

Programme: Future Tense
Segment: The Changing Nature of Work

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TRANSCRIPT

Antony Funnell: [Stair-climbing] ...40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51. There we go, for all of you who are into metrics, there are 51 steps between the foyer of the building we're based in and the *Future Tense* work area. Now, I'm not unfit, but just give me a second to catch my breath. Ah, much better. On this program, twin themes; the changing nature of the office, and work in the 21st century, the physical, and the social and cultural.

Melissa Gregg: One of the things I think happens in terms of the conflation of work relationships with friendships or intimate relationships that we didn't used to think of as having a commercial or a corporate imperative, this has sort of accelerated with the use of online media like Facebook, like Twitter, where your connection to contacts or friends blurs in terms of your distinction between when am I being professional, when am I being myself. And there are these new concerns that people need to manage in terms of performing their personality to new audiences.

Antony Funnell: Dr Melissa Gregg, and she'll join us again shortly. But let's stay with the physical, and I mentioned our stairs earlier and perhaps I should put those in some context. You see we've just moved into a new purpose-built office building, hence the idea for today's show. If you go to our website you can see some photos. It's a very modern functional space, lots of exposed concrete, steel and glass, all hard surfaces, very industrial. And it has blinds and shutters that move automatically with the sun; that's the cool gadgety bit. But there are two other features worth mentioning.

The first is that its design encourages exercise. The stairs aren't hidden away, they're right there in the entrance hall to encourage you to walk rather than use the lift. And all the amenities—toilets, kitchen areas, et cetera—are all positioned to make you walk.

The second notable feature is that it's almost all open-plan, two huge levels where all of the employees are in it together. The open-plan workplace is the future of the office, according to the gurus. From our perspective, the positive is that it's roomy and light. The negative is that it can get noisy, very noisy.

But then there's open-plan and there's open-plan:

Kim Haywood-Matty: Hi

Antony Funnell: How are you?

Kim Haywood-Matty: Hi Antony, pleased to meet you.

Antony Funnell: Pleased to meet you.

Kim Haywood-Matty: Let me show you the Macquarie Shelley Street building.

Antony Funnell: Okay, just through here?

Kim Haywood-Matty: Yes, absolutely, follow me.

Antony Funnell: Kim Haywood-Matty is a Sydney based management consultant and a former head of culture and capability at Macquarie Bank. And she's agreed to take me on a tour of the bank's very futuristic building in Sydney. It's ten whole floors of openness.

Kim Haywood-Matty: So if you look across the building here, this is something that we call the street, and you can see that we've got a cafe here on the street, you can see a staircase up the middle of the building, you can see meeting rooms hanging out in the atrium space. So this is a very different sort of workspace. You can see the whole organisation from this spot.

Antony Funnell: And this sort of openness is to encourage collaboration, it's to get people meeting each other and talking to each other?

Kim Haywood-Matty: Absolutely, it's about connection. It is designed so that teams can form and reform as they need to around the tasks that they're performing.

Antony Funnell: Looking at it from here, it's open space, it's very much an open plan office, 10 floors of it, but when you look more closely you can see that areas...in one case just in front of me here, it's literally roped off. There's a room that has been created with hanging rope. There are other rooms along that are similarly marked off, even though they are still part of the open plan. So yes, it's open-plan, but it's not quite as it seems, is it.

Kim Haywood-Matty: No, it isn't, it's actually taking what we've learned from the past where we were in offices where we all had our own space and our own offices, then we moved to open-plan. Now this is the next evolution. So how do you take the best of...we need space to quietly concentrate, we also need space to connect, and what you see here is a mixture of collaboration spaces, individual spaces, quiet concentration spaces. So a workplace that has been designed based on what it is that people need to do.

Antony Funnell: Are there challenges in terms of creating that mobility in a space like this?

Kim Haywood-Matty: The challenges are really around getting people to be mobile. So we're used to rocking up into one workspace, sitting down for the day and staying there and doing what we have to do from that one workspace, and actually it's a much healthier environment if we can get people on their feet, we can get people bumping into each other, creating, bouncing ideas off each other.

Antony Funnell: Macquarie Bank's Shelley Street building isn't going to be everyone's cup of tea, it's the open collaborative workspace in the extreme. Not just ten floors of it, but nobody who works in the building owns their own desk, and when they come to work each day, they're encouraged to move around and to keep shifting between desks and floors.

Kim Haywood-Matty: I think the change management around this type of approach is really important, and as human beings we go first to 'what are you taking away from me'. We don't actually go to 'what am I gaining'. So in the change management approach around a new way of working, you really have to sell the concept of 'what do I gain'. And really what people gain in this type of building is choice. They work in an environment where they are trusted to produce what it is they need to produce, and the focus is very much on output, so people are clear on what they have to deliver.

Antony Funnell: For some people that's going to be very difficult, isn't it, because there is a tendency within a workplace to define your area, to almost want to mark your area. Trying to get people away from that is really taking them out of their comfort zone.

Kim Haywood-Matty: It certainly is, and that's the role of leadership. So we're really looking for leaders in this type of environment to manage this change and to support people through the change. But work now is not somewhere that we go to, it is what we do, and it can be anywhere, it can be at home with your jimmies on if it needs to be.

Antony Funnell: What are some of the lessons that have been learned from this building?

Kim Haywood-Matty: Some of the lessons I think are around how do you maintain team cohesion, what is the definition of team. And teams these days are forming, and every week you can be in a different team. So I think some of the lessons have been around making sure that we sharpen ourselves around leadership, that we get really clear, we check in with people, and we are constantly making sure that our people are feeling good about where they're working and what they might need.

Antony Funnell: Because in a building like this, your work team is not necessarily there in front of you, they could be spread out across the whole 10 floors, couldn't they.

Kim Haywood-Matty: Yes. You imagine a day where you turn up to a new organisation in a building like this, you don't know where your leader is or where the team is, and what that throws up for people. So thinking about workplace and all the strategies around how do you support someone in that environment become really important because we turn what is workplace on its head.

Antony Funnell: This building is full of technology, but that technology is there to serve that human imperative, isn't it, the imperative of allowing people to be able to be mobile within the workspace. Just give us some of the details of how the technology works to support employees.

Kim Haywood-Matty: So I think people traditionally have been locked down in workspaces because the technology has been screwed to the desk. We're now facing a world where technology is on your phone, it's on your laptop, it's on your tablet, whatever it is, which suddenly means that the physical locality no longer matters. You can work anywhere. You can work on the beach if you need to. So how it works here is that you are given that mobility, you're given your mobile phone, you're given a mobile laptop, and you then get to choose 10 floors, which are all designed differently, in terms of where you want to work. How do you feel? What space do you want to work in? Do you want to work in a garden? Do you want to work in a funky design space? Do you want to work with others? Do you want to work on your own? So it's all about choice.

Antony Funnell: Now, I have to confess the Macquarie Shelley Street approach both excites me and scares me a bit. It's certainly radical. And I would've liked to have chatted to some of the staff to get their opinions, but unfortunately that wasn't possible.

A question I guess I have though is whether organisations not as well resourced as Macquarie Bank can afford to do the same thing. Certainly the new building I'm in encourages an amount of mobility for its employees, but it's still very much a place of dedicated desks and computers.

But there are those who believe greater mobility is an unstoppable trend, driven as much by changing employee demographics as any grand company vision of the workplace of the future.

Michael O'Neill: We are right at the beginning of some big changes I think. Right now in the workforce about 24% of the workers are generation Y and about 52% of the workers are baby boomers, and by the end of this decade those percentages will be reversed, so we'll have over 50% of our workforce will be generation Y and under 25% will be baby boomers. So that is going to be a very, very fast change in terms of what's happening, how people are going to feel, what they value in a workplace.

Antony Funnell: That's Dr Michael O'Neill, senior director of workplace research for Knoll, the global office design company.

Michael O'Neill: If you think about the stereotype of the baby boomer, the baby boomer comes into work and they totally leave their personal side at home, they don't bring anything personal into the workplace in terms of sharing a lot of information with people they don't know very well. When you go into work as a baby boomer, you go in to get the job done. So the reason that baby boomers don't value an engaging workplace is because it probably would feel very inappropriate to them. They don't want to feel connected, they're not trying to share all their personal feelings.

And in fact the other stereotype about baby boomers is that the unit of work for the baby boomer is the meeting, the big, long, formal meeting. So naturally and not surprisingly we found that the thing that they value the most are the large, formal, good-quality meeting spaces to do that. And other research highlights actually that generation Y feels that long formal meetings are vaguely confrontational, so they really don't like formal meetings, they like short, quick meetings, a couple of people, exchange some information and make a decision.

On the other hand, generation Y is pretty well known for really blending their personal and their work lives together, they don't have that firewall between those things like baby boomers do. They want a place where they can feel connected and bring in that personal side, they want to blend all that together. I would say technology has been the biggest driver, it has raced ahead of people's ability to cope with it or understand how to deal with it or certainly for their ability to design for it.

I think we're sort of in this rapid catch-up mode where people's freedom has been offered them through this technology and now companies are saying; what should the spaces look like? Should we even build a new building? Should we send everybody home? What should we do? And then obviously the answer lies somewhere in between not building a building and sending everybody home, but that's...getting back into the idea of...I think the very purpose of what an office building is going to be is going to shift from being a place where you have to go to work because it supports your functional needs, to being a place where you're engaging with the organisation, it's an experiential kind of place, as contrasted with what offices might have been 15 or 20 years ago, which is simply a very utilitarian, functional place where you go and sit and you do your work.

Antony Funnell: And to enact the sort of changes that you're talking about in the workplace, we're used to thinking about an office being designed by architects and being built by builders, but there's now a role for the psychologist, isn't there, within this whole dynamic.

Michael O'Neill: Yes, I think so. My background is in psychology and architecture, and there are many others who have similar types of either sociology and design backgrounds, and I do think it is important because so much of what we're talking about is people and culture and organisation. And I think there are many leading architecture firms that are definitely doing this and they've got people with those kinds of backgrounds. But I do believe that it's no longer purely a design exercise.

Antony Funnell: There have been a number of predictions in the last few years about the demise of the office, but I take it from what you're saying, you don't anticipate that the physical office space is going to disappear, it's just not going to be necessarily the primary focus of our work day. Is that correct?

Michael O'Neill: Yes, that's correct. I've been in this industry a while and it seems like about every 10 years it gets predicted that the office is dead, just like the paperless office was going to come and that has never really happened either. So I do think that the vision of the office from, say, 1990, that is going to go away, but I don't think the office is going to go away but I think that why the space is built is going to change, the purpose of the space, what people are doing there is going to change. And I think that it's going to become even more important actually than it has been in the past because, as I said, I think the office is going to be the place where you come in to reconnect, to have this experience, to have the critical meetings that you need to have, to see and be seen, all those things, all those very important things, because so much of work now is so heavily tinged with this social kind of interaction. I think we're also going to also see the cafe emerge as a really central theme in the spaces. Because the spaces that are going to be designed are sort of more residential and unstructured, low horizon, flexible space, lots of different open and enclosed meeting rooms, so you think about that space, it's got a very unstructured feeling to it, and so I think we're going to see the cafe emerge as that heartbeat of the place where everybody goes first, everybody goes to meet people and then they can go off into the other types of work. So it's going to have a very interesting, more social, less formal flavour I think. And I think it will be...when they're done right, it's going to be a very pleasant and effective work experience for people.

Antony Funnell: That already sounds less scary, doesn't it? The office of the 21st century as an experiential cafe.

But what makes me still feel somewhat uneasy are Michael O'Neill's last few words there. Remember he said, 'When they're done right.' And perhaps that's the rub. The ideal is one thing, but the reality for most us is often very different indeed. And why should we expect things to be any different in the future?

Philip Ross: I think you can do it badly and you can do it well, and unfortunately in my travels around the globe, a lot of companies do it obviously very badly, and yes, you're right, the employees win nothing. They lose their territory or their desk and they gain nothing in return. So that's where it goes wrong. I think that there are, however, good examples of great achievements. There are plenty of very aspirational workspaces, they are wonderfully designed, they've got phenomenal technology, they are a home for people. And they do find it a stimulating space to come into, and they do it on their terms. They go to the office when they need to be there, primarily to work with other people in their teams or other teams, and therefore they succeed by offering people choice and flexibility. And I think that's where we'll win in the future.

Antony Funnell: Philip Ross is the CEO of a UK-based consultancy called the Cordless Group which, among other things, studies attitudes toward work. As employees we might be moving toward greater mobility, he says, but one interesting recent survey finding was that there's a trend away from the idea of working from home.

Philip Ross: We found actually a very interesting shift. More people are now looking to be present in the office, and there is a growing reluctance to work at home and remotely, which we think is driven by the economic climate and the need to not be looked over or forgotten.

Antony Funnell: That's a surprise, isn't it, because a lot of the conventional wisdom over the last couple of years has said that the movement is away from the office, that people want to spend more time at home working.

Philip Ross: Exactly, so the idea that there is a reversal in this move away from presenteeism was quite a surprise in the survey, and it was skewed a little bit, it was mainly the large organisations with over 1,000 employees worldwide that we tracked a large shift in the desire to be in the office. It was double that of smaller businesses.

Antony Funnell: And could you expand a bit on the reasoning? Why are people feeling like they want to be part of an office again and turning away from the at-home environment?

Philip Ross: I think there is an issue because I think there is nothing in between. I think the corporate office or home are the two polar options for work, and I think what is missing is this third space in which we predict a growth in. So really the home has become too isolating. The findings are showing people will work from home perhaps a day a week, but more than that they're finding a degree of isolation, they're missing colleagues, and I think as we can see, most work is heading towards the need for collaboration, interaction and co-creation, and that's very difficult at the moment with technology remotely at home.

Antony Funnell: And this idea of the third space that you talk about, what would that entail? What sort of space are we talking about there?

Philip Ross: We think there is a very exciting future for work where the technology is leading people to be able to work anywhere. There's mobile technology today, but there is much more coming, and therefore people are looking for spaces to go and work. And I think the current offer in a typical city is a bit limited, it is the cafe type space, but that's not really a workspace. And I think what we'll find is a whole range of workspaces, ranging from things like co-work facilities, through to business suites and business hotels emerge in the next few years.

Antony Funnell: So choice is going to be important for the employees. What does that mean for the employer in terms of the way they structure the work environment that they set up, the building that they set up?

Philip Ross: We think there is a really interesting trend coming for office buildings, and it's actually coming from these different directions. I think from the employers' perspective, the office today is very ineffective. We've done some interesting modelling of offices around the world and we find that on average that only 45% of desks or offices are used at any one point in time. So when you walk into a typical office building, half the space is empty, and yet

people can't find these spaces for teams and projects and pitches or acquisitions, the groups demanding permanent space. So there's a big mismatch today. At the same time, corporates are looking to cut costs, and we're finding that they can actually shave about 30% off their real estate costs by adopting an approach that is very different from the usual allocation of space and the normal corporate office.

And at the same time, employees, when they do come into the office, are looking to work differently. The technology is the key driver of change because what we're finding is the technology is leaving buildings. We have a prediction of a thin or empty building, and therefore the reason you'd go to an office will be very different in the future. So work is not about the place, it's a process, it's something that you do. And you can obviously work anywhere, it's a verb not a noun. And therefore people are just judged by their output, they're judged by results, as opposed to their inputs.

Antony Funnell: Philip Ross, thank you very much for joining us.

Philip Ross: It's a pleasure.

Announcer: Virtual office. For better or worse, technology and globalisation are creating startling changes in what it means to be 'on the job'. Betsy Stark is tracking the new order of business, and tonight begins our series, *The Future of Work*.

Antony Funnell: The future of work indeed! Here's something I'm sure you'll find interesting. It's a magazine from March this year and in it is a leader about what it calls the 'horrors of hyperconnectivity'. I'll just quote you a bit. It says:

'Smart devices are sometimes empowering, but for most people the servant has become the master. Not long ago only doctors were on call all the time. Now everybody is. Bosses think nothing of invading their employees' free time. Work invades the home far more than domestic chores invade the office.'

And the journal I'm quoting? Well, *The Economist*, of course! Which brings us nicely back to Dr Melissa Gregg and the research she's been doing into technology and work-life balance.

Melissa Gregg: One of the things I think happens in terms of the conflation of work relationships with friendships or intimate relationships that we didn't use to think of as having a commercial or a corporate imperative, this has sort of accelerated with the use of online media like Facebook, like Twitter, where your connection to contacts or friends sort of blurs in terms of your distinction between when am I being professional, when am I being myself. And there are these new concerns that people need to manage in terms of performing their personality to new audiences.

Antony Funnell: Somebody reminded me the other day that technology was for a long time said to free us, it was going to actually mean that we did less work in the future, but that certainly doesn't seem to be the case, does it.

Melissa Gregg: No. In some ways we're seeing a phenomenon I call 'presence bleed', where people are, as I said, no longer quite sure when they're being entirely professional, when they're being entirely free of the obligations to perform professionally, because we have these new hybrid spaces that are about networking, both for business and pleasure at the same time.

Antony Funnell: Your perspective on the debate I suppose around the changing nature of the office, what we traditionally knew as the office, it has changed very much in recent times. Where are we heading with that?

Melissa Gregg: Partly I think we're responding to people's expectations and ambitions to have a flexible workplace, and this is also part of a set of discourses that have been quite prominent in recruitment, in HR and in management in recent years where the flexible organisation is with us already. And some of the ways that design is enabling that is to transform the actual physical spaces that we no longer necessarily can demand an office as our right as an individual employee, we have to share spaces in many senses.

But what this also means is that there are new ways that we need to be very conscious of the time we spend at work if we are having less control over the spaces where work takes place, where we can literally log in to work on the bus

or at home or in bed. We have to come up with a new vocabulary for the kinds of temporal aspects to work life that really haven't been reconfigured since the original claim for the eight-hour day.

A lot of the emphasis on flexibility and mobile working has tended to leave out a kind of higher symbolic importance of what the office and the individual office represented for middle-class employees, for professionals. So once you take away a dedicated office chair or the dedicated office with a door you can close, you're really starting to say that we've reached the end of a certain kind of entitlement to maintaining professionalism that I think was quite central to why middle-class employees were prepared to put in a lot of sacrificial (that is, unpaid) labour for their organisation or for their firm.

So what concerns me now really, looking at some of the ways that the workplace design imperatives are going, both in terms of the cost saving measures that they're often justified for at the management level, and also the assumed benefits for the employee of working in teams and working in breakout spaces is that the individual contribution of one employee and the sorts of symbols that were represented by having your own desk and having your own chair and having your own office may now start to be easier to take away. Those forms of recognition are very important for people, and sometimes we don't talk about that.

Antony Funnell: I've spent most of my professional life in an open-plan office environment in newsrooms, but I've noticed that in an open-plan area there is a certain vulnerability. You do feel as though you're a lot more on show, that people are able to look or overhear what you're doing. Is that an issue that people raised with you?

Melissa Gregg: Absolutely. And absolutely in the hot desk open-plan environments that I was studying there were all kinds of ways that people were experimenting with different forms of privacy and publicity. Technology is really central to this too in the sense that people would develop their own forms of etiquette. To try not to disturb other people around them in the physical space, they would start to make use of new kinds of platforms in the online space. So different forms of messaging programs, for instance, were very popular in open plan offices so that you could chat with people ('chat' in inverted commas), you could 'chat' with people without disturbing your co-workers and your colleagues. But also you were only ever necessarily chatting to some people as opposed to everyone. So people are becoming quite discretionary and innovative in their use of these platforms to create new intimacies and new forms of professional and personal distinctions.

Antony Funnell: So the physical space has a direct flow-on to the way you engage with your fellow employees in the virtual space.

Melissa Gregg: Yes, that's true, and I think you can see that also in the way that people are now adapting to the overload of email, for instance, that what they're getting in a formal bureaucratic sense is now starting to be offset by these same programs where people will have a Twitter back-channel going on between co-workers that they like, to comment on the official communications that are coming through on email or more branded forms of communication. And also the ephemerality of chat clients, whether on Facebook or MSN or whatever it is, that kind of fleeting nature of the communication also means that people can have chats that go under the radar, as you might say, in formal organisational settings that people are located in. And also in terms of the space and flexible office that we've been talking about, this is also a way that people are staying in touch with co-workers when they are in the office alone and there's no one around and people are working such odd hours and incompatible hours that they don't have colleagues physically present with them. So online platforms there are also coming into play.

Antony Funnell: Dr Melissa Gregg from the Department of Gender and Cultural Studies at the University of Sydney. And a summary of her research into people, work and technology is available in book form. It's called *Work's Intimacy*.

As I mentioned earlier there are photos of our new workspace on the website and we want to hear from you, so Tweet or leave us a comment about your workplace and your views on the changing nature of work. And what about Michael O'Neill and his theories on the shifting demographics of the workplace; do they strike a chord with you? Drop us a line.

Guests

Kim Haywood- Matty

Director at Haywood-Matty and former head of culture and capability at Macquarie Bank.

Dr Melissa Gregg

Department of Gender and Cultural Studies, University of Sydney. Author of 'Work's Intimacy'.

Philip Ross

CEO of Unwork.com.

Dr Michael O'Neill

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