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Implementation of a Local Authority Workplace Strategy

Giddings, B. and Ladinski, V.

Introduction

Since the turn of the century, attitudes towards property and property associated costs, in UK private and public sector organisations have been converging. According to IPD Occupiers (2007), public sector managers were no longer willing to accept waste and inefficiency as inevitable. They challenged the existing situation in a drive for efficiency and increased technological development that had enabled some flexible working practices and novel use of office space in the private sector. A study of office space management in the Ministry of Defence resulted in the National Audit Office report (NAO, 1999), which indicated ways of how more efficient use of office space could be achieved. Since 2003, a number of emerging initiatives in the UK public sector have supported the more efficient use of office space. This culminated in the Government acceptance of the key recommendations of Gershon's (2004) Report, leading to establishment of agreed efficiency targets within the 2004 Spending Review (IPD Occupiers, 2007).

Gateshead Metropolitan Council is the local authority responsible for a Borough that covers an area of about 142 square kilometres and has a population of about 190,600 (NLP, 2010). As a local authority, Gateshead has to implement any Government policies related to more efficient use of property assets including office space. A review on how the Council delivers its services, identified an increased demand for teams to be located within the Civic Centre, which provided an opportunity to reconsider the overall workplace provision. This resulted in the appointment of the Advanced Workplace Associates report (AWA, 2005) on occupancy of the Civic Centre. The resulting Council Workspace Strategy set a target for 20 per cent increase in the space utilisation within the Civic Centre through workspace reorganisation and refurbishment. This research examines the actual delivery of the Gateshead Council Workspace Strategy with a particular emphasis on the workspace-associated achievements and related outcomes.

Aims and Objectives

The aim of this project is to investigate how successful the implementation of Workspace Strategy in the Gateshead Metropolitan Borough Council has been with a view to achieve the following objectives:

- To establish if the implementation of the Workspace Strategy has achieved the expected efficiency savings in office floor space use
- To examine employees' level of satisfaction with the implementation of the Workspace Strategy
- To explore if the implementation of Workspace Strategy has supported the more efficient management of property assets;

- To investigate whether the Workspace Strategy can be used to deliver cultural change in working practices.

Two hypotheses were generated from the objectives. The first is that employees will be less satisfied after the implementation of the Workspace Strategy because they have less space, but there will be changes in working practice. The second is that the Workplace Strategy will deliver efficiency savings in space use and property assets

.Literature Review

Theoretical perspective

According to Finch (2012) few studies in change management recognise the importance of physical change which inevitably accompanies the change of minds; although redesigns are tangible evidence of change. In the past change has been viewed as an incremental process, known as the gradualist paradigm. This model follows the concept of organisational inertia found in highly stable deep structures. However, more recently, it has been argued that there is not a slow continuous process but in fact events involving rapid change. This paradigm has become known as punctuated equilibrium. The effect can be shattering to the status quo, resulting in the notion of punctuations in time; which are often challenging and problematic. Resource management is driven by space forecasts and space budgets. Such forecasts rely on simple extrapolations of what has gone before. When circumstances suddenly do not resemble any previous experience, a steady state strategy becomes totally inappropriate and punctuated equilibrium occurs in a non-steady state – almost change as a permanent condition. For the managers, it is a voyage into the unknown which will undoubtedly produce some trial and error. Nevertheless, the physical environment is perceived as playing a central role in successful transformations. Van der Voordt (2004) suggests that in transforming the workplace, organisations are seeking to gain:

- more efficient use of space
- higher productivity
- the same (or preferably higher) user satisfaction
- a positive image for their clients
- minimal disruption
- better use of resources

Working remotely can be seen as the quick fix to efficiency gains but there can be negative implications. Loss of a place to work can adversely affect status and territoriality. It is especially important that employees should not feel dissatisfied and reduce productivity. In public service, monetary costs and benefits are only part of the picture. The *raison d'être* is not profitability but to provide best value for the community within available budgets. Transformation of the workplace can have potential costs – loss of productivity due to distractions and perceived lack of space and privacy, resistance and reduced morale, less satisfaction and so on, but employees can also experience potential benefits – creative and dynamic environment, better communication and transfer of information, higher capacity to solve problems due to team working, and less absenteeism. For the organisation, it is important to retain highly qualified and experienced personnel. Thus a careful strategy for the process and product of change is essential for the benefits to outweigh the costs.

The Balanced Scorecard approach (Kaplan and Norton, 1996) is widely accepted as a method to evaluate an organisations overall success. Van de Voordt's (2004) interpretation of the balanced scorecard is client perspective, financial perspective, internal business process perspective , and learning and growth perspective, Kampschroer and Heerwagen (2005) note that the physical environment is a major contributor to work life and organisational success, following on from Heerwagen et al (1985) observing the work-place contributions to employee performance. There is also good evidence that space influences social behaviour and processes of value to organisations, such as co-ordination, collaboration and communication (Teasley et al., 2000; Nandhakumar, 2002; Cachere et al., 2003) ie it can assist the ability to work as a team. Moreover Heerwagen et al., (2004) point out the importance of understanding the organisational context, and Niven (2002) observes that in the private sector, the focus is ultimately on profitability and financial success; whereas, in the public sector, the focus is on mission accomplishment.

Employment in the UK public sector

Professional employees are human beings with intelligence and wills of their own, and numbers of them have opted to move from the public sector to the private sector. For instance from 1980 to 2010, the percentage of architects employed by the public sector has decreased from 63% to 11% (Serginson, 2010). One of the challenges for the public sector is to retain and stimulate clever, self-willed, questioning people that are needed by modern service organisations in an increasingly competitive economic environment. The simplistic emphasis on cost cutting overlooks the more subtle and less direct notions of effectiveness, generated by different ways of space use. The aim of the re-organising space use is to encourage interaction, to stimulate creativity and break across previously impenetrable organisational silos. Cost cutting must be put into the context of the search for greater effectiveness. In order to achieve this aim, human relation skills such as change management need to be learnt (Duffy, 2000).

Notions of moving to more efficient use of resources in the public sector were thrown into sharp relief by the world economic crisis. The UK Government's October 2010 Comprehensive Spending Review introduced a £7.6 billion or 26 per cent funding cut from central to local government within a year (WSBF, 2011). The Review produced devastating effects on most local authorities. The UK Government property portfolio is worth £370 billion, of which £250 billion is owned by the local authorities, costing £25 billion to operate each year. According to the Westminster Sustainable Business Forum (WSBF, 2011), effective management of the public property portfolio could reduce the space needed by 30 per cent, and this might be expected to realise up to £7 billion a year in cost savings. However, it could be argued that the 2009 economic crisis was not the motivation as five years earlier, Lyons (2004) had already reported to the Chancellor of the Exchequer on improving efficiency and delivering value for money. For Lyons (2004), the £658 billion public sector asset base should not only underpin the delivery of public services but also be utilised to develop and support their evolution. Similar views are expressed in the Audit Commission's National Report which suggested that *how local authorities use and manage property assets is central to their ability to support best value delivery* (Audit Commission, 2000:3). This imperative for efficiency was founded on the

economic theory that suggests companies should structure their output to achieve the lowest possible cost per unit produced (QFinance, no date). Thus, local authorities can be viewed as highly stable deep structures displaying inertia until 2004, when they moved to a gradualist paradigm. They moved very rapidly to punctuated equilibrium with a notable punctuation in time occurring in 2010.

Office space utilisation

The Westminster Sustainable Business Forum (WSBF, 2011) estimates that the average space occupancy rates within the UK public sector to be 14.5m² per full time employee which is on average 20 to 30 per cent higher than the suggested 2008 Government space standard of 12.0m² per full time employee. It was also noted that opportunities should be considered to occupy new or refurbished offices even where they provide 10.0m² or less per person as many instances have been identified where such premises have met business needs and were found to be popular with employees (IPD Occupiers, 2007) although there is a suggestion that the evidence is more anecdotal than researched. The report also identified that the average space per person in the public sector was 25 per cent higher than in the private sector. It stated that public sector allocations of £6 billion per year were being expended on the central government estate alone (IPD Occupiers, 2007). Yet, 12.0m² per person appears to be quite low compared with existing standards in other Commonwealth countries. For example, The New South Wales Government in Australia set a target to reduce the average office space across the public sector to 18.0m² per person (New South Wales Government, 1999). In Canada, a sliding scale based on the number of employees is used. Its 2003 standards allocated 22.9m² for each of the first five employees. For the next five employees, each was allowed 18.1m² and all remaining employees were each provided with 17.2m² (NTC, 2003). However by 2012, public sector accountability was spreading around the world, and the Government of Canada announced an initiative aimed to create a *modern workplace that will attract, retain and encourage public servants to work smarter, greener and healthier to better serve Canadians* (Canada, 2012:7). In his 2010 State of the City speech, the New York City Mayor Michael R. Bloomberg asked how they can make their City Government more efficient. This resulted in a comprehensive initiative to save taxpayers \$500 million over the next four years. One of the five key areas of their efficiency plan focused on real estate management, with new space guidance that required a reduction from the average 26.8m² per employee in 2009 to 16.3m², in an attempt to reduce the City's office space by 110,900m² and realise \$36 million a year in savings (NYC, 2010).

21st century office space

There is an overwhelming amount of literature about office space and its changes over the years as a result of the requirement for office space to support new work styles, mobility within the office, hot-desking, flexible working patterns, home working and a number of other aspects. Gibson and Luck (2004) introduced five stages of office space evolution. Stage 1 identifies cellular space and the trend moves up to Stage 5, which is a full non-territorial environment (see Figure 1). Chan *et al.* (2007) argue that the workplace design has become a new managerial

imperative due to work becoming increasingly knowledge based and dependent on social skills. In this respect, Allen's *et. al.* (2007) study explores UK Government workplace developments and emerging practice with a view to inform, encourage and support wider improvement and innovation in the public and private sectors. This approach is developed further in the Hardy's *et al.* (2008) work, which investigates the role of Government workplace as an agent for change and sets a vision for workplaces of the future. This theme has been complemented by a range of supporting case studies (for example, OGC, 2004a and b).

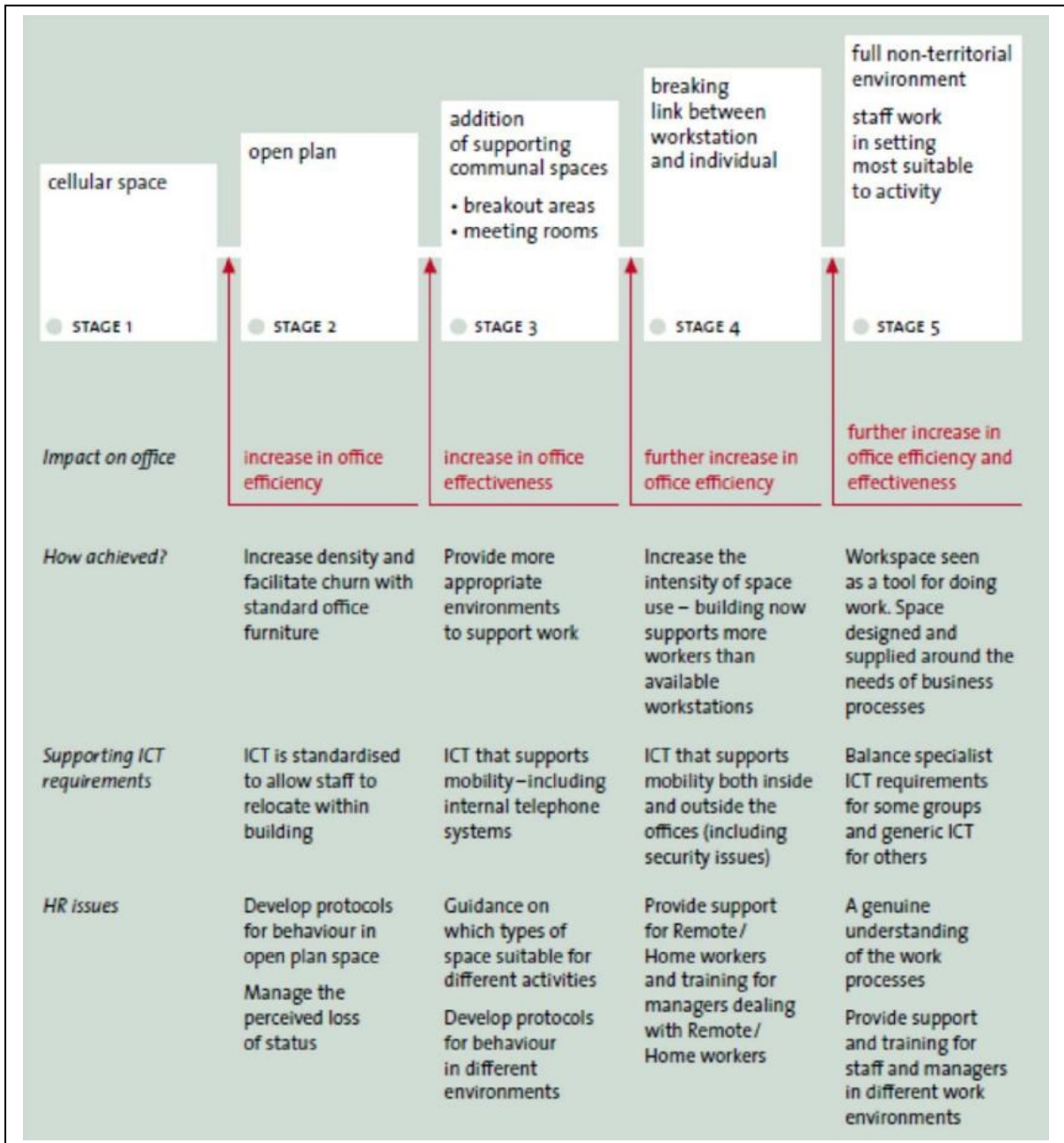


Figure 1 Evolution of office space in departments and agencies.
 Source: Based on Gibson and Luck, 2004 in Allen et al., 2007:23

Workspace Strategy for Gateshead Council

Local authorities in the UK have been through unprecedented changes since 2010, which has shocked most of them into little activity except losing jobs and reducing services. Gateshead Council is an exception, as it had already been considering a new workplace strategy. This meant that it was in a better position to ameliorate some of the damage to jobs and services, by making more effective use of its property. The main principles of the new Workspace Strategy are modernisation, efficiency, effectiveness and transparency; and these objectives have transformed the workspaces (see Figures 2 and 3). The Civic Centre at Gateshead comprises four pavilions linked together by an atrium over three levels, with galleries around the atrium on the upper levels, leading to the pavilions. The existing office layout was characterised by a combination of small and medium sized offices quasi-open plan spaces, with individual workstations bounded by partitions, screens and storage cabinets. The small offices were predominantly used by directors on an individual basis or shared by managers. Team leaders were co-located with their teams either in the medium sized offices or the open plan spaces, based on service requirements. A limited number of individual meeting rooms were located along the other side of the atrium wall. Within the offices, there was very limited provision of casual meeting spaces. The furniture allocation was predominantly based on the employees' function but in most cases consisted of two desks, one for writing and one for the computer, in a L shaped arrangement complemented by corner desk, combined draw and filing cabinet attached to the desk, shelving, a tall cupboard and surrounded by high to medium height panels on two to three sides of the work space (see Figures 4 and 5).

The Council declared that the design vision for the Strategy incorporates innovative, 21st century designs (Gateshead Council, nd). It offers local people a welcoming and comfortable environment that they would choose to visit. As a demonstration of the Council's values, it provides members and employees space with more natural light, less barriers and less clutter. It will help employees feel part of 'One Council' in which they are valued. All meeting spaces, breakout areas and offices are joint resources. There is no hierarchical or status driven approach to allocation of space. Less physical storage has been provided as scanning and utilizing electronic filing systems are being utilised. Within the new layout for one department, seven touchdown spaces were introduced (three smaller and less formal with coffee tables and armchairs, and four larger and more formal spaces with meeting tables). In addition, three meeting rooms were introduced with round tables, each with six chairs, allowing them to be used alternatively as projects rooms or quiet work areas. Before the workspace related refurbishment took place there were only two touchdown spaces and no meeting rooms available. Also, as a part of the works, project walls were initiated where previous and ongoing projects can be displayed to foster discussions and showcase work undertaken.

The majority of the solid partition walls, narrow corridors, and small and medium size offices have been replaced. A small number of single offices have been retained, but as glazed pods for the service directors, rather than cellular

offices. Only the group directors' offices have solid partitions. All managers and team leaders are accommodated within the open plan space. Thus, the Council translated van de Voordt's (2004) balanced scorecard headings into its own priorities:

client perspective – community view of the quality of services, and welcoming and comfortable environment

financial perspective – savings due to more intensive workspace utilisation and employees moving back to the Civic Centre

Internal business process perspective – staff satisfaction and effective teamworking
learning and growth perspective – continuing professional development

Workspace utilisation

The results of the office workspace utilisation are presented in Figure 6, which shows the outcomes of the Workplace Strategy, compared with the existing number of employees accommodated on each floor. This has resulted in 513 additional workspaces, which is equivalent to a 30.83 per cent increase in overall office workspace numbers (Gateshead Council, 2013). The workstation sharing ratio and the inclusion of different mix of working environments were determined by each department independently to suit their own requirements and particular circumstances. Property and Design Services had one workstation per employee before the Workplace Strategy commenced. From the initial focus groups and later staff consultations, it was agreed to maintain the principle of one workstation per employee, for the reasons that Van de Voordt (2004) points out due to the potential loss of a place to work, and to maximise the new opportunities for team working.



Figure 2 Example of office workspaces within the Civic Centre before the implementation of the Workspace Strategy.

Source: © Gateshead Council

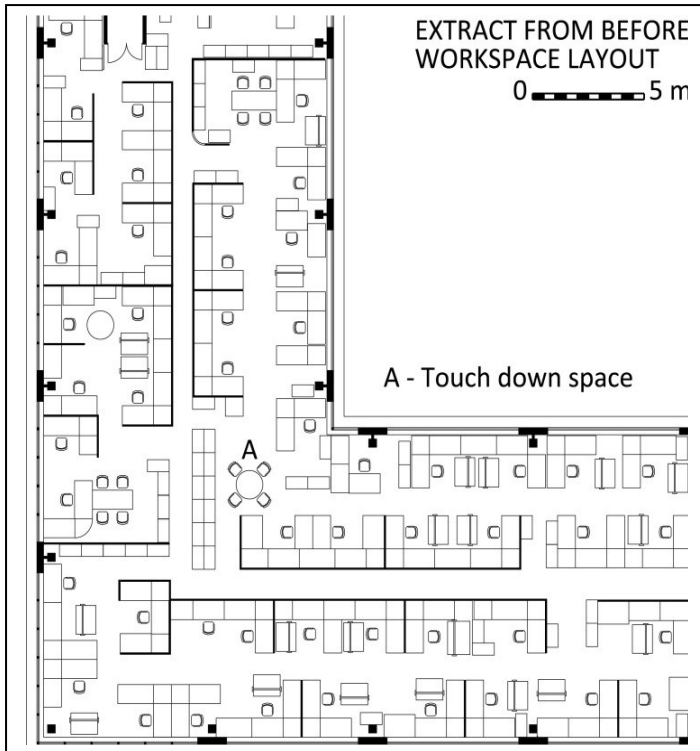


Figure 3 Part floor plan within the Civic Centre before the implementation of the Workplace Strategy

Source: © Gateshead Council



Figure 4 Example of office workspaces within the Civic Centre after the implementation of the Workplace Strategy.

Source: © Gateshead Council

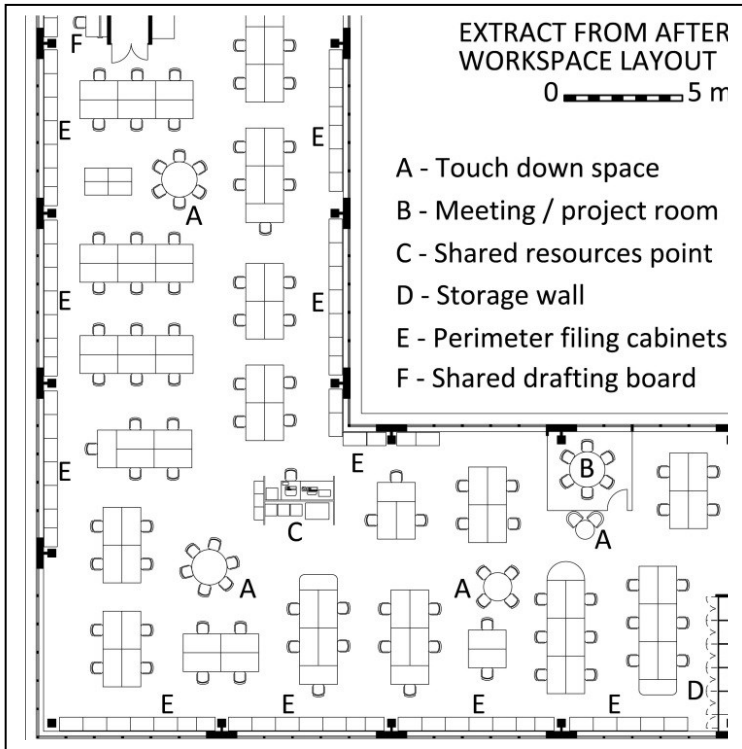


Figure 5 Part floor plan within the Civic Centre after the implementation of the Workplace Strategy

Source: © Gateshead Council

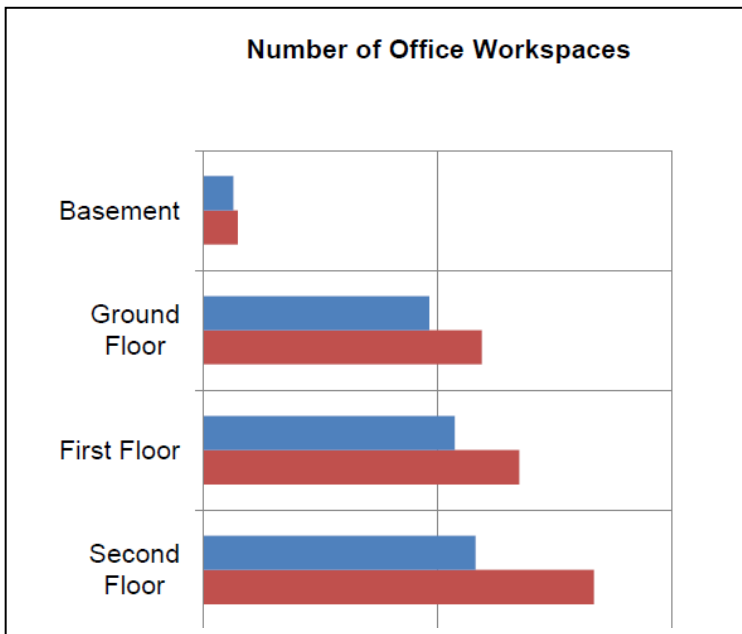


Figure 6 Comparison between original (before) and projected final (after) office workspace numbers for each floor within the Civic Centre.

Source: © Gateshead Council (2013)

Research Methods

A survey was carried out in 2013, with Property and Design Services as a sample Council Department, in order to identify users' level of satisfaction with the implementation of the Workspace Strategy. It took place at the end of a well-considered process, developed by the Council's management change consultants (Advanced Workplace Associates). Following the analysis of existing workspace, focus groups engaged different representatives from all departments, and targeted the following four issues – visioning, employees' priorities, responses to employees and implementation. Certain principles were established by those leading the Workspace Strategy, such as desk sizes, perimeter storage under the windows with communication space so that no desk is located adjacent to the window and so on. The proposed layout was distributed to the staff teams and consultation took place within each department. The feedback was passed onto the leaders and the design team for consideration, and incorporation into the design. There were several iterations before the final design was agreed.

As this was not a traditional post-occupancy evaluation, there was discussion as to when and how the survey should be undertaken. The consultants' view was that a survey before the consultation would open-up suspicion among the staff, and at any point during the consultation would introduce different aspects of bias. As the main point of the survey was to assess employees' satisfaction with the outcome of the workplace strategy, benchmarked against the previous layout – it was concluded that one survey would be the optimum approach. All employees in Property and Design Services were engaged with the survey. The department was selected because it undertakes a complete range of activities from the simple administration tasks to complex professional design and evaluation. The variety of activities undertaken within the service makes it not only unique, but more importantly, representative of activities across all services and in this respect, it is a microcosm of office based services within the Council (see Figure 7). They were also among the first to experience the refurbished accommodation and as their professional backgrounds are in built environment disciplines, they would be offering more informed views, compared with other Council employees. A paper-based questionnaire adapted from Giddings, Thomas and Little (2013) was handed to all participants. It was emphasised that the results would be anonymised and that no individual views could be traced back to them. The pre-set choice of responses to the questions was constructed so that every respondent was only able to select one option. This reduced confusion and ensured that respondents would make a choice. They were asked to rate the workplace environment under a number of headings on a scale of 1-7. The neutral position would be ranked at 4. The primary comparison was their workplace experience after the implementation of the Workplace Strategy, benchmarked to their previous workplace experience.

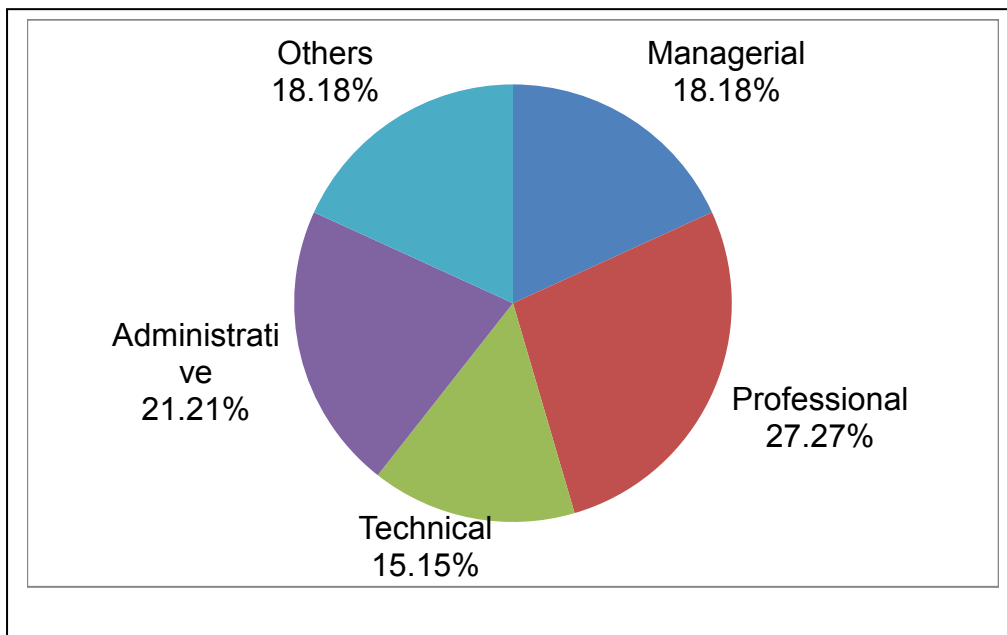


Figure 7 Job descriptions of survey respondents

Source: Survey

Findings

Employees' satisfaction

The summary results from the employees' satisfaction questionnaire before and after the implementation of the Workspace Strategy are indicated as follows:

For the questions related to Layout on Table 1

For the questions related to Density on Table 2

For the questions related to Furniture on Table 3

For the questions related to Overall Satisfaction on Table 4

For the questions related to Overall Impact on Table 5

The tables show the mean score responses to the employees' questionnaire about the Workspace Strategy.

Layout: How do you feel about...								
1 where you sit?								
Score	Very happy			Neutral	Very unhappy			Significance
When	1	2	3	4	5	6	7	no
Before			$\bar{x}=2.98$					
After			$\bar{x}=3.10$					
2 your office type?								
Score	Very happy			Neutral	Very unhappy			Significance
When	1	2	3	4	5	6	7	no
Before			$\bar{x}=3.15$					
After			$\bar{x}=3.34$					
3 the amount of privacy you have?								
Score	Too much			Neutral	Not enough			Significance
When	1	2	3	4	5	6	7	one point
Before				$\bar{x}=4.05$				
After					$\bar{x}=4.95$			
4 the amount of social contact you have?								
Score	Too much			Neutral	Not enough			Significance
When	1	2	3	4	5	6	7	one point
Before				$\bar{x}=3.93$				
After			$\bar{x}=3.36$					
5a the impact of the layout on your attention levels?								
Score	Stimulating			Neutral	Boring			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=3.80$				
After				$\bar{x}=3.61$				
5b the impact of the layout on your attention levels?								
Score	Relaxing			Neutral	Distracting			Significance
When	1	2	3	4	5	6	7	two points
Before			$\bar{x}=3.42$					
After					$\bar{x}=4.87$			
6a the choice you had over your office layout?								
Score	Total freedom			Neutral	No choice			Significance
When	1	2	3	4	5	6	7	no
Before					$\bar{x}=5.34$			
After					$\bar{x}=5.50$			
6b the choice you had over your office layout?								
Score	Happy			Neutral	Unhappy			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=4.07$				
After				$\bar{x}=4.50$				

Table 1 Summary of individual results to questions related to Layout before and after the implementation of the Workspace Strategy including mean score (\bar{x}) and significance.

Density: How do you feel about...								
1 the number of people?								
Score	Too many			Neutral	Not enough		Significance	
When	1	2	3	4	5	6	7	
Before				$\bar{x}=4.05$				one point
After			$\bar{x}=3.50$					
2 the number of desks?								
Score	Too many			Neutral	Not enough		Significance	
When	1	2	3	4	5	6	7	
Before				$\bar{x}=3.67$				no
After				$\bar{x}=3.78$				
3 distractions from other sitting near you?								
Score	Too distracting			Neutral	Not distracting		Significance	
When	1	2	3	4	5	6	7	
Before					$\bar{x}=4.53$			two points
After			$\bar{x}=3.24$					
4 the atmosphere created by the people in the office?								
Score	Lively			Neutral	Quiet		Significance	
When	1	2	3	4	5	6	7	
Before				$\bar{x}=3.66$				one point
After			$\bar{x}=3.16$					

Table 2 Summary of individual results to questions related to Density before and after the implementation of the Workspace Strategy including mean score (\bar{x}) and significance.

1 your chair?								
Score	Very comfortable			Neutral	Very uncomfortable			Significance
When	1	2	3	4	5	6	7	one point
Before			$\bar{x}=3.08$					
After		$\bar{x}=2.42$						
2 your desk?								
Score	Too big			Neutral	Too small			Significance
When	1	2	3	4	5	6	7	one point
Before				$\bar{x}=3.67$				
After					$\bar{x}=4.59$			
3 how do you feel after sitting for long periods?								
Score	Very comfortable			Neutral	Very uncomfortable			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=3.75$				
After				$\bar{x}=3.71$				
4 your personal storage space?								
Score	Too much			Neutral	Not enough			Significance
When	1	2	3	4	5	6	7	one point
Before				$\bar{x}=3.90$				
After					$\bar{x}=4.58$			
5 the equipment on your desk?								
Score	Too much			Neutral	Not enough			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=3.88$				
After				$\bar{x}=3.97$				
6 the communal equipment?								
Score	Too close			Neutral	Too far away			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=4.33$				
After				$\bar{x}=4.24$				
7 the amount of choice you had over furniture?								
Score	Total freedom			Neutral	No choice			Significance
When	1	2	3	4	5	6	7	one point
Before						$\bar{x}=5.70$		
After					$\bar{x}=5.16$			
8 the amount of choice you had over furniture?								
Score	Very happy			Neutral	Very unhappy			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=4.23$				
After				$\bar{x}=4.37$				

Table 3 Summary of individual results to questions related to Furniture before and after the implementation of the Workspace Strategy including mean score (\bar{x}) and significance.

Overall satisfaction: Think about your workplace environment as a whole....								
1 what impact does your workplace have on your ability to work?								
Score	Positive impact			Neutral	Negative impact			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=3.58$				
After				$\bar{x}=3.89$				
2 how do you feel in your workplace?								
Score	Very comfortable			Neutral	Very uncomfortable			Significance
When	1	2	3	4	5	6	7	no
Before				$\bar{x}=3.53$				
After				$\bar{x}=3.65$				
3 how do you feel about this as a place of work?								
Score	Very happy			Neutral	Very unhappy			Significance
When	1	2	3	4	5	6	7	no
Before			$\bar{x}=3.43$					
After			$\bar{x}=3.50$					
4 how do you feel about the workplace overall?								
Score	Very satisfied			Neutral	Very dissatisfied			Significant
When	1	2	3	4	5	6	7	no
Before			$\bar{x}=3.20$					
After			$\bar{x}=3.45$					

Table 4 Summary of individual results to questions related to Overall Satisfaction before and after the implementation of the Workspace Strategy including mean score (\bar{x}) and significance.

Overall impact: Think about how your workplace makes you feel...									
1 when do you feel most active and awake at work?									
Score									Significance
When	1 (< 8)	2 (8-10)	3 (10-12)	4 (12-14)	5 (14-16)	6 (16-18)	7 (>18)		no
Before			$\bar{x}=2.92$						
After			$\bar{x}=3.06$						
2 how does your workplace environment make you feel?									
Score	Very alert			Neutral	Very tired			Significance	
When	1	2	3	4	5	6	7		no
Before				$\bar{x}=3.69$					
After				$\bar{x}=3.82$					
3 what impact does your workplace environment have on your work?									
Score	Very satisfied			Neutral	Very dissatisfied			Significance	
When	1	2	3	4	5	6	7		no
Before				$\bar{x}=3.51$					
After				$\bar{x}=3.67$					
4 overall what sort of atmosphere do you feel the workplace environment creates?									
Score	Energised			Neutral	Relaxing			Significance	
When	1	2	3	4	5	6	7		no
Before				$\bar{x}=3.86$					
After				$\bar{x}=3.53$					
5.1 how would you rate your productivity levels?									
Score	A great deal			Neutral	Not very much			Significance	
When	1	2	3	4	5	6	7		no
Before		$\bar{x}=2.43$							
After		$\bar{x}=2.49$							
5.2 how would you rate the quality of work you produce?									
Score	Very high quality			Neutral	Very low quality			Significance	
When	1	2	3	4	5	6	7		no
		$\bar{x}=2.22$							
After		$\bar{x}=2.46$							

Table 5 Summary of individual results to questions related to Overall Impact before and after the implementation of the Workspace Strategy including average mean score (\bar{x}) and significance.

Other business efficiencies

The results have identified additional efficiencies that are being achieved as a result of the implementation of the Workspace Strategy, which are related to a more efficient use of the Council's assets. Based on data within the Corporate Asset Strategy and Management Plan 2012 — 2015 (Gateshead Council, 2013), the increased office space capacity within the Civic Centre is allowing for 75 per cent of the entire council's office based workforce to be located in this building. The additional 513 workspaces are facilitating staff to be relocated from the Council's satellite office to the Civic Centre, thus opening the possibilities for alternative uses for these assets, or their disposal which can provide additional capital and a reduction in operational costs. In this respect, between 2012 and 2015, the council has estimated capital receipts of about £950,000 due to anticipated closure and disposal of assets that are no longer required. In the event, the sum has been £8.5 million (see Figure 8). Equally, estimated annual revenue savings in the region of £645,000 were identified, but the actual savings have been nearly £900,000 (see Figure 9). These sums are being used to maintain important services for the community, and the retention of valued staff to undertake

them.

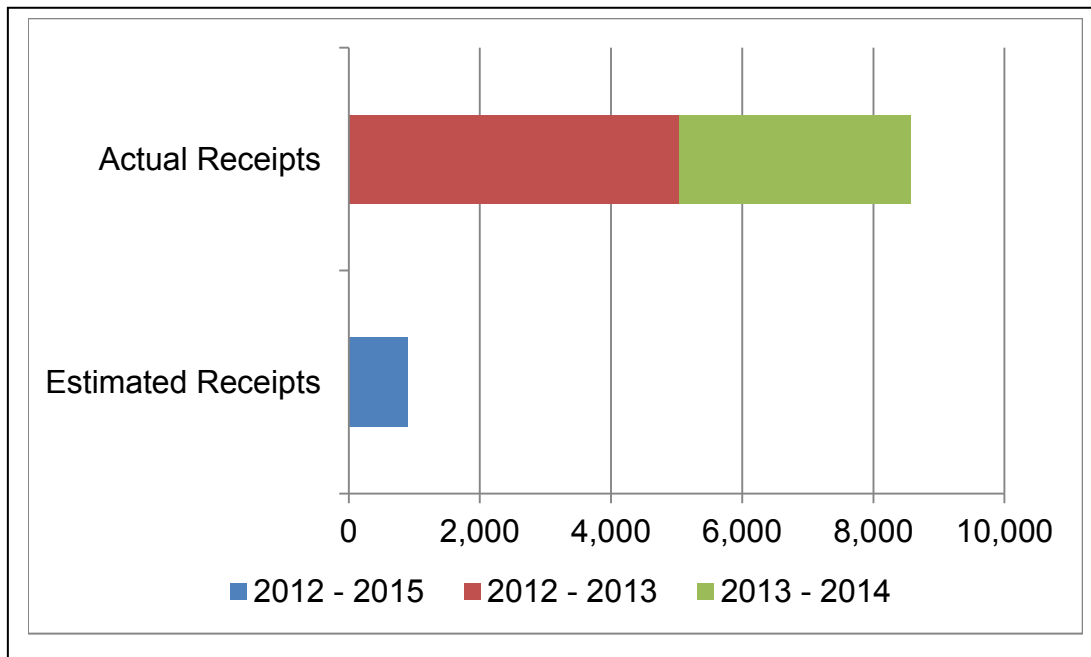


Figure 8 Estimated (2012 - 2015) and actual (2012 - 2014) capital receipts in £000s from disposal of land and property assets.

Source: *Gateshead Council's Corporate Asset Strategy and Management Plan 2012 – 2015 and the Gateshead Council Property Performance Report 2013 – 2014*

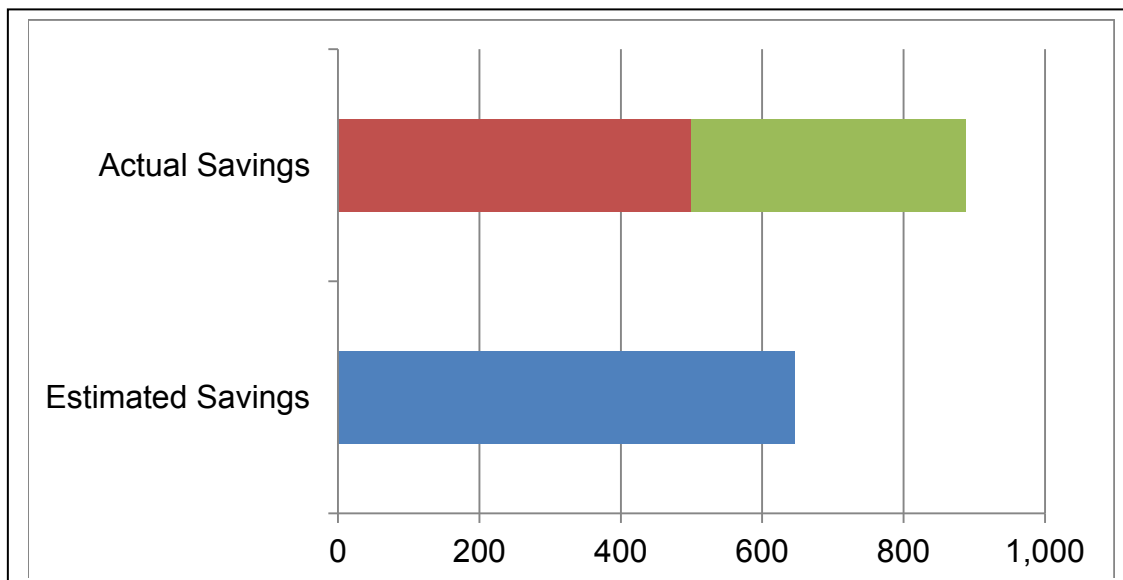


Figure 9 Estimated (2012 - 2015) and actual (2012 - 2014) revenue savings in £000s as a result of the implementation of the Workspace Strategy.

Source: *Gateshead Council's Corporate Asset Strategy and Management Plan 2012 – 2015 and the Gateshead Council Property Performance Report 2013 – 2014*

Analysis

Workspace transformation

There is no doubt that the office workspace within the Civic Centre has been transformed substantially, at least visually, as a result of the implementation of the Workspace Strategy. Comparing the situation before and after against the Gibson and Luck (2004) evolution of office space, it is concluded that the office workspace within the Civic Centre was predominantly at Stage 1 (cellular space) and Stage 2 (open plan) prior to the implementation of the Workspace Strategy. After the transformation, the layout has moved to Stage 3 (addition of supporting communal spaces) with initial inroads into Stage 4 (breaking link between workstation and individual).

Office workspace utilisation

The results have shown that workspace numbers have increased by 513, from 1,664 to 2,177. This equates to a 30.83 per cent increase. With regard to the office workspace utilisation, analysis of the results reveals that the floor space per person has reduced from 9.11m² to 6.96m². Thus, the Government's revised target of 8.0m² has been substantially exceeded (NAO, 2012) and the hypothesis about efficiency savings in space use has been proved. This result of 6.96m² per workspace is also moving closer to the minimum statutory welfare at work limit of 4.5m² (HSE, 2007b). The danger of a resource-driven approach to workspace allocation is that potential savings may reduce the space per person below employee satisfaction levels. This danger could have implications for staff absenteeism and turnover. A discontented workforce may negate the efficiency savings gained. Therefore, an assessment of employee satisfaction needs to be undertaken before and after each change. There also needs to be provision to reverse any changes that adversely affect satisfaction levels. This may be difficult to achieve if budgets have been based on permanent changes, and alternative premises are no longer available.

Employees' satisfaction

The results from the 30 issues were analysed under the following hierarchy:

1. Dis-satisfaction before and satisfaction after
2. Neutral before satisfaction after
3. Satisfaction before and after
4. Dis-satisfaction before and after
5. Neutral before dis-satisfaction after
6. Satisfaction before and dis-satisfaction after

The objective was that although the workspace is now more intensively used, the staff do not feel less satisfied as a result of the Workplace Strategy that they did with the previous arrangements. A neutral score shows that their expectations have been delivered.

1. Dis-satisfaction before and satisfaction after
none
2. Neutral before and satisfaction after
Layout — social contact
3. Satisfaction before and after
increased from one point to two points on positive side of neutral
Furniture — chair comfort
no change — two points on the positive side of neutral
Overall impact - perceived productivity, quality of work
no change - one point on the positive side of neutral
Layout — where you sit, office type
Overall satisfaction - as a place to work, overall
Overall impact — time when most active
no change — neutral
Layout — attention levels, happiness with choice over layout
Density — number of desks
Furniture — sitting over time, equipment at desk, communal equipment, happiness with choice over furniture
Overall satisfaction - ability to work, comfort
Overall impact — alertness, impact on work, atmosphere
4. Dis-satisfaction before and after
from two points to one point of dis-satisfaction
Furniture — involvement with choice over furniture
no change — one point on the negative side of neutral
Layout — involvement with choice over layout
5. Neutral before and dis-satisfaction after to
one point on negative side of neutral
Layout — privacy
Density — number of people, atmosphere
Furniture — size of desk, personal storage
6. Satisfaction before and dis-satisfaction after
reduced from one point on the positive side of neutral to one point on the negative side of neutral
Layout — attention levels
Density - distractions

This part of the analysis responds to the hypothesis that employees will be less satisfied after the implementation of the Workspace Strategy because they have 24 per cent less space. Thus 'no change' equates to satisfaction, as does 'neutral response'. A significant point to note is that there are no extreme results. Apart from the new comfortable chairs, all the results are in the 3-5 band. Such strategies can be very controversial, so it might have been expected that strong opinions would have been elicited. It is not surprising that there are no responses in the categories of dis-satisfaction or neutral before and satisfaction after. Therefore the balance lies between no change and dis-satisfaction after, whether or not there was dis-satisfaction, neutral, or satisfaction before. It is also worth pointing out that *Overall satisfaction* and *Overall impact* are recorded as no change, without any negative

scores. In relation to *Layout and Density*, the results indicate that the employees remain happy about where they sit and about the office type. Their perception is that the office layout has a stimulating effect on attention levels and that the amount of social contact has increased. They also maintain their views that they had a limited choice over the layout but they are not unhappy about the result. Not having enough privacy and the distracting impact on their attention because of the new layout appears to be one of the key (statistically significant) aspects identified through this research. The employees' note that the number of people is slightly too many compared with the previous situation. The size of desks has become a little too small but there is no change in the neutral view about the number of desks. The respondents highlight that the atmosphere in the office has become livelier than before and they feel distracted by those seated close-by. The last two issues are statistically significant and the results indicate a shift in employees' perception about their workspace environment from being not distracting before to becoming distracting afterwards.

The analysis of the results related to *Furniture* indicates that employees are even more comfortable in their chairs, and are not affected by sitting for long periods. There is no change in the neutral view about the amount of equipment on desks and about the distance to communal equipment. The view on the amount of choice over furniture marginally improved and the neutral view on the outcome remained relatively static.

This research has identified that the implementation of the Workspace Strategy might have contributed to the emergence of the following issues:

- Concern about insufficient privacy and distracting impact on attention levels;
- Distractions from others seated close to them;
- The atmosphere may be a little too lively;
- New desks are too small and there is not enough personal storage space;

What has been implemented through the Workspace Strategy to date is predominantly based on one type of office space for the majority of employees, regardless of what they are doing. This approach certainly allows for a greater flexibility, especially in these challenging economic times when the organisation is undergoing notable reorganisation and downsizing. In this respect, the more uniform nature of the workplace allows for an easier consolidation and regrouping of the staff. However, this may have disadvantages in instances where a larger workspace might be required due to the nature of the work a particular employee is undertaking. For example, The New South Wales Government in Australia (NSWG, 1999) and the Government of the North West Territory in Canada (NTC, 2003) suggest that workspace allocation should be based on the nature of the work that a particular employee is performing. For instance, a building surveyor or a planning officer may require an additional layout space to study large layout plans whilst determining the merits of a building control or a planning application, which is not necessarily the case with someone who deals with daily processing of invoices. Conversely, it could be

argued that with the increasing use of computer-based drawings, the size of desks should not be an issue. However, a significant proportion of space saving has been achieved by reducing desk sizes. Before the Workplace Strategy was implemented, on average staff had two 1.6 x 0.8m desks with a corner unit. With the new layout, most employees were allocated one 1.6 x 0.8m desk. Detailed analysis of this part of the data (see Figure 10) shows the greatest dissatisfaction with desk size is among the professional and technical staff because they use large drawings. One of the outcomes from this study has been for the Council to accelerate part of the continuing professional development section of the balanced scorecard, to enable a move to the exclusive use of computer-based drawings - to overcome this dissatisfaction. A similar point could also be the case with the personal storage space, as much documentary evidence is now stored electronically.

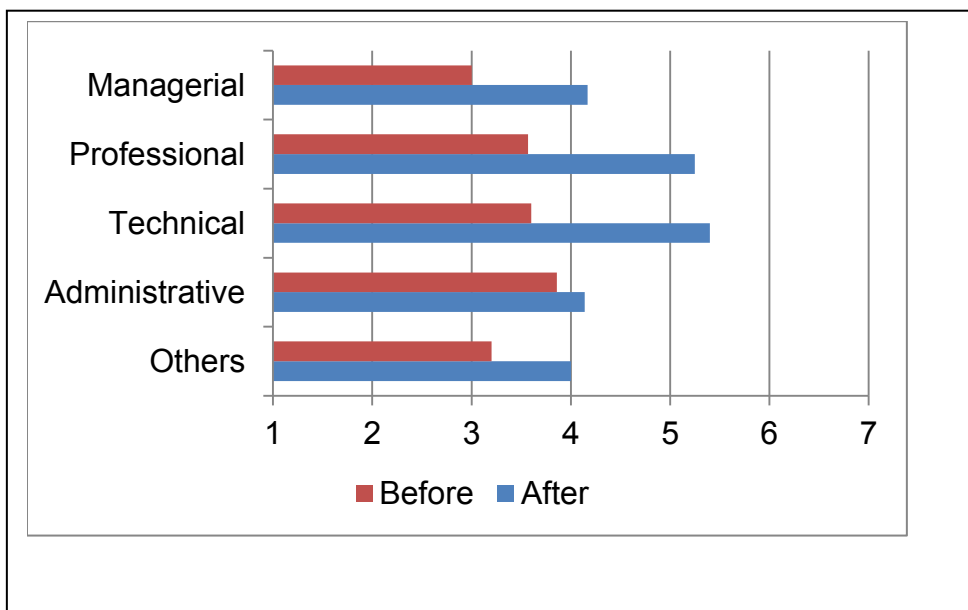


Figure 10 Comparison of average responses to the desk size question by job description of respondent

Source: Survey

In her research, Thomas (2010) argues that the recognition of the impact of the spatial layout has led to the development of office space standards that rather than specifying office types and areas on the basis of persons role, they tend to give only the acceptable workplace area per person. She further suggests that spatial layout has an impact on users' satisfaction and productivity levels, and points out that the open plan offices have been correlated with high levels of dissatisfaction but that no strong links were established between open plan workplaces and productivity. She contends that an open plan layout tends to be more popular with managers as it has been found to be more cost effective to organisations. Yet, it has also been linked with lack of privacy and distraction due to high density levels; and correlated with low levels of satisfaction and reduced perceived or actual productivity. In this case, although lack of privacy and distraction are issues, nevertheless they do not score as serious issues; and there is no evidence of

adverse effects on satisfaction or perceived productivity.

Conclusions

This research has established that the office workspace within the Civic Centre has been transformed substantially as a result of the implementation of the Workspace Strategy, which is in line with the UK Government policies about more efficient use of office space and public estate assets. The refurbished workspace environment has achieved Stage 3 (addition of supporting communal spaces) with initial inroads into Stage 4 (breaking link between workstation and individual, for those who have embraced hot-desking on a pilot or permanent basis) against the five stage evolution of office space model by Gibson and Luck (2004).

The full implementation of the Workspace Strategy will increase the office workspace numbers in the Civic Centre by 513 from 1,664 to 2,177 which equates to a 30.83 per cent increase in the overall office workspace numbers in comparison with the original 20 (19.65) per cent target which is in line with the UK Government policies about more efficient use of office space and public estate assets. It has been established that the office floor space per workplace in the Civic Centre is being reduced from 9.11m² down to 6.96m² through the implementation of the Workspace Strategy which not only meets but exceeds the new target of 8.0m² set by the Government Property Unit in 2011 (NAO, 2012). By achieving 6.96m² per office workspace within the Civic Centre, this new office standard is approaching the statutory welfare at work limit of 4.5m² (HSE, 2007a and b). Therefore, careful consideration should be given to any further request about increasing office workspace numbers.

The research has established that the employees are generally satisfied and have positive feeling about their new workspace. Distractions from those seated nearby, not enough privacy, limited personal storage space and dissatisfaction about the limited engagement with choice over the office layout and furniture, are the key aspects identified through the research as causing concern with the employees about their new workplace. Minor modifications to the design may be able ameliorate these issues, but they do not appear to be impinging on overall satisfaction.

Although there are indications that the Workspace Strategy has been used as an 'agent of change', this research has not been able to collate the required data necessary to provide a definitive answer to whether there has been a cultural change in working practices. The research has identified an estimated capital receipt of about £8.5 million as a result of the anticipated closure and disposal of assets that are no longer required, and an estimated annual revenue savings of nearly £900,000 as a result of moving back into the Civic Centre. This estimated capital receipt and annual revenue savings would not have been achievable if the more efficient use of the office space in the Civic Centre had not been deliverable through the implementation of the Workspace Strategy. Savings of this kind, in the context of other local authorities being devastated by the

budget reductions, is to help maintain valuable services for the community by retaining valued professionals and support staff.

In terms of the aim and objectives, and hypotheses, the employees are not less satisfied because they have less space. The changes in working practice are unproven but the workplace Strategy did deliver space savings and the efficient use of property assets. Of the scorecard issues – the community view of the quality of services, and welcoming and comfortable environment did not form part of the study. Savings due to more intensive workspace utilisation and employees moving back to the Civic Centre were achieved. Staff satisfaction is not less than it had been previously and more evaluation of effective teamworking is required. The continuing professional development is beginning with digitisation, but the rest of the programme needs to be detailed. Thus the agenda for future research lies in three distinct areas. First, from the client perspective a survey of community views about the quality of services and response to the new design is needed. Secondly, following Giddings, Thomas and Little (2013), experimentation to increase staff satisfaction should be undertaken by evaluating the feasibility and outcomes of features such as plants, projected images, colour etc. Finally, there should be a study of changes to working practice, and particularly the effects on teamworking.

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