DESIGNING FOR THE FUTURE:

Workplaces that Engage, Attract, and Retain

January 2024





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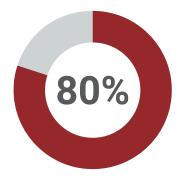
INTRODUCTION

Workplace design trends are constantly evolving to meet the changing demands of the modern workforce. Some of the emerging trends in workplace design include biophilic design, hybrid workspaces, smart offices, agile working, collaborative workspaces, employee well-being, technology and connectivity, sustainability, flexibility and diversity, and neurodiverse spaces.

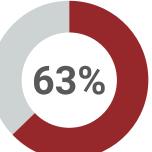
In 2024, businesses must stay current with the latest trends to create workspaces that promote collaboration and employee well-being. The pandemic has forced companies to up their game when it comes to office design, prioritizing cost and asking for highly tailored spaces to recruit and retain talent. The rise in hybrid work has changed how companies occupy their office space, requiring office trends and floor plans to evolve. The overwhelming shift to hybrid work endures, and as more companies adapt to the new model, more offices will be reimagined.



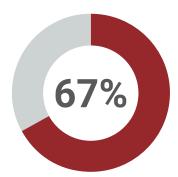
Kolar insights validate that the physical environment directly impacts employee job satisfaction & engagement with their organization's mission.



80% of respondents stated they were not proud of their company's physical environment.



63% of respondants stated that the design of their current physical environment did not help them feel inspired.



67% of respondants stated that the design of their current physical environment did not help them to complete their work.

DESIGNING FOR THE FUTURE

A 2022 study by BusinesSolver found that:

92% of employees said organizations should do more to address the overall well-being and needs of their employees.

The cost of not meeting these demands is potentially losing top talent. <u>U.S. News</u> also reports that 75 million baby boomers are expected to retire by 2030. In fact, the Great Retirement is looking to supersede the Great Resignation as the biggest hiring trend. In addition, <u>McKinsey</u>. <u>Global Institute</u> reports that 1 in 16 workers may have to switch occupations by 2030. That's more than 100 million workers across the eight economies studied — and the pandemic has accelerated these expected workforce transitions.



This of course, presents challenges, but Kolar Insights indicate that employers can use these statistics as an opportunity to leverage a data-driven strategic approach to enhance their workplace. Choosing to invest in workplace strategy and design of the environment, means choosing to invest in your people. Building an environment that considers employees' wants and needs potentially increases retention, and gives organizations an advantage in attracting new talent. A well-executed workplace strategy model has proven to show increased engagement and happier employees over time.

As organizations approach team members for feedback, deploy employee surveys, and receive resignation notices, they ask; "How can I adjust previous strategies? What real estate and/or culture changes do I need to make?" Through extensive experience working with organizations across various sectors, the Kolar team has found that the built environment plays a significant role in shaping employee experience and can boost overall satisfaction.

Our specialty research and publishing lab, Kolar Experience Institute[™] (KEI), explores the intersection of people, process, and place in pursuit of finding solutions that create a positive impact for our clients and communities. Through our discovery process, we can provide businesses with the tools, technology, and training needed to shape the future of workplace strategy and drive better employee experience results. The institute is an expansion of Kolar Design that accesses the thought leadership of researchers, design thinkers, architects, designers, human resource experts, and organizational psychologists with the singular focus of developing a deeper understanding of the connections between human experiences and their impact on business.



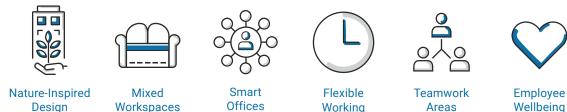


Using our unique discovery and strategy process, we gain insights from both qualitative and quantitative research and co-create with our clients to design new workplace environments that emphasize their mission and workplace wellness goals.

This whitepaper will explore the utilization and enhancement of workspaces in the post-pandemic work environment, and strategies for involving your team in retooling work environments. As a prototype, we will examine a Kolar project - the redesign of the Swiss-based World Business Council for Sustainable Development headquarters (WBCSD).

CREATING SPACES THAT CONNECT PEOPLE + PROCESS + PLACE

The way offices are set up, is changing quickly to match what workers are looking for; mobility, choice, privacy, working with others virtually, and well-being. Companies should keep up with the latest trends to have offices that help people feel good and work better together. The main trends for 2024 are nature-inspired design, mixed workspaces, smart offices, flexible working, teamwork areas, and employee wellbeing.



Creating a consistent frictionless experience, for people who are in the office, on the road or working from home, improves how much work gets done, makes employees happy, and creates a positive workplace.

Nowadays, your job is not only about where you are, but also about what you do. When the pandemic hit, people had to work from home, and companies had to move their work to online platforms. We got used to working on the computer, having virtual meetings, and working with teams from different parts of the world. People felt included when they saw everyone's faces on the screen. Those that were remote in the past often didn't feel as connected as those in the room, which changed when everybody was remote. Now that hybrid meetings have become the norm, the challenge is to try and maintain that feeling of being part of the meeting for those that are remote.



56% of meetings are hybrid today.

Even though it depends on the industry and the job, the idea of working in a mix of in person and online settings is here to stay. It's time to rethink how the office works for people who are there in person and those working online. As technology to connect virtually and to get the work done continues to get better and more affordable, a conscious effort to create smart workspaces designed for different kinds of mixed work is the future. Gen Z, expected to form 23% of the global workforce in 2024, is highly tech savvy and expects companies to embrace and adapt to the latest technologies.



While wellbeing became a clear focus for people during the pandemic, it's also a priority for Gen Z, and so companies will need to pay more attention to create a workplace to fosters wellness. According to Gensler's 2023 global workplace study, areas in the office designed for reflection and restoration have a bigger impact on how effective the space is and the overall experience of working there compared to food offerings. They also found that working in the office has several positive effects. In workplaces that perform well, employees are nearly three times more likely to believe that working in the office has a positive influence on their work/life balance and personal health than those in less successful workplaces. Additionally, they are almost twice as likely to feel that working in the office positively affects their sense of being included, relationships with colleagues, and connection to the team's purpose.

A well-defined workplace culture combines an organization's values and attitudes with a common set of behaviors that shape the way people work and interact with each other. When employees feel connected to the company culture, it benefits everyone by boosting engagement and retention rates. This has a direct impact on the bottom line as more engaged employees are more productive. At a time when productivity in the US is at an all-time low, this is something organizations need to address. Empowering knowledge workers to choose where and how to work can be a big help.



Shift to a holistic workplace experience across an ecosystem of places.

The latest research shows that employees are choosing to spend more time in the office for a variety of reasons: in-person collaboration, but also to get their work done more efficiently if it requires tools they don't have at home. Key is to find out what they are looking for and then make the appropriate changes to create spaces where employees want to be. While people still want to have a level of autonomy to choose how and where they work, they also want to feel connected. They want to grow and learn together. Most importantly, people look for meaning and purpose in what they do. This is what drives engagement and productivity. The office of the future needs to address these needs and at the same time offer an elevated experience. When done well, the physical office can become the organization's HUB, where people socialize, learn, innovate, and celebrate together.



NEW MEASURES OF SUCCESS

This new way of working requires new and different measures of success in workplace design. Understanding the use of space and occupancy, qualitative metrics, and innovations in the workplace are useful KPIs for workplace design.

| + traditional | + future storytelling |
|------------------------|-----------------------------------|
| Portfolio metrics | E.Q. of Space |
| Lease Critical Dates | Spatial Analytics |
| Attendance Utilization | Occupancy Analysis |
| RSF/USF | IoT: Tools & Tech |
| Occupancy % | Individual Location Analysis |
| Finance (OPEX & CAPEX) | Work Style Personas + Preferences |
| Site Demographics | Diverse Psychographics |

IT'S NOT WHAT **WE** SAY -IT'S WHAT **THEY** SAY

Every organization is different. It's important to gain a thorough understanding of what elements are the most important to your team. Kolar Insights data shows that the only way to create a workplace environment that best supports operations is to engage employees throughout the process.

In a recent <u>SHRM</u> article about redesigning office spaces post-pandemic, Pam Mazza, Principal and Chief HR Officer for Avison Young, said her workspaces are undergoing purposeful change to draw people back into their Chicago office. "We're adding more collaborative areas, meeting rooms, technology rooms; no longer is the 'corner office' necessarily an area that is awarded because of status."

In 2024 we are seeing an acceleration of workforce trends such as automation and digitization, increased demand for contractors and gig workers, and more remote work.

According to <u>McKinsey Global Institute</u>, leadership should focus on key actions such as; providing a high sense of purpose to employees, understanding how to reskill teams and staff efficiently, discovering/adopting new modes of collaboration, and choosing to design around everyday employee interaction for sustainable performance.



Kolar uses its in-depth discovery process to understand employee needs and wants through tailored engagement. Workplace changes can then be driven by actionable insights. The best way to create a successful work environment is to put people first. By creating an empowered team and a people-centric workplace, you can create a recipe for success.



World Business Council for Sustainable Development

THE WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT OFFICE REDESIGN

Kolar realigned our current space to achieve our organization's sustainability KPI's. Roland Hunziker, WBCSD

The Kolar team has extensive, data-driven experience planning, designing, and executing a workplace redesign post-pandemic.

The World Business Council for Sustainable Development (WBCSD) is a global non-profit headquartered in Geneva, Switzerland with satellite offices across the world. Sustainability and wellness goals were critical to incorporate into new space. Their team wanted to ensure the office was not only sustainably sourced and built but also felt it reflected the values of the organization.

WBCSD engaged Kolar to lead engagement sessions with employees in Geneva and their global offices and guided their staff through a process to collaboratively define their vision for how they wanted to work in the future.

Kolar helped WBCSD envision the "Future of Work" with respect to its people, process, and place. Kolar fostered the co-creation process through virtual workshops, leadership interviews, and global employee engagement surveys.

60% of WBCSD staff have

perceived a change in culture



65%

of work will be conducted outside the corporate office post-COVID, according to WBCSD employees Prior to COVID ≤ 71% of time was spent in the corporate office

63%

of employees do not agree that there are enough spaces to collaborate with colleagues in the current office We need clear guidelines of what is expected from employees in the long term. We can't expect to go back to how it was before in terms of working from home. [Rethinking collaboration spaces] cannot be ad hoc; we have to go all-in and build it as if everyone participating would be virtual, especially for workshop spaces and room capacity. We're becoming a little less familiar with each other, a bit more formal with people we know, and not getting to know newcomers.

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ABOUT US

Kolar can help design your future workplace.

At Kolar, we have the collective knowledge from our multidisciplinary team to help organizations of all sizes and backgrounds create new work environments that engage, retain, and attract employees.

To learn more about working with us to shape the future of your workplace, visit https://kolardesign.net/contact/.



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