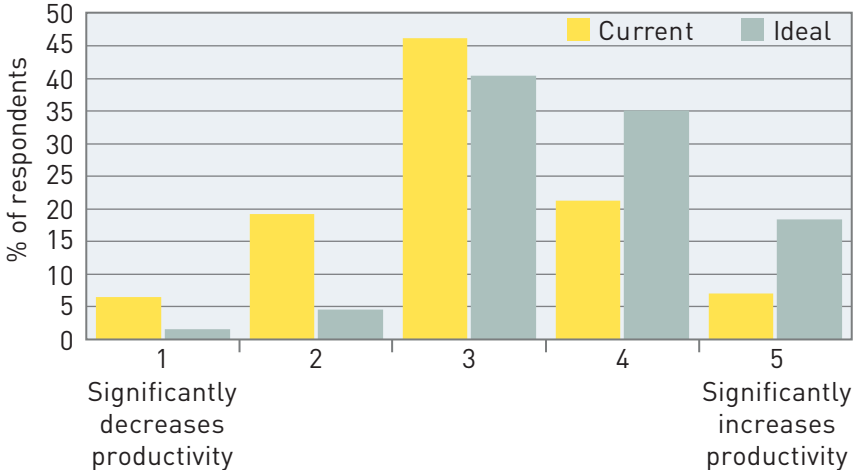


Figure 8 Current versus 'ideal' office fit-out – impact on productivity

Source: YouGov, Savills, BCO

Open for business? Impact of the open-plan office on workers

Over three-quarters of the survey respondents work in open-plan offices. This accords with general reports that open-plan offices are the norm, but questions are being raised as to whether this is the best way to accommodate employees.

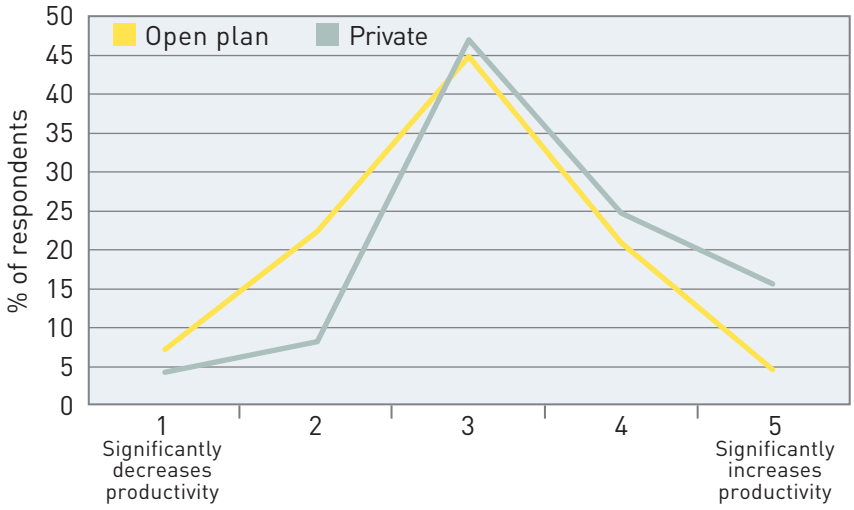


Figure 9 Impacts of office layout on productivity

Source: YouGov, Savills, BCO

The perceived level of productivity of office employees is a good way of assessing the effectiveness of the open-plan office. If the respondents to the survey do not feel productive, then it is likely that they are not.

As shown in Figure 9, around 45% of respondents who work in an open-plan or private office suggest that there is no impact on their productivity. However, this may be the 'extrovert' half of the population that responded to the question in this way, and we should not dismiss the views of the 25% who feel open-plan offices harm productivity.

However, despite a similar proportion suggesting a decrease in productivity, regardless of floor-plan type, there is a wider difference at the other end. On balance, 15% of office employees believe that a private office would significantly increase productivity versus only 5% for the open plan layout. At the other end of the scale, a private office would have less of a negative impact on productivity than an open-plan office.

Linked to the issue of productivity, noise levels are a major influencing factor (Figure 10). The vast majority (75–80%) of respondents place high importance on noise levels; however, unsurprisingly, only 45% are satisfied with noise levels in an open-plan environment. For the private office, the satisfaction level is higher, but is still below 60%.

This raises the question of whether noise levels are ever going to be solved within the modern office. Is there ever going to be an ideal solution to noise levels in the office? One solution is to create as much choice as possible for employees to minimise the level of noise to meet their needs depending on their work activity. This will not mark the return of cubicles, but there should be a desk-based solution for minimising noise levels at certain times.

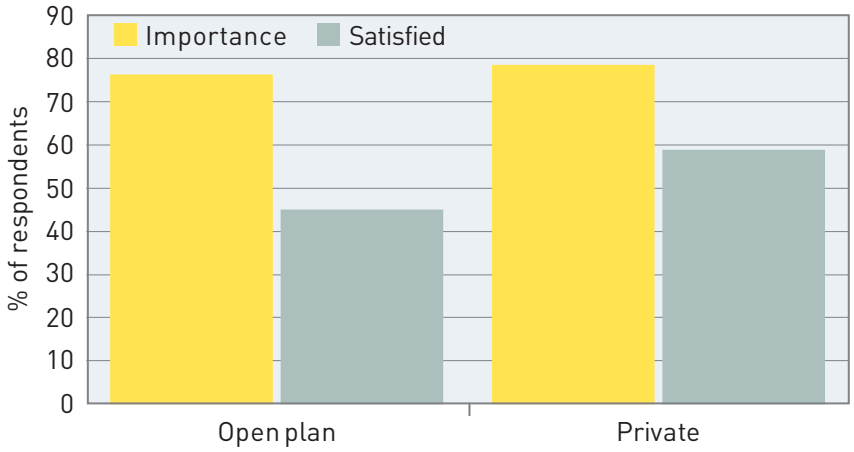


Figure 10 Noise satisfaction is higher in private office layouts, but not significantly higher

Source: YouGov, Savills, BCO

How does co-working satisfy office workers?

The trend for co-working space, provided by the serviced office model in, arguably, a trendier format, is something that has come to the fore in the office market during the past few years.

The survey differentiated between office-based employees working within a corporate office (77%) and those working within a serviced office (18%). Here, a 'corporate' office is a company leased or owned office property. The rise (some say resurrection) of the serviced office market, driven by a few new players in the market in the past half decade, has brought attention to the potential benefits of serviced offices. Additional services and the delivery of a new level of service, sometimes in the form of 'community', have potentially taken serviced office space to the next level.

The serviced office provides the lease and space flexibility that does not come as easily with the traditional landlord–tenant relationship. However, the flexibility and

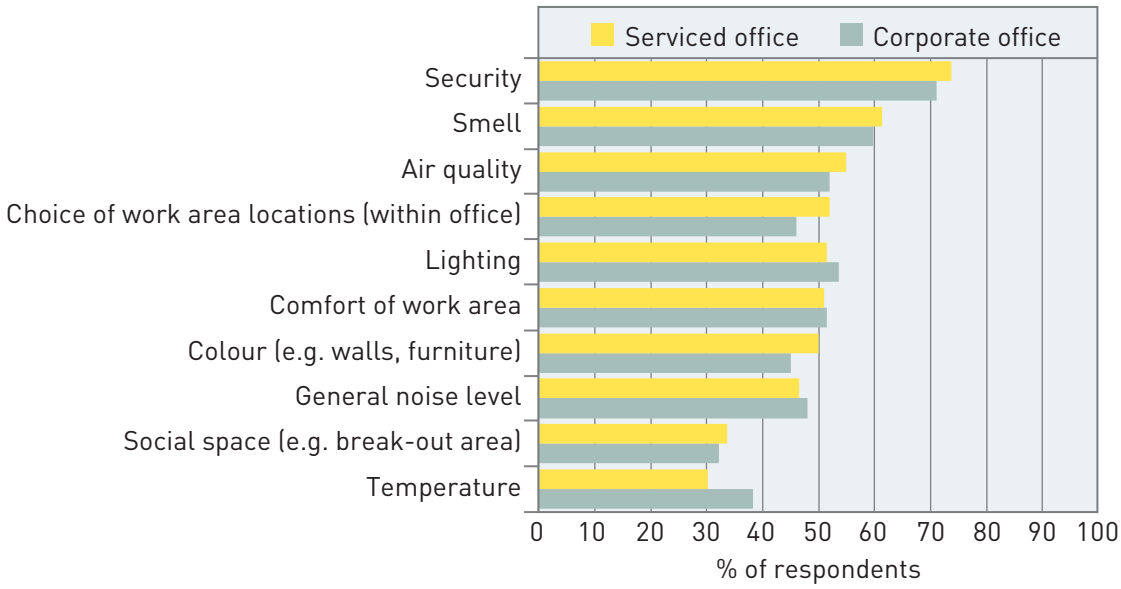


Figure 11 Are serviced offices more satisfying for office workers?

Source: YouGov, Savills, BCO

additional offering of a serviced office come at a price. The question is whether this is worth the money.

Other than providing a higher degree of flexibility on the lease, Figure 11 reviews the factors that corporate offices can learn from the old and new serviced office providers. The data show that the two office types are fairly even from a satisfaction point of view. Within a serviced office, fit-out could be of higher specification and the in-house services more slick. There could be better collaboration and opportunity for company 'collision' to create new ideas, revenues and relationships. There are very few statistically different levels of satisfaction for the ten variables. The main positive difference for the serviced office is the choice of work-area locations. This can be achieved with the corporate office. The main positive difference for the corporate office is the temperature.

CASE STUDY – Openreach (a BT Group business)

Recently, Openreach (a BT Group business) has significantly changed its working practices. Previously, BT's flexible working policies focused on home and remote working, with this practice peaking at approximately 15,000 registered home workers working from home for 5 days each week, representing about 15% of its workforce.

However, BT has since reduced its number of registered home workers to approximately 6,000. The driver for this change was a shift within the organisation to become more programme and project-management focused – new roles which were more challenging to manage effectively remotely.

For employees returning to work in the office, 23 sites around the UK were identified to be used as hubs. These hubs were in town and city centres such as Taunton, Swindon, Brighton, London, Birmingham, Stoke, Leeds, Liverpool, Newcastle and Glasgow. Each location was deliberately selected in order to limit commute times to 1 hour – reflecting the finding of the BCO/Savills survey, which highlighted that most workers wish to be based in town and city centres, and that the length of commute is a key consideration for most.

Openreach utilised existing BT space for the new hubs, and the workspaces that thousands of people returned to were vastly different from those that they had left. The new hubs were designed for agile working, as employees are not required to be there 5 days a week.

The new office hubs were used as an opportunity for Openreach to rebrand internally, freshen up all the spaces, introduce a new colour scheme, and drive consistency across the space, with new standards. This strategy was driven by the Chief Financial Officer, with regular input from group property, projects, finance and human resources departments.

Workers appreciated the freedom of agile working, the range of work spaces available to them, and the collaborative working opportunities posed by the bench system of desking, sofas and cafes.

Workers also benefited from a shift in the time period during which office cleaners were active; this both improved the effectiveness of the cleaners and significantly reduced the number of complaints from workers. The cleaners were now visible, and took more pride in their work because they knew their customers. On the other hand, challenges of the open-plan set-up, which workers took longer to adapt to, included the noise level and office temperature.

Looking to the future, employee satisfaction with the workplace will continue to be measured on an ongoing basis. BT undertakes a 'care survey' of all its employees every 6 months, and one of the sections in the survey is on the workplace.

Health and happiness in the office

Health programmes, alongside employee engagement and development, within companies have become the norm. Private health plans have been the standard offering, but now employers have developed supportive programmes to ensure that employees' wellbeing – both health and happiness – are satisfied. It is no longer about dealing with the effects but addressing the contributing factors before they become an issue. Companies are fully aware of the cost of ill employees. The impact is not just about absenteeism, but also reduced productivity when employees are not fully fit.

Given the reliance on technology in many businesses, it is unsurprising that the survey uncovered that the amount of 'computer work' in an employee's typical working day is significant. Around 30% of survey respondents spend over 50%, of their working day on this activity. Email dominates a lot of the employees' time, with a fifth spending more than 20% of their day writing or reading email. This could potentially have negative repercussions for employees' health in the future, and therefore occupiers need to implement suitable health measures that could alleviate any future health problems.

The introduction of standing desks has risen in popularity in recent years, and this could be a method that occupiers implement to reduce future health risks for

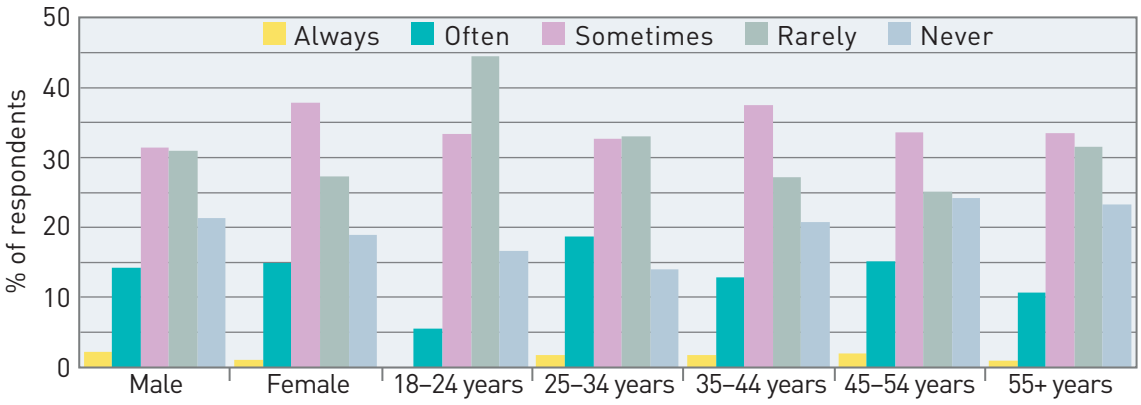


Figure 12 Stand and deliver – How often would you use a standing desk?

Source: YouGov, Savills, BCO

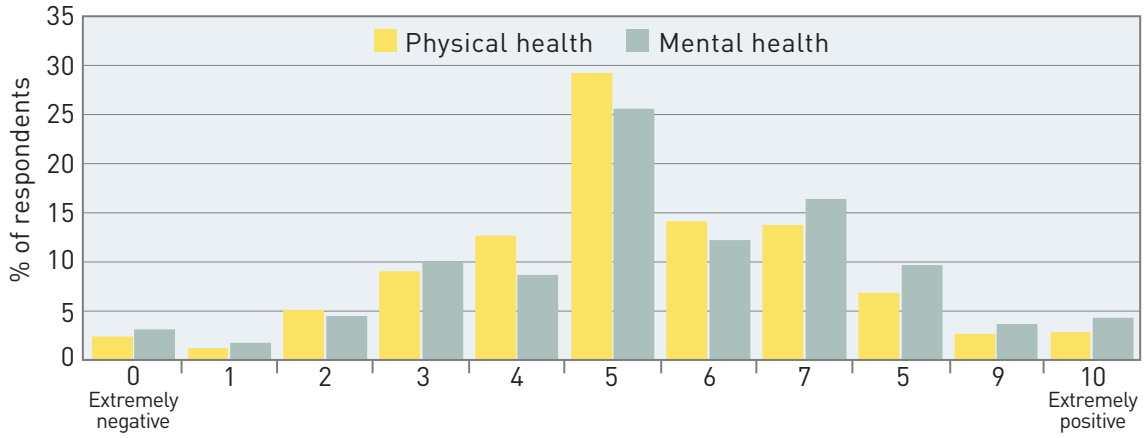


Figure 13 Impact of the office on health

Source: YouGov, Savills, BCO

desk-based employees. 'Sitting is the new smoking' is a phrase that has emerged. The analysis looks at a gender and age split of attitudes to standing at a desk. A fifth of men would always or often use a standing desk if offered, versus just below 20% of women. However, it is the age group analysis that presents the interesting results: 15–20% of the 25–54 age group would use the desk all the time or 'often', while the youngest age group (18– 24 years) would be more resistant to using them (Figure 12). It is likely, however, that these younger workers are yet to 'experience' the standing desk – or the adverse physical effects of a sedentary working life.

Nearly 30% believe that the office has a negative impact on their physical health (Figure 13). However, on balance, and more positively, 40% believe it has a positive impact, which is encouraging for employers and owners/providers of office space. Again taking a score of 5 as neutral, 46% of respondents assigned a higher score to show that the office has a positive impact on their mental health. Perhaps this is to do with the degree of social interaction and the daily stimulus provided by working. This positive impact (46%) compares with 28% who say the office has a negative impact.

Overall, this analysis shows that physical wellbeing, which is easier to deal with from an employer's perspective, is having the largest negative impact on employees. The survey also uncovered that employees want greater control of their workplace design. This is hard to achieve, as the level of individual control an employee can have on workplace design is limited, although there have been technological enhancements in recent years such as desks or chairs that control temperature. New innovations could potentially give employees greater control of their work environment, and employers may need to consider implementing these new innovations in order to satisfy their employees and, ultimately, make them more productive.

The rise of big data and the capability for people to measure their daily activities and routines is a growing theme. In 2015, 75 million wearable devices were sold, and this is expected to rise to around 125 million in 2016. This means that 1 in every 50 people on the planet will have some kind of wearable. However, what impact does this have in the workplace, and what is the willingness for employees to be 'tracked' by their employers?

The survey results show that the majority still need to be convinced. The survey asked respondents about their degree of comfort with being tracked by their employer using some kind of wearable

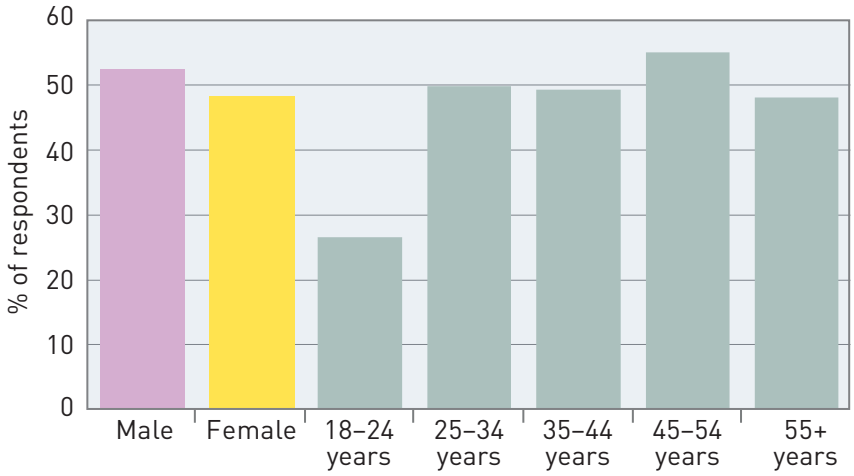


Figure 14 What share of workers would be 'very uncomfortable' with the use of wearable devices in the workplace?

Source: YouGov, Savills, BCO

technology (Figure 14). Although the youngest group would be relatively indifferent, the 25+ age group would be very uncomfortable with the corporate use of such technology. This may change over time as employers show the benefits of the technology, and communicate clearly that it is not a 'big brother' motive but is in the interest of the employee.

The commute to work

Figure 15 shows which factors the respondents would most like to change about their current workplace, with the results given by region. Other than in the North, the length of commute is the main issue, while the location of the office is only an issue for 5–15% of all employees. This would suggest that respondents are either unhappy with the quality of public transport or the affordability of housing near their workplace. Access to staff is a major concern for many employers, and tapping into a rich seam of appropriate workforce is vital. Employers , more so than ever before, need to be mindful of transport options when locating or relocating in the UK.

If the commute is such a big deal, and having a 'nice' or perfect office is an aspiration, then the next sensible question to ask is how willing are employees to commute for additional time to achieve that perfect office? With the possibility of the perfect office being located exactly where the employees are now, it may be no surprise to see that 15–20% of respondents are prepared to add no time to their current commute. However, 20–25% would be willing to add another 30 minutes to reach a perfect office. This shows that, for some, the office is a major part of their work, and highlights the value that is placed by the employee on the office fit-out. Therefore, occupiers could potentially increase their labour pool catchment if they get their fit-out right.

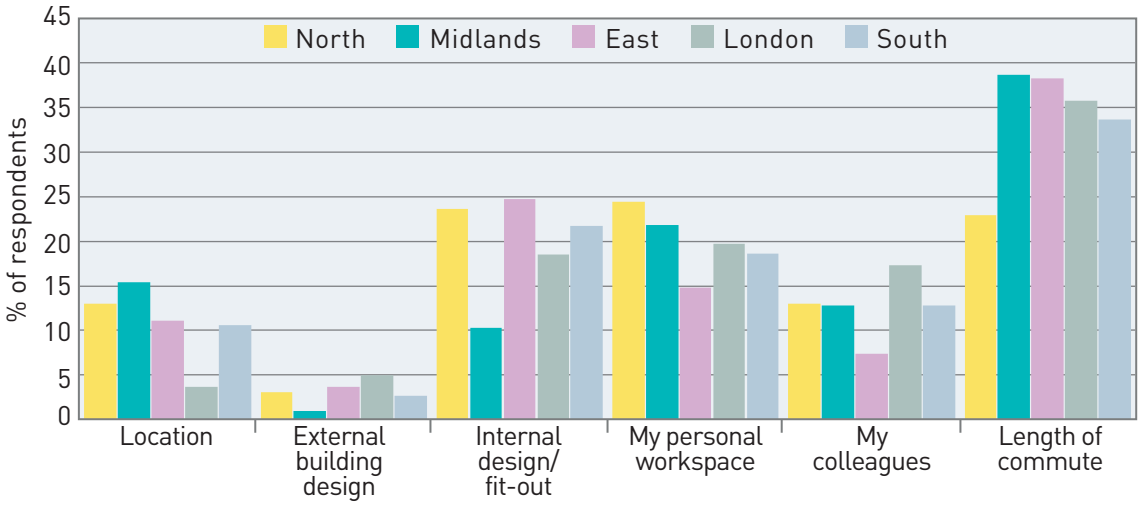


Figure 15 What would you most like to change?

Source: YouGov, Savills, BCO

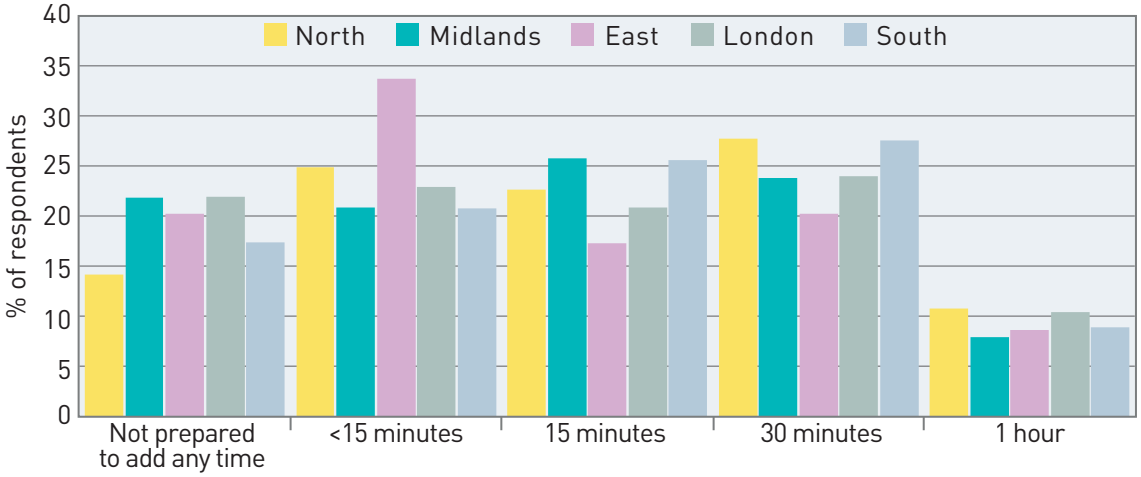


Figure 16 Extra commute for the 'perfect' office

Source: YouGov, Savills, BCO

