

WORKPLACE IN THE NEW PARADIGM : ALTERNATIVE OFFICING

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Abstract

Alternative officing is a collective terminology used to explain different strategies which have changed the design of workplace and how people work. Economical and societal forces have driven organisations to analyse the processes in which people work. As a result, strategies have been developed that maximise space usage based on amount of time workers spend inside and outside the office and each other. This allows the organisation to save space and increase productivity. This paper discusses workplace in the changing environment and the various strategies of alternative officing such as telecommuting, just-in-time office, non-territorial spaces, landing sites, caves and commons, and the free address space.

1.0 Introduction

During the last two decades, organisations have been forced to adapt to three inter-related environment pressures and changes that mould the new economic environment. The three inter-related forces are; the rising of consumer power, new model of organisational management, and the information technology. At the same time the workplace is changing and being transformed from an ordinary business support trait to a competitive edge in its own right. Organisations are responding to dramatic changes in the business environment, including: globalisation, a renewed attention on value and the customer, strategic positioning and swift response to unpredictable conditions, management and organisational restructuring, emerging technologies supporting rethinking of business processes, and changing regulatory contexts. According to Ouye et al. (1994) this new environment is redefining the nature of the workplace and indeed the problems, solutions, techniques, and even the required expertise to deal with the new issues. The challenge is to redefine the workplace so that it is responsive to these changes.

2.0 The New Workplace

There is no shortage of literature and studies concerning the workplace environment in response to the new paradigm. Some literature

such as from Raymond and Cunliffe (1997) and Stocks (1998) have even relate that the workplace is under pressure from powerful forces which are very much similar to the environmental changes that were discussed in the management literature :

- rapid change in markets and thus in business objectives;
- a continuing flow of new concepts and products in telecommunications and information technology;
- a stream of ideas on how companies should be organised and run.

3.0 Workplace and knowledge workers

The role of knowledge workers; professional and highly qualified staff is critical to the success of many organisations and this issue has also caught the attention of physical workplace scholars. According to Becker and Steele (1995) organisational leaders today face major challenge in creating work settings that promote creativity and innovations. Becker (cf. Iadanza, 1997) has also noted the importance of workplace in the new work process.

'The workplace is an enabler of work processes. Work and workplaces have to be developed simultaneously. As work

pattern change, workplaces must be reinvented'.

-Becker in Reinventing the Workplace (cf. Iadanza, 1997).

The growing importance of knowledge workers has increased their power and influence (Arronsoff and Kaplan, 1996). As a result, measures that can improve the productivity of this workforce, decrease absenteeism, or simply making the workplace setting more conducive to good work habits directly contribute to the success of the organisation. Hence, according to Becker (1990) providing employees with acceptable environmental conditions, especially in sectors in which the demand for highly qualified staff exceeds their supply, become central to organisational effectiveness.

Facilities Management (FM) has emerged over the past decade in response to the turbulent change in the business environment (CFM, 1994). As competition between business intensifies, and as change accelerates, many leading organisations are re-evaluating the contribution that facilities make for business success (Alexander, 1994). According to Regterschot (1993) FM has developed into a serious aspect of management, and it is hard to imagine modern management without it

'Increasingly, facilities managers are assuming new role: strategic consultants familiar not only with blueprints but both with human behaviour and organisation. Corporations are using them to boost productivity, not stroke executive egos.'

- Business Week, April 29th, 1996 (cf. Iadanza, 1997).

Becker (1990) cited examples of large organisations such as IBM, Shell Oil, Lloyd's Bank, Union Carbide Corporation, Steelcase, and the World Health Organisation each is exploring new ways of planning, designing, and managing its physical facilities. Becker's own and others' research have shown that increased employee involvement is associated with greater satisfaction with work environment and a stronger commitment to the decision made about it (Becker 1988b, 1988c; Brill, Margullis, and Konar 1984; DIO 1983; Froggatt 1985; Wandersman 1979).

"Right-sizing" and "re-engineering" have been done. The next wave of competitive change in the corporation is in the real estate arena. Its impacts are already being felt. Corporate real estate and facility management organisations are being asked to contribute to the competitive bottom line. With real estate costs constituting as much as thirty percent of the annual expense side of the equation, the question is what, or where, does their 25% contribution to savings come from? Facility planning consultants see the same question appearing assignment after assignment: "How can we be more efficient in our use of space?"

Until recently, production rate based upon industrial-type repetitiveness, has been the measurement of successful business. Strategic and long-range planning has, in the past, encompassed a fixed place for work and sometimes standardised space allowances for each type of work performed. These standardised spaces were usually based on systems furniture or enclosed gypboard offices providing an isolated or semi-isolated space for people to produce results which furthered the company's bottom line. In addition, traditional perks such as added space, an office with a window, or a larger staff encouraged the use of expensive lease space and human resources. Examination of space utilisation in today's business environment has shown that these old paradigms of space management are no longer effective.

4.0 Background to Alternative Officing

According to Becker (1993) facilities studies are beginning to show an average workstation occupancy rate for people working as sales representatives, project managers, field engineers, and management consultants to be 30 percent. For the remaining 70 percent of the day, week, or year, the workstation is unoccupied. Another case study of a Fortune 500 furniture company demonstrates that 30 percent of the engineers were out of their workstations at any given time (Cutler, 1993). This study indicates that 48 percent of the time was spent off site. These findings show that most knowledge workers spend a relatively large portion of their time outside their organisation. Various alternatives workplace strategies in response to the changing environment have been developed and practised in many corporate organisations. Examples are telecommuting, just-in-time

office, caves and commons, landing sites, non-territorial offices, and the free address.

5.0 Telecommuting

Paralled with the macro environmental change external to the organisation, the internal environment of the organisation has also been affected by the changes of the locational importance. A widely held view that information super-highway has a profound effect on both of our living and working life. Several literature (Cutler, 1993; McDougall, 1993; Castells, 1996; Kumar, 1997; Markland, 1998; and Stocks, 1998) have indicated that technology permits people to perform their work functions without actually having to go into the office and allowing flexible working arrangement.

Alternative work environments include strategies that can be implemented on-site and those that can be deployed off-site. Several literature (eg. Kumar, 1997; Stocks, 1998 and Markland, 1998) pointed that flexible workplace breaks the relative modern concept of office as a place to which people travel, spend the day working then travel home again. As Eley and Marmot (1992) quote, 'your office is where you are.'

With reference to location, off-site strategies for flexible working range from telecommuting and satellite office, to remote telecentres and virtual office (Kumar, 1997). Many types of business have considered telecommuting as an option which is being considered in varying degrees to allow flexible working to take shape (Cutler, 1993). She added that in the USA more than 6 million employees work from remote locations. As such their spaces for work can be located anywhere they have a computer and a modem connection such as at home, in small rural offices, in airports, in hotels, and on the beach. Markland (1998) added, Bill Gates predicts that the net result of this technological revolution will be that 'cities will become depopulated, as commuting to an office becomes pointless, while shops will close as people buy through the cable'. Other possible development is that computerised global networks can develop into placeless social communities, or "virtual communities" (Rheingold, 1993), turning the networks into a new social space (Harasim 1993), or "electronic agora" (Mitchell 1995). In other words, telecommuting is the springboard for reengineering on how work is done (Julie Mason, 1993).

6.0 Just-in-time Office

"Just-in-time" offices (also known as "hoteling", a term coined by Ernst & Young) is more commonly referred to as JIT in the United States. JIT space management is based upon the concept that space for work can be provided with advance notice. Success for this type of planning relies on computer connectivity to networks, flexible phone routing, and predictable reservation of space. The JIT scenario is operated much like a motel room which needs housekeeping and stocking between guests. By plugging a portable computer and/or a fixed computer into the databases needed, work continues for the temporary occupants at a relatively uninterrupted pace. Recent advances in phone systems and pagers have made a stationary point of contact for phone calls irrelevant. Telephone systems are approaching the ability to be invisible to the caller while miniaturised phones and national satellite pagers contact the person anywhere in the world (Romei, 1991, p.66).

For example, the Andersen Consulting Office in Chicago implemented a pilot study for managers who had been with the company between one to four years to analyze the effect of JIT offices. The pilot study was so successful that the program was expanded to the whole company.

Once the program was fully implemented, there were 135 offices scattered over four floors to house 220 managers. Early on, the occupancy rate was on the average of 71 percent. Today, these same offices house more than 300 managers with an average of just under 70 percent.

For the Chicago office the benefits were significant. The JIT office program for managers allowed the Chicago office to avoid leasing another floor of office space, which saved the office more than \$1 million per year in expenses. To achieve these savings, the office experienced one-time costs of less than \$100,000 for development and installation of the program, design and purchase of the 'hotel' software and purchase of rolling carts to move files. In addition, the office has on-going annual costs of under \$70,000 for an administrator, a clerk and expenses to switch phones as needed (Dues, 1992, pp. 7[993]-8[994]).

7.0 Non-territorial Offices

"Non-territorial" offices are designed for short- or medium-term teamwork. Since no one person has an identified workspace, the team shares files, resources, workspace and quiet areas. This space, by its very nature, creates interaction between people. Creative teams in development, special purpose teams and interdisciplinary teams work well in this environment which can shorten development time, increase productivity, and increase the quality of the outcome (Whitaker, 1992, p. 2[1988J).

A case study of a Fortune 500 furniture company demonstrates the success of non-territorial office concept. The existing, open plan space for 15 development engineers is 3,200 sq. ft. with each workstation to be 150 sq. ft. As 30 percent of the engineers were out of their workstations at any given time a new work environment was designed, using 36 sq. ft. workstations for each engineer and a shared project room. Four shared areas were set up as computer-aided workstations and two shared drafting areas were added. As a result, it was found that an additional 10 people could be accommodated within the same amount of space.

Additionally the non-territorial office has increased the office productivity. When compared with traditional open plan offices of similar engineers over a three-year period, it appears that the engineers in the non-territorial office have produced more complete engineering solutions (Whitaker, 1992, pp. 4[990]-5[991]).

8.0 Caves and Commons

The "caves and commons" concept of space design (also known as "compression" office design) is very similar to the non-territorial office. This concept emphasises group work with shared equipment and meeting areas ("commons"), but each individual has a small, private space of their own ("caves"). "Commons" areas may include team and project rooms, areas to relax and talk or eat, and copy areas. If your organisation is not ready for a fully-integrated paradigm shift, this is a workable premise for initiating team projects.

9.0 Landing Sites

"Landing sites" (also known as "shared offices", "hot desks", "desk sharing", "red carpet offices" coined by Hewlett-Packard or "offices of the moment" used by Herman Miller, Inc.) are non-assigned spaces equipped with intelligent information equipment. Work spaces are semiprivate worktops to which the employee rolls their private pedestal holding files, supplies and personal items. These rolling pedestals are stored on site. The employees then insert their personal compact disk into the computer provided. The disk routes all phone calls and other communications to them as long as they occupy the site.

The landing site theory blends mobility and high technology to offer effective use of otherwise unused space. Apple Computer, Inc. has initiated a landing site concept in its sales offices. Sales people are often out of the office as much as 75 percent of the day or week selling computer services and equipment. They each carry a laptop computer for their daily records, files and mobile database of pricing. Every two to three days they come into the office and dump their company files into the company's computer database clearing more space for their other business on their portable computer. While they are in the office, calls are routed directly to them. When they are out of the office, car phones and pagers, faxes and modems keep them in contact with the home office.

10.0 Free Address

"Free address" (also known as "activity centers") planning is based on groups of people who need to gather to perform specific tasks. Spaces in the free address concept "are somewhat defined but they are activity-specific, including spaces for use of computers and phones, spaces for meetings, and so forth" (Miller, 1993, Lessons, p.8). Reservations for space use are not made far in advance, and the spaces can be used by any group in the company.

For example the Shimisu Institute of Technology in Japan needed to accommodate 30 engineers in a space designed by Eastern standards for 24 people. Their study showed that 30 percent of available desks were occupied at any given time. The new space layout consists of 18 identical open tables

arranged in rows facing each other and 12 small paneled workstations. Wheeled file cabinets are individually assigned and are moved from work area to work area. Each employee is assigned with a portable telephone and a laptop computer. As a result of this workplace rearrangement, the Institute managed a 25 percent space savings at a potential annual cost of \$23,000. In terms of productivity, employees rated the system as being as good or better than their previous offices on a number of effectiveness indicators, including improved quality of work, improved morale and personal sense of value to the company. Employees said they liked having the opportunity to choose the work space according to the task.

11.0 Conclusion

For the society in 1990's and the future 21st century, flexible working provides an appropriate response to the changing environment and makes best use of the available technology. The planning has to go further, though, and anticipate the future as well. With the current changes, the implications on the facilities management involve continuing to manage them and planning ahead as business place keep evolving. The challenge is to take all the technology now available to us, to use it in different ways and put it to best use. FM aspires to improve processes by which the workplace can be managed to inspire people to give their best, to support their effectiveness and ultimately to make a positive contribution to economic growth and organisational success. In this changing environment, the physical workplace, all the systems and services that support the business operation, and the social and administrative setting for work require integrated and positive management.

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