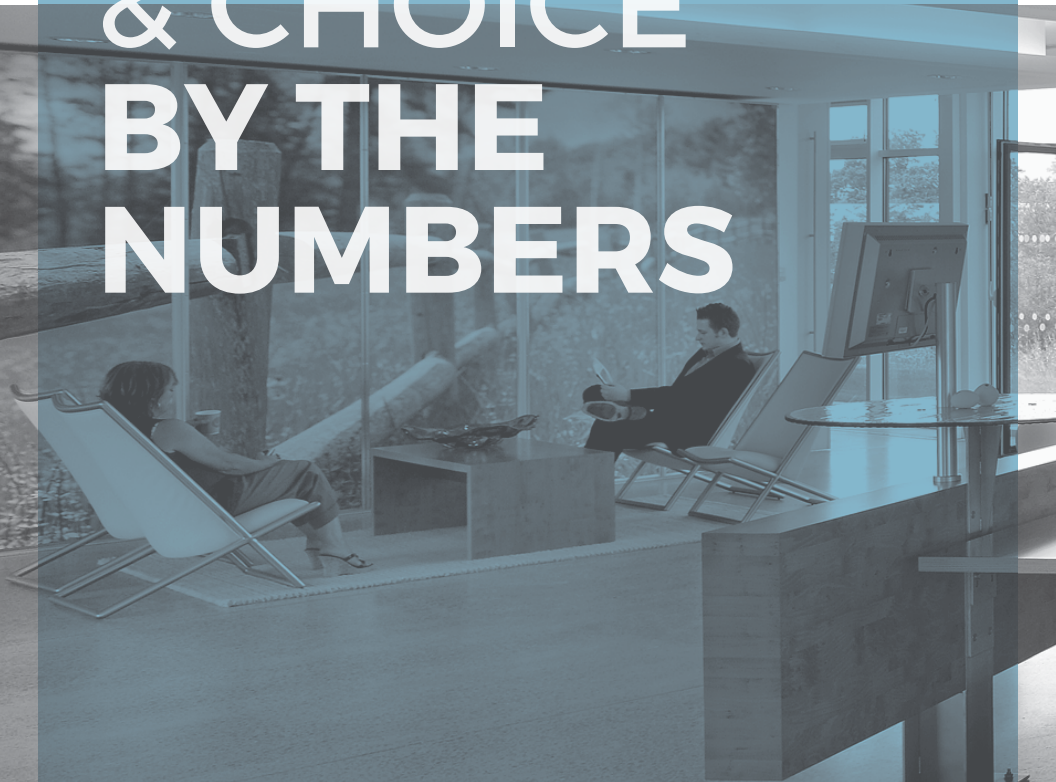


WORKPLACE FLEXIBILITY & CHOICE BY THE NUMBERS



**Continental
Office**

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Workplace Flexibility and Choice
By the Numbers

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KEY STATS

TOP 4 THINGS ASSOCIATES WANT:



The Right Technology



Better Communication



A Healthy Workplace



Flexible Settings And Spaces

WHAT'S IMPORTANT TO TODAY'S WORKFORCE?

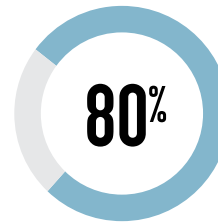
- 88% value options that provide privacy
- 87% want flexible settings like workshops, meeting rooms, private spaces, social areas and more.
- 85% want settings that allow for collaboration and working together
- 82% see the need for an engaging workspace
- 80% want their space to communicate company culture and a sense of belonging
- 71% desire settings that provide fluidity so they have a choice in where they sit

ATTRIBUTE	ALL	C-LEVEL	MANAGER	ASSOC.
Engaging Space	82%	90%	80%	73%
Collaboration	85%	90%	87%	75%
Privacy	88%	93%	87%	85%
Culture	80%	86%	76%	78%
Different Spaces	71%	55%	70%	76%

THE BIGGEST CHALLENGES TO THE ADOPTION OF CHOICE AND FLEXIBILITY IN THE WORKSPACE:

1. Communication breakdown between associates and the facilities and project managers who actually plan the space.
2. Different perceptions of the importance of choice in where people sit between associate and more senior management levels.
3. Lack of understanding of how impactful the physical environment is to attracting and retaining talent.

IMPROVE THE ASSOCIATE EXPERIENCE



When asked how much the physical environment impacts their overall happiness, on average people said it ranked an 8 out of 10, with 10 being the most impactful.

THE BOTTOM LINE



Not having the right workplace design can be very costly in terms of talent and dollars. Nearly ¼ of today's workforce say the physical environment affects their decision to stay or leave an organization.

A person is working on a laptop, with their hands visible on the keyboard. The laptop screen displays a dashboard with various charts and graphs. The entire image is overlaid with a semi-transparent blue filter. The text "EXECUTIVE SUMMARY" is written in large, white, bold, sans-serif capital letters across the center of the image.

EXECUTIVE SUMMARY

With lower unemployment rates across the US, the race for talent is getting increasingly competitive. In fact, the **Bureau of Labor Statistics** predicts the unemployment rate will continue to decline to 4-5% by 2020. They're predicting healthcare will grow the fastest (5.7 million jobs) closely followed by professional and technical occupations (2.1 million jobs).

New jobs combined with less people looking for jobs is only going to make it more difficult to find and keep talent. People and Real Estate are a businesses most expensive investments. It's more critical than ever that we're investing in both in the right way.

More and more research and our own observations suggest there's a powerful correlation between innovative workplace design and the overall employee experience. In fact, we've found there are really only three resources available

to attract people and keep them there:

1. Role/Job Description

2. Compensation

3. Workplace Design and Culture.

In reality, most companies tend to only rely on the role/job description and the compensation. However, some organizations are beginning to realize the importance of workplace design and just how that can impact their bottom line both in terms of revenue and keeping great talent.

The following study, which was conducted in the spring of 2018, sheds light on what associates in today's tough talent market want. It explores how the physical space impacts their decision to stay or leave their organizations as well as how it affects their overall happiness and experience.

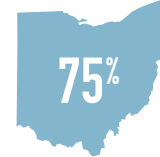
THE FOLLOWING KEY FINDINGS ARE BASED ON AN ONLINE QUALITATIVE SURVEY

We surveyed 262 respondents currently employed in the workforce primarily in the Midwest with nearly $\frac{3}{4}$ being from Ohio and $\frac{1}{4}$ from Pennsylvania. Six percent of our respondents were outside of these two states.

Architects and Designers (A&D) and Facilities Managers and Project Managers made up the two largest groups of respondents at 27% and 24% respectively. 10% of respondents described themselves as CEO or C-Level, 40% as Directors or Managers and 30% as Associates.

Approximately 43% of respondents are employed at a company with 250+ employees and 37% work at an organization with 25-249 employees.

Ohio



Pennsylvania



27%
architects
designers



24%
project
managers



10%
CEO or
C-level



40%
directors or
managers



30%
associates

STUDY FINDINGS ARE ORGANIZED AROUND THE FOLLOWING FOUR THEMES.

1. THE TALENT RACE

How workplace design affects attraction and retention

2. A NEW ERA

How today's workforce thinks differently about flexibility

3. A CHAIR DOESN'T HAVE TO BE PERMANENT

The importance of choice and fluid movement

4. AN EXPERT OPINION

How the A&D community thinks about choice and flexibility in workplace design

CHOICE & FLEXIBILITY RESEARCH : KEY FINDINGS

ONE

Today's workforce is vastly different than it was 10 years ago. For instance, workplace design provides a competitive edge for employers when it comes to attracting and retaining talent as well as overall employee happiness.

Using the workspace as a tool for employee attraction and retention is a viable strategy that all industries should consider employing. In fact, 67% of our respondents stated the physical environment impacts their decision to accept or decline a new job.

Why does workplace design mean so much today? In short, it's a new era. What motivates people to do good work and stay has changed.

The physical environment, from the furniture, floors, branding and even the technology in our walls, impacts attraction and retention efforts. With 55%

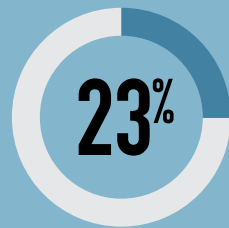
of Managers and Associates actively looking for a different job or watching for opportunities (Gallup), workplace environments and overall culture has become increasingly crucial for organizational success. Across all organizational levels, we're seeing a desire for spaces that promote better engagement and collaboration. Additionally, 8 out of 10 respondents

ACROSS THE BOARD FROM THE ASSOCIATE LEVEL TO THE C-LEVEL, RESPONDENTS EQUATED THEIR PHYSICAL SPACE WITH HAPPINESS ON THE JOB.

stated a space that communicates company culture and a sense of belonging is very important.

Interestingly enough, when asked how much the physical space affects their overall happiness at work, on average respondents ranked it 8 on a scale of 1 to 10 with 1 being the least important and 10 being the most important. Across the board from the Associate level to the C-Level, respondents equated their physical space with happiness on the job.

However, we found Managers and Associates are more likely to stay or leave an organization because of the physical space than C-Level or Sr. Executives. 23% of Managers and 22% of Associates stated the physical workplace affects their decision to stay or leave as compared to only 10% of C-Level and 11% of



Nearly 1/4 associates and managers say the physical workspace affects their decision to stay with or leave an organization.

Sr. Executives. That's significant because if nearly one fourth of your workforce is swayed by your workplace design, you stand to lose a lot financially if it's not done right.

IF NEARLY A QUARTER OF YOUR EMPLOYEES ARE PREPARED TO LEAVE BECAUSE THEY DISLIKE YOUR WORKSPACE, IT COULD BE QUITE COSTLY BOTH IN TERMS OF DOLLARS AND PRODUCTIVITY.

The Society for Human Resource Management (SHRM) reports on average it costs a company 6 to 9 months of an employee's salary to replace him or her.

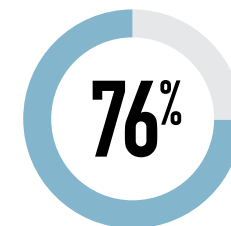
talent need to invest in their workplace design. 76% of C-Level respondents said the physical space affects their decision to accept a job offer. 71% of Associates agreed

ORGANIZATIONS LOOKING TO ATTRACT TOP C-LEVEL TALENT NEED TO INVEST IN THEIR WORKPLACE DESIGN. 76% OF C-LEVEL RESPONDENTS SAID THE PHYSICAL SPACE AFFECTS THEIR DECISION TO ACCEPT A JOB OFFER.

For instance, to replace an employee with an annual salary of \$60,000, it would cost \$30,000 - \$45,000 in recruiting and training costs. If nearly a quarter of your employees are prepared to leave because they dislike your workspace, it could be quite costly both in terms of dollars and productivity.

While the C-Level may not be as swayed to leave an organization because of the workplace design, it doesn't mean you'll be able to attract them easily. Organizations looking to attract top C-Level

as did more than 50% of Managers and Sr. Executives.



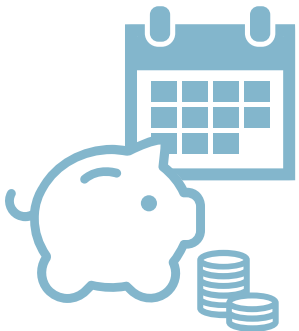
76% of C-Level respondents said the physical space affects their decision to accept a job offer.

Better communication with facilities planners and project managers may be the key to improving workplace design. Interestingly enough, we found a bit of a disconnect between what associates want and how the people who actually manage and plan the facility think about space. While 24% of respondents identified themselves as facilities planners or project managers, they consistently rated the physical workspace as less of a factor when it comes to overall happiness, talent attraction, and

employee retention. In terms of overall happiness, the group rated it a 7 as compared to an 8 - the overall average. Also, only 19% said the physical workspace has affected their decision to stay at or leave an organization as compared to an average of 21% for all respondents.

Lastly, only 50% of facilities planners and project managers stated the physical workspace has impacted their decision to accept or decline a new job, as compared to 67% of the total.

BETTER COMMUNICATION WITH FACILITIES PLANNERS AND PROJECT MANAGERS MAY BE THE KEY TO IMPROVING WORKPLACE DESIGN.



The Society for Human Resource Management (SHRM) reports on average it costs a company 6 to 9 months of an employee's salary to replace him or her. For instance, to replace an employee with an annual salary of \$60,000, it would cost \$30,000 - \$45,000 in recruiting and training costs.

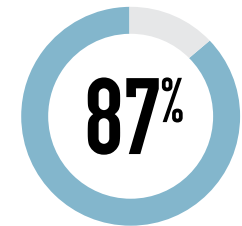
TWO

An ever-changing workforce wants flexible spaces that allow them to perform the work they need in a setting that works best. Flexibility ranked in the top 4 valued workspace attributes in our study, and was found to positively impact the associate experience, engagement, and productivity.

We're all facing a new challenge in today's workplaces: how to create a workplace experience that meets the needs of today's employees. Our research found some unexpected results and some that reinforce modern beliefs about workplace attributes. Not surprisingly providing the right workplace technology is important to 98% of people, with nearly 3/4 of respondents deeming it very important. That was closely followed in importance by communication in the workplace and having a healthy workplace. However, what may be surprising to many is the next most important attribute is having flexibility in the workspace. A whopping 87% of respondents

said having workspace flexibility is very important or important. Less than 1% found it not at all important.

Flexibility was defined as having multiple settings like private spaces, common areas, and collaborative areas among others. People consistently stated they



87% of today's workers said having workspace flexibility is very important or very important.

needed flexible settings and options to perform the work they needed to do. Moreover, this sentiment was expressed across all levels from Associates and Managers all the way up to the C-Suite.

providing different settings for people and humanizing the workplace directly impacts productivity. The white paper confirms the importance of purposeful variety to employee satisfaction and productivity.

HOW DIFFERENT LEVELS PERCEIVE SPACE ATTRIBUTES.

ATTRIBUTE	ALL	C-LEVEL	MANAGER	ASSOC.
Ergonomic	82%	76%	84%	81%
Technology	97%	97%	99%	96%
Flex Spaces	87%	86%	89%	87%
Healthy	94%	93%	96%	91%
Communication	95%	100%	97%	90%
Choice in Seating	71%	76%	69%	70%

In addition to improving the associate experience, providing choice in workplace settings has proven to increase productivity as well. In 2016, Herman Miller published Measure What Matters, a white paper, which further supports the theory that

It reports 74% of employees in a high-choice environment said that their workplace helped them work productively, compared to only 30% of those working in low-choice environments.



Providing a flexible work environment may be one of the easiest solutions you can implement to start achieving better engagement, productivity, and improving your employee experience. A recent survey conducted by Gallup found only 21% of employees strongly agree their performance is managed in a way that motivates them to do outstanding work. What's also concerning is only 33% of employees report being engaged at work, and just 41% of employees strongly agree that their job description aligns well with the work they are asked to do.

All of these factors can cause a demotivated and unengaged workforce. It's clear there's a communication breakdown that needs to be addressed, but simply providing flexibility and choice in the workplace is a large step in the right direction to an overall better experience.

TODAY'S WORKFORCE

21% 
motivated to do
outstanding work.

33% 
feel engaged in
the workplace

41% 
well aligned job
description

Associates have a desire and need to get up and fluidly move throughout the workplace during their day. And, people want a choice in where they sit.

The fact is, 71% of respondents stated choice in where you sit and move throughout the day is very important or important with an additional 21% reporting it's somewhat important. Less than 2% found it not important at all.

Perhaps indicative of a changing workforce, we see the Associate and Management levels value having choice in where they sit throughout the day as more important than senior levels perceive it. In fact, 76% of Associates and 70% of Managers state the need for choice in where you sit to perform different functions daily is very important or important. In stark contrast, only 55% of C-Level respondents agreed. This suggests the need to present a solid business case to Senior Management as to why associates need the ability

to choose where they sit and move throughout the day. One reason is, in reality, our bodies are made to move.

PERHAPS INDICATIVE OF A CHANGING WORKFORCE, WE SEE THE ASSOCIATE AND MANAGEMENT LEVELS VALUE HAVING CHOICE IN WHERE YOU SIT THROUGHOUT THE DAY AS MORE IMPORTANT THAN SENIOR LEVELS PERCEIVE IT.

Standing and moving are biological functions that help us stay healthy. Unfortunately, for many, workplaces don't always provide options to move throughout the day and give choices in where we sit. In developed countries, people sit on average 3 to 8 hours a day. Sitting for prolonged periods of time has also been shown to cause

injury, heart disease and fatigue. So, there's a health factor, and we've already seen that 94% of respondents want a healthy workplace. Allowing associates to walk freely and determine where they sit is one way to combat a sedentary, unhealthy environment. Another solution is with sit-to-stand and ergonomic furniture options. All of these will help to get organizations on a path to a healthier workplace. Most importantly, it's desired by the majority of your associates. 82% of our respondents reported ergonomic furniture options as very important or important. It's clear today's workers want choices in where they sit, a healthier workplace and more ergonomic furniture.

A second reason we should provide choices in where we sit is, people tend to work better when given choice as to where and how they are going to do the work they need to perform at that time. Many organizations today

even go so far as having unassigned seats. These "floaters" generally have a locker, in which to keep their personal items, but move around the space during the day where they can perform tasks as needed in the spaces that work the best for them. At Continental Office, we began implementing both unassigned seating and choice in office location about a year ago and have found increased communication, collaboration, and an overall better associate experience.

Not all associates are unassigned, but for those for whom it makes sense, we've seen a positive experience. All associates feel they have more choice and it imparts a sense of trust as well, because whether they have an assigned work station or not, all are free to work at the coffee bar, a workshop, or even in a private room at any given time.



FOUR

Architects and Designers want choice and flexibility in the workspace. These experts in building, space planning and design, weighed in and placed a high emphasis on collaborative spaces, ergonomics, communicating culture, and having different spaces to work throughout the day.

We surveyed 70 respondents from the Architect and Design filed. 11% were C-Level, 28% were Managers, and 41% were at the Associate level. Given their expertise in workplace design, we wanted to break down their responses and see what's most important to them.

Ergonomics was definitely at the top of that list. 91% of them said ergonomics were very important or important. This is compared to 72% as reported by all other respondents. A&D may know a little something about the importance of ergonomics as compared to the general workforce,

because of their industry knowledge. It's likely valued higher because the A&D community understands its impact not only on health, but the overall experience. They actually value it 19% more than the general workforce.

Another disparity between A&D and non-A&D respondents was the understanding of providing

89% OF BOTH A&D AND NON-A&D RESPONDENTS SAID WORKPLACE FLEXIBILITY WAS EITHER IMPORTANT OR VERY IMPORTANT. SO AGAIN, WE'RE SEEING THAT THE NEED FOR FLEXIBILITY REALLY DOES MATTER AND IS BECOMING MORE WIDELY UNDERSTOOD.

choice in where people sit so they can work in different

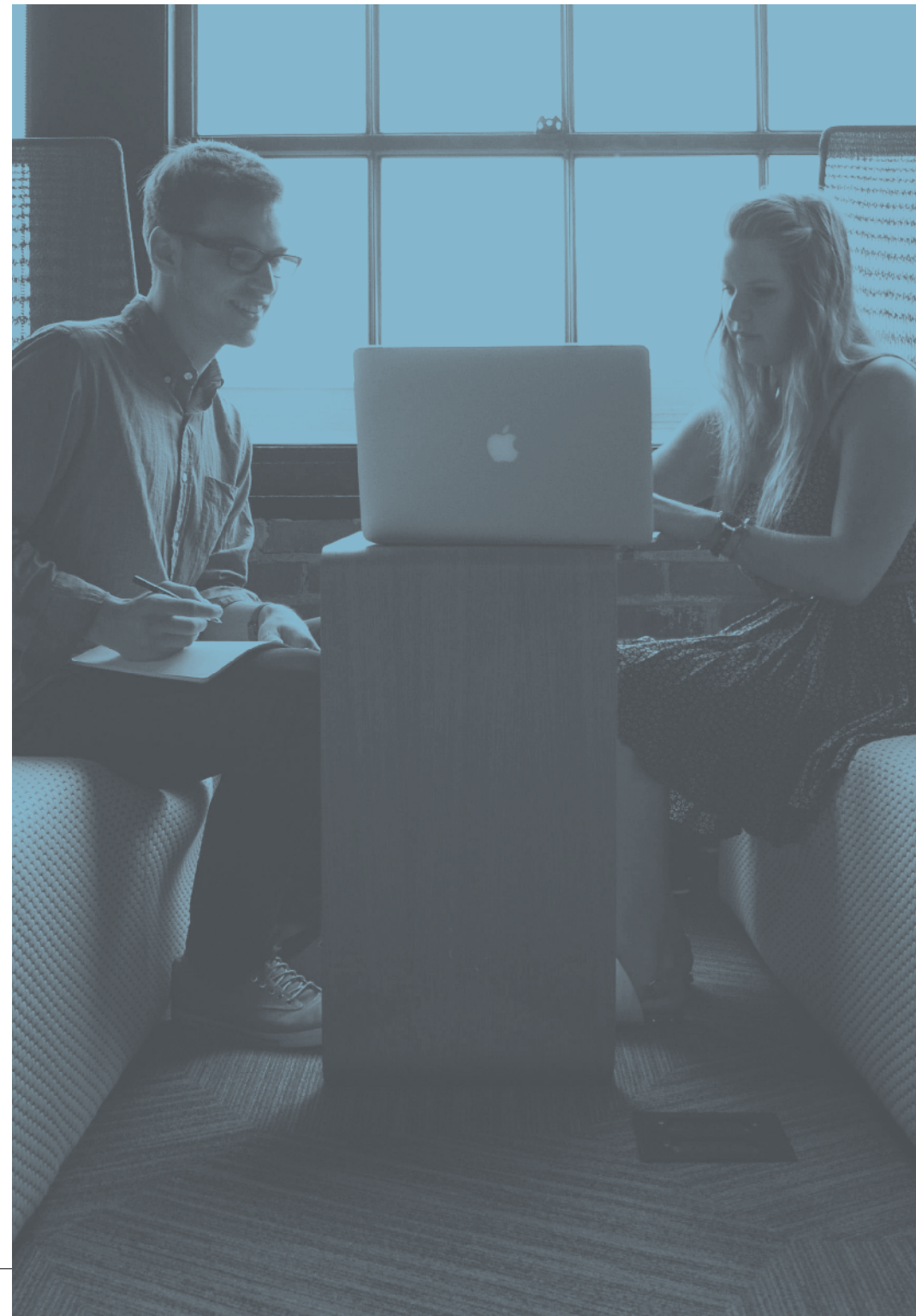
areas throughout the day. Nearly 60% of architects and designers prefer to work in different areas throughout the day. That's 20% more than the general workforce.

What did align with the non-A&D responses was workplace flexibility meaning providing a variety of settings and spaces like private rooms, collaborative rooms, social rooms and more. 89%

of both A&D and non-A&D respondents said workplace flexibility was either important or very important. So again, we're seeing that flexibility really does matter and is becoming more widely understood.

Architects and designers also put a higher value on culture and collaboration than non-A&D respondents.

ATTRIBUTE	A&D	ALL OTHERS
Engaging Space	87%	83%
Collaboration	90%	83%
Privacy	84%	89%
Culture	86%	78%



A person is working on a laptop, with their hands visible on the keyboard. The laptop screen displays a data dashboard with various charts and graphs. The entire image is overlaid with a semi-transparent blue filter. Large, white, bold text is superimposed on the left side of the image.

WHAT'S NEXT?



RETHINKING TODAY'S WORKSPACE

It doesn't look like the hunt for great talent and an engaged workforce is going to slow down anytime soon. This is prompting organizations to find new, creative ways to attract and keep associates. While there are many ideas about this, one of the most visible solutions is to consider how we design our spaces. It's something every candidate and current employee interacts with on a daily basis. It touches our lives every day. It's become more than a space. It's an extension of our culture, beliefs and how we treat each other.

The fact is, workplace design is experiencing an unprecedented set of expectations by a majority of

today's workforce. We expect flexibility and choice. If we don't get it, it's highly likely that we'll begin searching for and ultimately finding an organization who will offer it.

While design and construction are continuously evolving, creating flexible settings that give associates choices in where they work, how they work, and support movement throughout the day can be worked into any design.

For managers and leaders, this trend presents new challenges and great opportunities. Now is the time to rethink how we shape the associate experience both for existing associates and potential new associates.

- > HOW CAN WE INCORPORATE FLEXIBILITY INTO OUR EXISTING SPACES AND PLAN FOR IT IN FUTURE NEW BUILDS?
- > HOW CAN WE SUPPORT THE WORK WE NEED TO DO WHILE ALLOWING PEOPLE TO UNPLUG AND PLUG INTO DIFFERENT AREAS THROUGHOUT THE DAY?
- > WHAT CULTURAL ELEMENTS ARE WE SUPPORTING WITH OUR DESIGN? DO PEOPLE UNDERSTAND WHO WE ARE AND HOW WE TREAT OUR ASSOCIATE EXPERIENCE?
- > HOW CAN WE ADAPT TO MEET THE NEEDS OF ASSOCIATES WHO MAY BE RESISTANT TO CHANGE WHILE ACCOMMODATING THOSE DEMANDING MORE FLEXIBILITY?
- > HOW DO WE CONNECT PEOPLE AND MAKE OUR SPACES MORE HUMAN WHILE INCREASING AND STAYING ON TOP OF THE NEED FOR TECHNOLOGY?
- > HOW TO WE BETTER ENCOURAGE DIALOGUE BETWEEN THOSE PLANNING OUR SPACES AND THE MAJORITY OF THOSE WHO WORK IN THEM?

These are just a few of the questions today's leaders are asking. By leveraging fresh thinking and encouraging dialogue amongst ourselves, we'll continue to find new answers and ways of thinking that influence our workplace design now and

for generations to come. Now is the time to start the conversations. Successful organizations can't afford (figuratively and literally) to ignore workplace design if they expect to provide a good experience and recruit great talent.



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