A White Paper on
The Future Workplace
Produced by the BOMA Georgia Foundation
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The topics and trends associated with the future workplace are continually evolving. It may require several years for the real estate industry to realize the outcome of these trends. The BOMA Georgia Foundation is pleased to share this white paper report and contribute further to the ongoing dialogue surrounding the future workplace.

Summary of the Research

For much of recent history, office design was primarily a question of ease and financial feasibility. Employers simply wanted to fit as many workers into a space as they could for the lowest cost. People were positioned into small bullpens for a few decades and placed into cubicle farms for the next.

Over the past few decades, however, research in the behavioral sciences has shown that workplace environment greatly impacts worker productivity, well-being and engagement. What employers save in opting for cheaper office designs, they lose in employee output. It has been found that employee satisfaction with the workplace environment can even influence job commitment and turnover intentions (Carlopio, 1996).

Fortunately, research has also shown how changing the workplace design can positively impact worker output. There is evidence suggesting that improving the office design and environment can increase productivity by four to 10 percent (Clements-Croome & Baizhan, 2000). When workers are provided with spaces that decrease distraction and enhance collaboration, they become happier as well as more focused and productive.

Employers are listening to this research. The wealth of studies on how office design affects workers has led to several developing trends in office design. Presently, more and more employers are moving away from cubicles and open-concept offices and are instead beginning to implement newer, more evidence-based layouts, such as the activity-based design.

As workplaces undergo these changes, it is important for real estate professionals to be aware of the coming trends. Understanding these trends will enable property owners, asset managers and other professionals to design work environments that fulfill the needs of tenants now and into the future.

Exploration of Trend 1: Moving away from cubicles and site-seating

Summary of the Trend
Cubicles have been a staple of the office workplace since at least the ‘60s (Serrato, 2018). The mergers, buyouts and layoffs of the ‘80s and ‘90s flooded workplaces with cubicles as employers sought to fit more people into a workplace for a low cost. These changes caused offices to become increasingly packed with workers.

Today, however, employers recognize that cubicles can hinder worker productivity and focus. Cubicles not only appear outdated and bland, but they also do little to block out distractions. The thin walls don’t block out sounds, and many employees have difficulty focusing in these noisy workplaces. One study found that at least 30 percent of workers in cubicles reported being bothered or dissatisfied with the noise level in their workspaces (Kim & Dear, 2013). The issue is not just noise distraction. It has also been found that employees in cubicles are also interrupted 29 percent more than employees in private offices. These frequent distractions impede workers’ ability to focus, in addition to increasing their stress levels (Shellenbarger, 2013).

Perhaps most troubling of all, in a survey study comparing a variety of office spaces, they found that workers in cubicles were the most miserable. Workers in cubicles reported the lowest rates of satisfaction in 13 out of 15 factors included in the survey (Kim & Dear, 2013). Cubicles do not provide the optimal environment for happy and productive workers, and employers are taking note as they are progressively phasing out their use.

Also, on the decline is site-seating, which is the assignment of a specific desk or office for each employee. Site-seating, once an expected feature of nearly every office, is no longer necessary. This shift has been primarily driven by technology. Our gadgets are becoming more portable. Workers have laptops and phones that they use to accomplish their work. Employees no longer must be tied down to a single desk in an office to get work done. Because of this, offices are taking a more flexible approach to private work areas.

**Forecasting the Trend into the Future**

Looking at the way the younger generations prefer to work, we can assume that the use of cubicles is only going to continue to decline. Millennials are expected to make up nearly half of the workforce by 2020 (Lynch, 2008). Members of this generation are in fact more bothered by noise in the workplace than older generations (Cone & Gregory). So, the noise levels in cubicles are especially bothersome to this age-group. Higher distraction levels in combination with the outdated appearance of cubicles and the high value that millennials place on office culture will mean that for employers to continue to attract employees, they’ll have to rid themselves of cubicles.

Additionally, millennials and those in Gen-Z are more tied to technology than ever. They are used to being on the go and plugged in. They have a different relationship with work than the
older generations, and they view work as more portable and integrated into their lives. There is not the same need to be restricted to a single desk as with prior generations.

It should be noted, however, that some industries will be slower to move away from cubicles than others. While the appeal of cubicles is decreasing, they still represent a $3 billion industry. Fields with low collaboration and creativity needs will likely be slower to move away from cubicles than other industries.

**The Realities and Impacts of this Trend**

As employers move away from cubicles, they will be looking for buildings and office-spaces with more progressive options to better suit their needs. Real estate professionals hoping to attract tenants would do best to focus on providing more of these types of spaces. In the coming trends, we will elaborate on what designs and options tenants are searching for in potential properties.

**Exploration of Trend 2: Moving away from “open-concept” spaces.**

**Summary of the Trend**

The open-concept office has been around since office buildings were popularized in the early 20th century. The open-concept “bullpen” style of office, in which desks are arranged in rows in an open space, was the primary design utilized at the time. In the 2000s, this style of office enjoyed a resurgence, especially in tech companies. In the modern open-office, desks are close together and employees work directly next to their colleagues. Employers believed that the openness would facilitate communication, creativity and collaboration. As with cubicles, however, the research shows otherwise. Study after study has shown that open-concept offices damage worker well-being, focus and productivity.

Like those in cubicles, employees in open-concept offices report being distracted by noise levels (Kim & Dear, 2013). Without adequate privacy, workers cannot ignore their colleagues talking, chewing and tapping. Many employees often resort to using headphones or other ways to try to help themselves focus in a distraction-filled environment. Lack of focus translates to lack of efficiency.

All these disturbances have other unfortunate consequences for employee outcomes as well. A meta-analysis found that open-concept offices can have particularly harmful effects on employees mental and even physical health. Open-concept offices can even cause conflict and high blood pressure (Oommen, Knowles, & Zhao, 2008). Due to these negative effects, open-concept offices also result in higher staff turnover. To avoid these negative outcomes, employers are increasingly moving away from workplaces that are completely open-concept.
**Forecasting this trend into the Future**

With accessibility to private office space so valuable to worker productivity, the use of solely open-concept offices is going to continue to decrease in the coming years. It should be noted, however, that open-concept areas within an office will likely still be around. Rather than have an office where everyone works in a single open area, modern workplaces will instead have a variety of spaces -- some private, others open -- accessible to its workers.

It will likely be a long transition, though, as currently 70 percent of offices are open concept (O'Keefe, 2018). However, once again considering the damaging effects of these spaces, employers will increasingly be looking for more modern design options.

**The Realities and Impacts of this Trend**

Providing space for open-concept workplaces is cheap and easy. However, as the demand for open-spaces continues to decline, properties will achieve success by changing with market demands. Real estate professionals who want to attract and retain tenants would do well to update their properties by formatting rental areas to provide what tenants want now and into the future. In the next trend, we will identify the types of spaces companies are increasingly seeking.

**Exploration of Trend 3: Diversity of Spaces**

**Summary of the Trend**

Providing employees with spaces that give them more choice and flexibility than cubicles or open offices is an emerging trend. Employers are increasingly aiming to provide a variety of spaces that employees can choose from. This style of office provides both private and collaborative work areas. This approach attempts to address the fact that different people have different working styles. Some may prefer a more open, collaborative environment while others need peace and quiet. In an office with a diversity of spaces, there are private desk areas, open spaces and enclosed spaces for meetings.

These offices give their workers flexibility to move freely between these spaces. An employee can choose to work in a private office one day and at a table in a common area the next. Typically, the desks are not site-specific and instead are open to whoever would like to use one on any given day.

Experts claim that a diversity-of-spaces makes for more productive workers (Lohr, 2017). It has been shown that in offices where employees can choose where they would prefer to work,
productivity can increase on cognitive tasks by more than 25 percent (Lohr, 2017). Microsoft has been one of the first to implement this design in many of its buildings. After experimenting with an open-concept for a time, they quickly realized it was not working. Therefore, they opted for an office with diverse spaces from which their employees could choose, and they have seen some early success with this design (Lohr, 2017).

**Forecasting this trend into the Future**

Microsoft is just the one of several companies utilizing a diversity-of-spaces approach to their design. IBM and General Electric have also adopted this style of workplace. While tech companies like this are moving quickly to implement this design, other industries are not far behind. Workplaces that use a diversity-of-spaces approach to their workspace design are likely to continue to rise as the trend spreads to more and more industries (Lohr, 2017).

The workplace of the future will be a flexible office space with comfortable furniture and plenty of options for the work environment. When employees come to the office, they will feel empowered and in control of their success as they decide which space to work in that day.

**The Realities and Impacts of this Trend**

The move towards providing a diversity of spaces in a workplace has several ramifications for real estate professionals. Each tenant is different. Some industries, like law firms need more privacy, whereas as others like tech companies may need more open space for collaboration (O'Keefe, 2018). It will be important to work with tenants to provide the best space for their needs.

Additionally, an increasing number of properties are taking a cue from the hospitality industry and providing a diversity-of-spaces strategy in their public areas as well. Buildings are utilizing their public spaces in new ways. More properties are choosing to provide cafes, retail offerings, group seating and even art installations. In this way, they are providing a space for employees to work while also attracting prospective tenants and demonstrating that they understand how the modern workplace functions (Pugh, 2018).

**Exploration of Trend 4: Activity-Based-Design**

**Summary of the Trend**

Employers are not seeking to provide a diversity of spaces simply for diversity's sake. Each space is instead intentionally designed based on the activity that will be performed in that space.
This approach is called activity-based design. When creating a workplace in this way, a designer looks at what kind of work will be done in a space and then devises a design that will encourage and support that kind of work. Private work areas are designed to promote focus and engagement in solitary activities by aiming to limit noise and distractions. In meeting spaces, on the other hand, the design is more open and encourages collaboration and discussion.

The early research on activity-based design is promising. Workers in these environments reported higher levels of satisfaction and productivity, and even reported better health outcomes (Candido et al., 2018). Furthermore, 98 percent of employees who report themselves to be highly-satisfied work at an office where they have the flexibility to move around the office and choose where to work on any given day (“Engagement and the Global Workplace”, 2016). In another study, researchers found that an activity-based working environment increases productivity as well as makes employees feel that their work is more stimulating (Rejmer, Osieka, & Katuzna, 2017). All these benefits come from simply having a supportive design and letting employees choose where they want to work.

**Forecasting this trend into the Future**

The use of activity-based design is likely to continue to increase in the future as the coming generations enter the workforce. As previously noted, millennials prefer a distraction-free environment. They also, however, encourage idea sharing and product creation (O’Keefe, 2017). Having an office with spaces that promote both private, individual work, as well as creative, collaborative areas, will best suit their needs. Moreover, these younger workers are going to be looking for these kinds of offices.

In the workplace of the future, you will likely find several enclosed and perhaps sound-proof areas, where people are focused intently on their work. These may be traditional small rooms with a desk, or even pods like the used at Microsoft (Lohr, 2017). In other areas, employees will sit at desks spread out in a comfortable space in a cafe-like atmosphere. And still elsewhere there would be larger rooms with big tables and people engaged in animated discussion. Each activity will be supported by the design of the room where that activity occurs.

**The Realities and Impacts of this Trend**

Designing spaces based on the activity being performed in the spaces requires taking many factors into consideration. Ensuring that your building has the flexibility to provide tenants with these spaces will make your property more competitive. There are two important things to consider: modular office design and data collection.

To have a property that suits this growing desire for an activity-based workplace, it would be beneficial to consider a modular office design. A modular design is one in which the pieces in a
space are easy to move, install and change. Even the walls are movable. This allows existing tenants to change the design of their office as they learn what activities their design needs to support. This also makes it easier for future tenants to modify a space to their liking.

Additionally, real estate professionals can help tenants determine the kinds of spaces they need by collecting some data. Employers should gather information about how often their employees work alone versus collaboratively and consider holding an employee workshop to get information directly from the workers themselves. With this data, property professionals can work with the leadership of organizations to determine the optimal design of the workspace -- how much open versus private spaces and whether it should be more formal or informal (Serrato, 2018).

**Exploration of Trend 5: Increase in Remote Workers**

**Summary of the Trend**

This last trend reflects the reality that people no longer must be at the office in order to work. Laptops and phones have made it possible for employees to work from nearly anywhere. Consequently, an increasing number of people are looking for workplaces that will allow them to work from home at least some of the time.

These remote employees are not just looking for an excuse to lay around the house. Studies show that individuals who work remotely are more productive and work 5-7 more hours per week than their in-office counterparts (Costs and Benefits, Global Workplace Analytics). Another study found that working at home led to a 13 percent increase in productivity. Those who telecommuted also reported higher work satisfaction (Bloom et al., 2013).

This does not mean that the workplace is going anywhere. As the increase in communal workspaces shows, people still like to have an office to work in. The increase in remote workers does, however, have ramifications for workplace design. Because more people on any given day are working from home, office suites no longer must be as large as they were in the past.

**Forecasting this trend into the Future**

Millennials favor the opportunity to work remotely with as many as 85 percent wanting to telecommute 100 percent of the time (Howington, 2015). Workplaces are going to have to adapt to these changing desires. Further developments in technology are only going to increase that flexibility. As more of these young workers enter the workforce and as technology progresses, companies are going to increasingly provide this option. This means workspaces could continue to shrink.
Workplaces of the future will be smaller than they are today because they will only need to hold as many people who are in the office on any given day. Workers will have flexibility to work from home but will come in for meetings or when they prefer to work in the office.

**The Realities and Impacts of this Trend**

The primary impact of this trend for real estate professionals is that they will need to find new ways to determine how much space a tenant requires. Many employers still use number of employees per square foot. This does not take remote workers into account. Instead, the property ownership or manager and leader of the tenant’s organization should work together to determine how many people are in the office on any given day.

As with the previous trends, a good place to start is to conduct a study of existing conditions in that workplace. First, determine how often people are at work each day for a certain time frame and how many people work remotely at least part of the time. By collecting data on this type of information, the tenant and real estate professional can determine how much space they truly require (Serrato, 2018).

**Conclusion**

In the future workplace, employers will no longer ask their workers to squeeze into small work spaces and be surrounded by distractions while tied to a desk. As more and more organizations recognize how impactful environment is on worker productivity, offices will become places that nourish and energize employees while also increasing engagement. The workplace of the future will be a space of choice and flexibility, where workers are empowered to decide where they can best accomplish their tasks. Real estate professionals can be on the forefront of this change. Property managers and owners that provide their tenants with progressive spaces that enhance their employees’ creativity, collaboration and focus will ensure that the future workplace is where people want to be.
References


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