# **The Privacy Crisis**





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#### TAKING A TOLL ON EMPLOYEE ENGAGEMENT

In organizations all over the world, people are facing brand-new problems that require sharing information and putting knowledge together in new ways. For all the right reasons, collaboration has become the big engine for progress and innovation. Although workplaces today make it seemingly easy for people to collaborate, most leaders remain dissatisfied with the pace and frequency of breakthroughs. Uncertain of what to do next, they hire new talent, carve out trendy group spaces, add technology or step up team training efforts—but still don't see the gains they desire.

Paradoxically, most efforts to fuel more successful collaboration are only making it worse. New Steelcase research has revealed that, while togetherness at work is vital for value creation, in excess it's a killer.

Throughout the world, too much interaction and not enough privacy has reached crisis proportions, taking a heavy toll on workers' creativity, productivity, engagement and wellbeing.

Without question, successful collaboration requires giving coworkers easy access to each other. But it also requires giving each individual the time and places to focus and recharge, and too many workplaces today aren't delivering on privacy as a necessity.



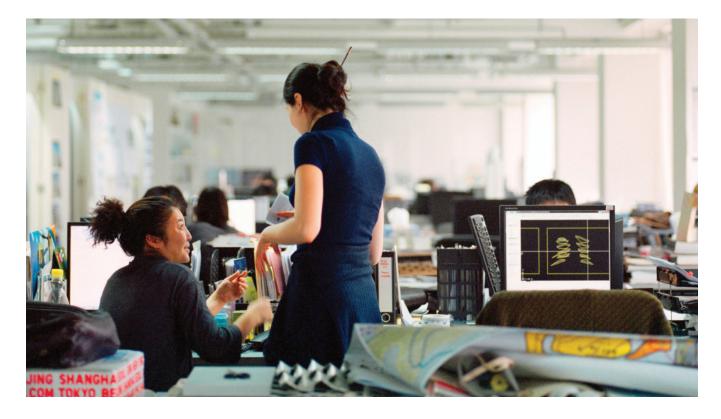
"The need for privacy sometimes—at work as well as in public—is as basic to human nature as is the need to be with others," explains Donna Flynn, director of Steelcase's WorkSpace Futures research group. "The harder people work collaboratively, the more important it is to also have time alone—to be free from distractions, apply expertise and develop a solid point of view about the challenges at hand. People also need privacy to decompress and recharge.

"A key takeaway from our study is that the open plan isn't to blame any more than reverting to all private offices can be a solution. There is no single type of optimal work setting. Instead, it's about balance. Achieving the right balance between working in privacy and working together is critical for any organization that wants to achieve innovation and advance."

#### DESPERATELY SEEKING PRIVACY

More than ever before, workers are going public with complaints about their lack of privacy at work. Blogs and online chat rooms are chock-full of soliloquies about what everyday life in an open-plan workplace is like: how easy it is to be distracted, how stressful the environment can be and how hard it is to get any individual work done. Many say they literally can't hear themselves think. Seeing the opportunity, one high-end headset brand has started advertising its products as a way to hear your favorite music or simply to hear the sound of silence instead of your coworkers. But what the ad doesn't say is that wearing headsets cuts people off from hearing and engaging in conversations that could be valuable for their work, thereby eliminating a potential advantage that open-plan workspaces are intended to provide. And audio distractions are only part of the problem.

Meanwhile, beyond the chatter of cyberspace and advertising, other strong signals have been mounting that workers' lack of privacy is a problem that needs C-suite attention ASAP.



Gallup's recent report on the State of the Global Workplace found only 11 percent of workers around the world are engaged and inspired at work, and 63 percent are disengaged—unmotivated and unlikely to invest effort in organizational goals or outcomes. But slicing the data shows that, at least in the United States, those who spend up to 20 percent of their time working remotely are the most engaged of all workers surveyed. This finding suggests that these engaged workers are able to balance collaboration and interaction with colleagues at the office and are working remotely to achieve the privacy they need for some of their individual work. And yet, many business leaders recognize that sending people home anytime they need privacy isn't efficient and it can threaten versus strengthen innovation by diluting the cultural "glue" that inspires workers and keeps them connected to the organization's goals.

Moreover, a recent Steelcase study of the workplace conducted by the global research firm IPSOS of more than 10,500 workers in Europe, North America and Asia confirms that insufficient privacy in the workplace is an issue throughout the world. The survey results show that being able to concentrate, work in teams without being interrupted or choose where to work based on the task are frequently unmet needs.

Yet the 11 percent of workers who had more privacy and were more satisfied with their workplace overall were also the most engaged. Conversely, employees highly dissatisfied with their work environment were the least engaged. This study confirms observations by Steelcase researchers: The workplace has a very real impact on employee engagement.

#### WORKPLACE SATISFACTION BOLSTERS EMPLOYEE ENGAGEMENT

A Steelcase survey conducted by the global research firm IPSOS shows a strong correlation between employees' satisfaction with their work environment and their level of engagement.

Only 11 percent of respondents were highly satisfied with their work environment; they were also the most highly engaged. These respondents agree their workplace allows them to:

| 98% | concentrate easily                                          |
|-----|-------------------------------------------------------------|
| 97% | freely express and share ideas                              |
| 95% | work in teams without being interrupted                     |
| 88% | choose where to work within the office, based on their task |
| 95% | feel relaxed, calm                                          |
| 97% | feel a sense of belonging to their company and its culture  |

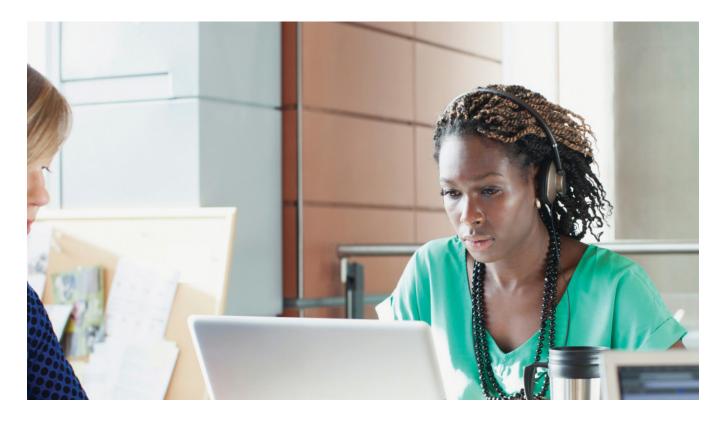
#### COST OF DISENGAGEMENT

| USA            | \$450 – 550B |
|----------------|--------------|
| Germany        | €112 – 138B  |
| Australia      | \$54.8B      |
| United Kingdom | £52 – 70B    |

2013 State of the Global Workplace Report, Gallup

#### AN EPIDEMIC OF OVERWHELM

One condition that impacts workplace satisfaction and thus engagement is when employees have no choice but to work in environments that are saturated with stimuli. According to Susan Cain, author of the bestseller, "Quiet: The Power of Introverts in a World that Can't Stop Talking," many people perform best without others around them constantly. Despite this, she contends, teamwork is often elevated above all else. The result can be a psychological phenomenon that has been coined as "groupthink"—people's natural inclination to succumb to peer pressure and go along with others rather than to risk being isolated by contributing a differing point of view.



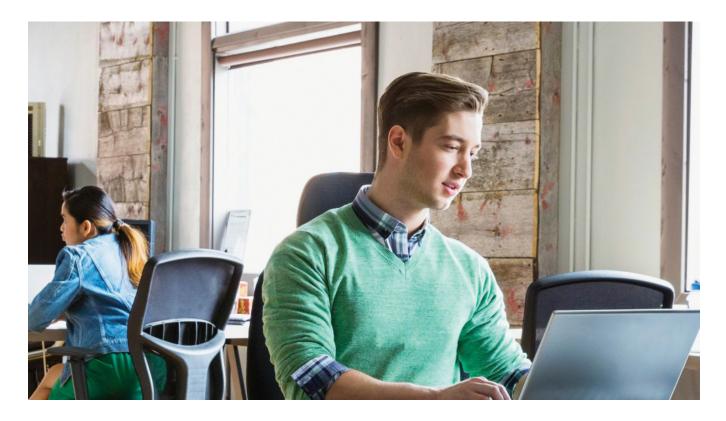
The way forward, according to Cain, is "not to stop collaborating face-to-face, but to refine the way we do it." Instead of providing only open-plan work settings, Cain urges organizations to "create settings in which people are free to circulate in a shifting kaleidoscope of interactions," and then be able to disappear into private spaces when they want to focus or simply be alone.



David Rock, a performance management consultant and author of "Your Brain at Work," points to the latest findings from neuroscience. Most workers, he says, are suffering from "an epidemic of overwhelm" due to huge increases in the amount of information we're expected to deal with every day and a significant increase in the distractions that come our way. Science has shown that the human prefrontal cortex, where most knowledge work processes take place, is small, energy-hungry and very easily distracted, Rock notes. Many researchers' work has proven that any belief that people can successfully multitask is essentially wishful thinking. Humans can give controlled, full attention to just one thing at a time. When we try to pay attention actively to any two memory-dependent tasks at once, we're easily distracted and end up doing neither one well. Given this reality, achieving peak performance in today's work environments has become much more challenging than it was even just a few years ago.

"As we got better at sharing information and building software and techniques and tools for collaborating, we're leveraging the fact that information travels literally at the speed of light... And so with all this efficiency of information flow and of communication, we're hitting up against the final bottleneck, which is our ability to pay attention and make decisions. In the average morning download of emails, many people have to process in a half hour what your brain probably needs a day or two to process at the right kind of pace... We're definitely stretching our capacities in some challenging ways," says Rock.

Find out more about this subject in the article <u>Q+A with David Rock</u>.



Office workers are interrupted as often as every three minutes by digital and human distractions. These breaches in attention carry a destructive ripple effect because, once a distraction occurs, it can take as much as 23 minutes for the mind to return to the task at hand, according to recent research done at the University of California.

The problem, Rock explains, is that the network in the brain that controls impulses —known as the brain's braking system is easily tired. This means that once we're distracted by something, it's harder to stop ourselves from being distracted by something else. He makes the comparison of using your foot as a brake on a motorcycle. "Your foot is very effective until you start to move. It's a little bit like that with distractions. Before you're distracted, you can stop yourself from being distracted. But once you start being distracted, once you start moving, your brakes don't work very well."

#### THE CONSEQUENCES OF DISTRACTION

- 11 mins for interrumptions. When we try to work on a project, we get interrupted every 11 minutes (on average).
- 23 mins to return to FLOW. When we get interrupted, it takes us up to 23 minutes to get back into FLOW —the state where we're deeply engaged.
- **5 IQ points for multi-tasking.** When women are multitasking cognitive capability is reduced by the equivalent of 5 IQ points.
- **15 IQ points for multi-tasking.** When men are multitasking cognitive capability is reduced by the equivalent of 15 IQ points.

Researchers' work has proven that any belief that people can successfully multitask is essentially wishful thinking. Humans can give controlled, full attention to just one thing at a time. When we try to pay attention to any two memory-dependent tasks at once, we're easily distracted and end up doing neither one well.

### OVEREXPOSED?

Spatial perceptions have played an important role in the survival of the human race, and significant implications from our evolutionary past remain rooted in our psyches today.



"We prefer landscapes that give us a clear view of what's happening around us —open places that offer a broad vantage as part of a group — as well as ready refuge places where we can hide if needed," explains Meike Toepfer Taylor, a Coalesse design researcher. In other words, while the watering holes and caves of our ancestors have been replaced by gathering places and private enclaves in our offices today, people's needs for both types of settings are basic and instinctive.



#### Donna Flynn, director of Steelcase's WorkSpace Futures

An anthropologist by training. Donna Flynn leads the 19 member global Steelcase WorkSpace Futures group, a research team that innovates around insights into how people work, especially the intersection of spaces, people and information. Work is influenced by constantly changing trends, she says, but human nature evolves much more slowly. That's why, especially now, when trends such as technology and mobility are dramatically affecting how we work, solving for people's basic needs is crucial

"External distractions —things like sound or what we see— can be controlled in the environment, but it's really up to each individual to figure out how to control internal distractions. A big insight from our research was that the way each person controls distractions is very different."

DONNA FLYNN DIRECTOR OF STEELCASE'S WORKSPACE FUTURES For many companies, it now appears that there is too much emphasis on open spaces and not enough on enclosed, private spaces.

"A lot of businesses are now struggling with the balance of private and open spaces," says Flynn. "There's mounting evidence that the lack of privacy is causing people to feel overexposed in today's workplaces and is threatening people's engagement and their cognitive, emotional and even physical wellbeing. Companies are asking questions like, 'Have we gone too far toward open plan... or not done it right? What's the formula? What kind of a workplace should we be creating?

As a human issue and a business issue, the need for more privacy demands new thinking about effective workplace design, says Flynn.

A lack of privacy in the workplace is taking its toll on employee engagement and becoming a crisis for many organizations.

Learn how to Reinvent What Privacy Means.

## Introducing New Research on Engagement + the Global Workplace

1/3 of workers in 17 of the world's most important economies is disengaged, according to new research from Steelcase. Working with global research firm Ipos, the Steelcase Global Report is the first to explore the relationship between engagement and the workplace.

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