Gensler

U.S. WORKPLACE SURVEY 2020

A PUBLICATION OF THE GENSLER RESEARCH INSTITUTE

Workplace effectiveness has declined.

People in unassigned seating are struggling the most.

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The Collective, Seattle, Washington

Unassigned seating and other paradigm shifts are putting stress on the workplace.

After more than 15 years of researching the connection between workplace design and employee and business performance, the positive impact of providing people with an optimal work environment is well proven. What makes a work environment optimal, however, is far from static.

Increasingly mobile and collaborative work, experiments with unassigned seating and other forms of mobility, globalization, and an always-on culture are changing the nature of work and the workplace. Evidence suggests that some of these changes are for the better, while others are for the worse.

With real estate costs on the rise, companies require flexibility to accommodate rapid growth and fluctuating head counts. In this volatile economy, workplaces are being asked to do more than ever before—often within a shrinking footprint.

All this has resulted in rapid change and experimentation in the workplace—and it's taking its toll on workers. In this period of flux, we need to pause and evaluate change, asking, "Are the shifts transforming the workplace really delivering value?"

One trend in particular shows signs of stress: an increasing portion of the workforce is being asked to work without dedicated seating. This may seem like the logical next step as work becomes more distributed and dynamic, but its implementation warrants further consideration.

In line with the ongoing debate about open environments, the right solutions for unassigned seating areas must consider the worker's need for private spaces and a sense of ownership, with attention to specific concerns such as cleanliness, noise, ergonomics, and technology.

The workplace is more complex than ever before. Organizations are leveraging mobility to improve flexibility, real-time change, and efficiency.

The extended economic expansion in the U.S. has propelled office rents to record highs; and as the population continues its shift toward cities, downtown rents have shown particularly high growth. Uncertainty means that despite continued growth, employers are positioning for headwinds. With a renewed focus on maximizing their real estate utilization, employers are also delivering a flexible workplace that can easily accommodate rapid changes in head count or team configurations in real time.

The recent coworking craze represents shifts in the way people work as well as the desire for flexibility that comes with uncertainty. The U.S. is at the front of this trend; 20% of the global coworking footprint is here, representing 10% of office inventory in some markets, and our data suggests 1 in 5 U.S. workers uses a coworking space during a typical week. Instances of unassigned seating, and broader mobility both in and out of the office also appear to be on the rise.

3x

increase in unassigned seating by workers at large companies in past 4 years

25%

increase in urban Class A U.S. office rents 2010 to 2019

(Source: CBRE Econometric Advisors)

3.6%

U.S. unemployment rate, the lowest since 1970

(Source: American Time Use Survey as of February 2020)

20%

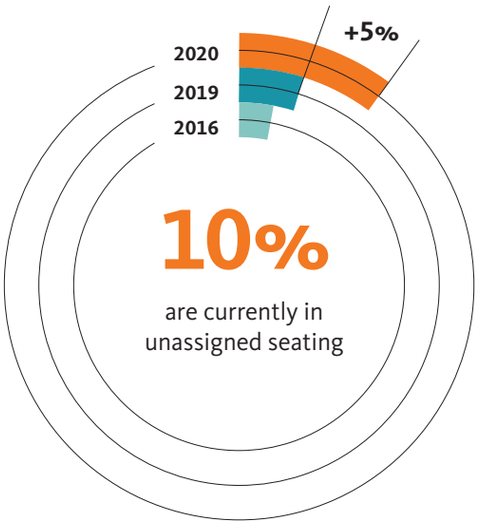
of the global coworking footprint is located in the U.S.

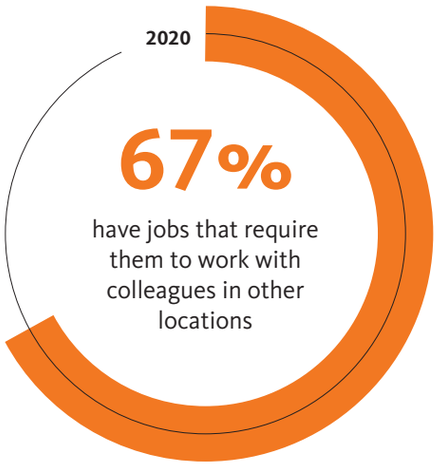
(Source: GCUC—Global Coworking)

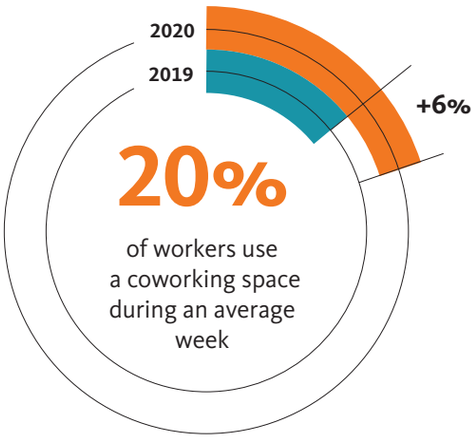
24%

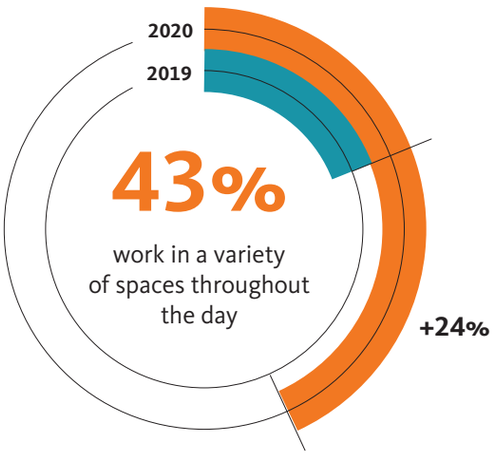
of U.S. workers do some or all of their work at home

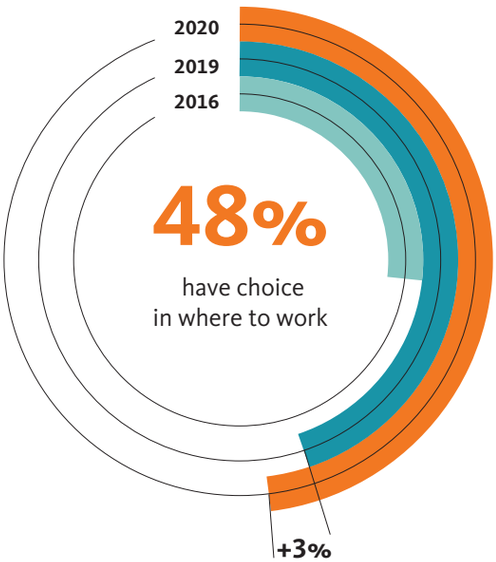
(Source: America Time Use Survey)

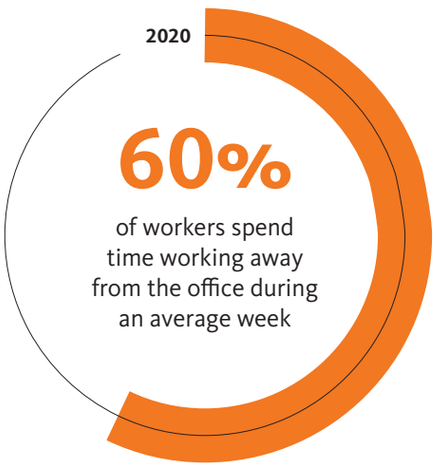












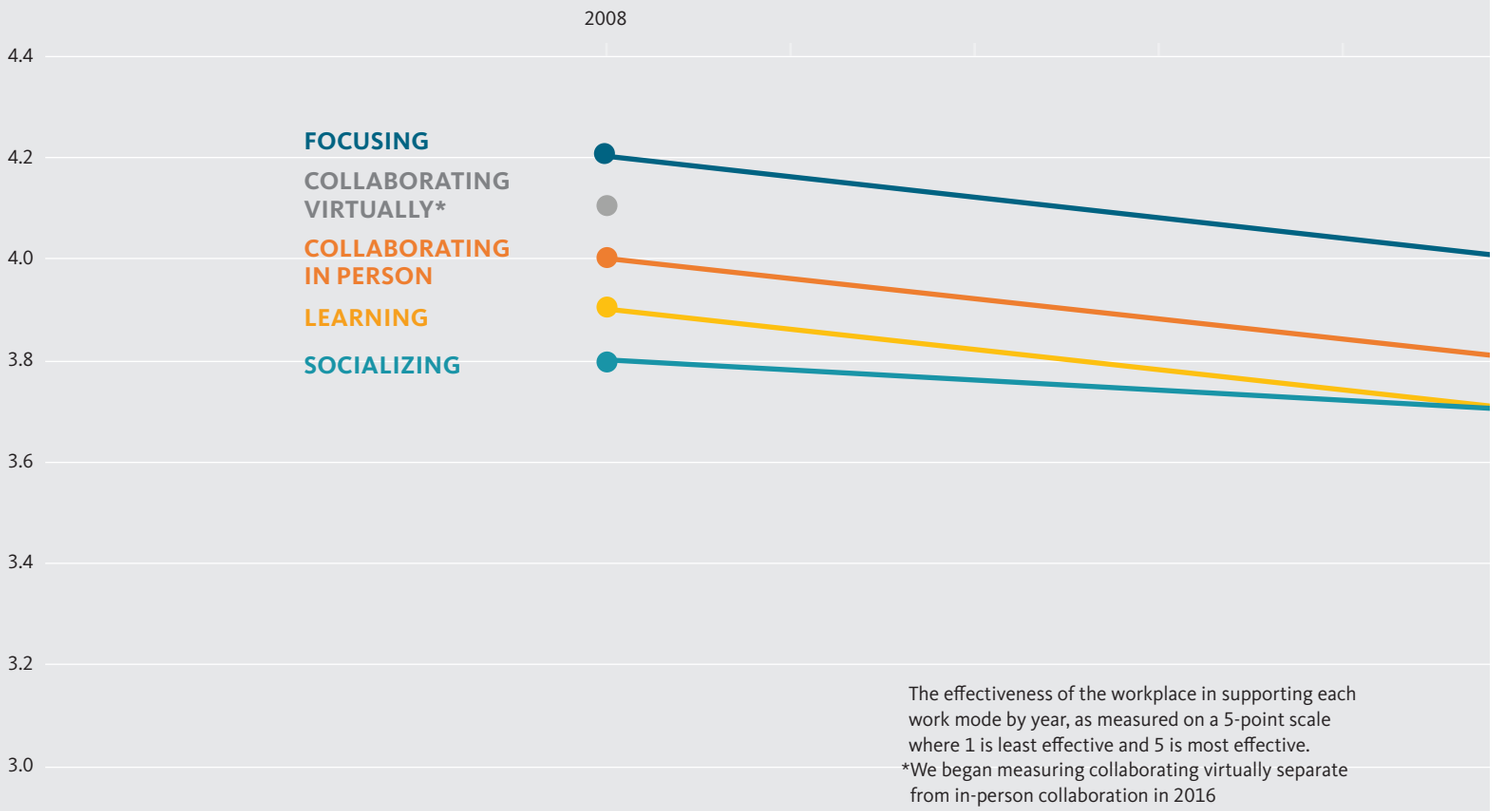
Percent of respondents who exhibit each characteristic.

Workplace effectiveness and experience have declined, a consequence of continued dramatic shifts in the way people work.

The effectiveness of the U.S. workplace is declining across all the work modes Gensler tracks, with 2020 registering the lowest effectiveness numbers we've measured since beginning our Workplace Surveys in 2008.

This comes amid a growth in a wide range of mobility solutions. Our data suggests that many forms of mobility—the ability to work away from the office for part of the week, then work in a variety of spaces in the office—are aligned with greater effectiveness. But overall, the decline in performance suggests that increased mobility in aggregate has not yet improved employee effectiveness or experience.

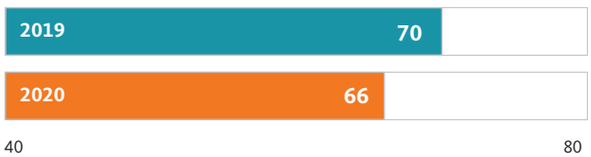
WORK MODE EFFECTIVENESS



The effectiveness of the workplace in supporting each work mode by year, as measured on a 5-point scale where 1 is least effective and 5 is most effective.
*We began measuring collaborating virtually separate from in-person collaboration in 2016

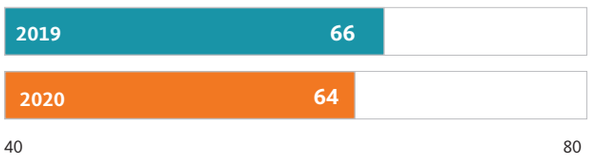
Both workplace effectiveness and experience have declined since our last Workplace Survey.

WORKPLACE EFFECTIVENESS (WPI)

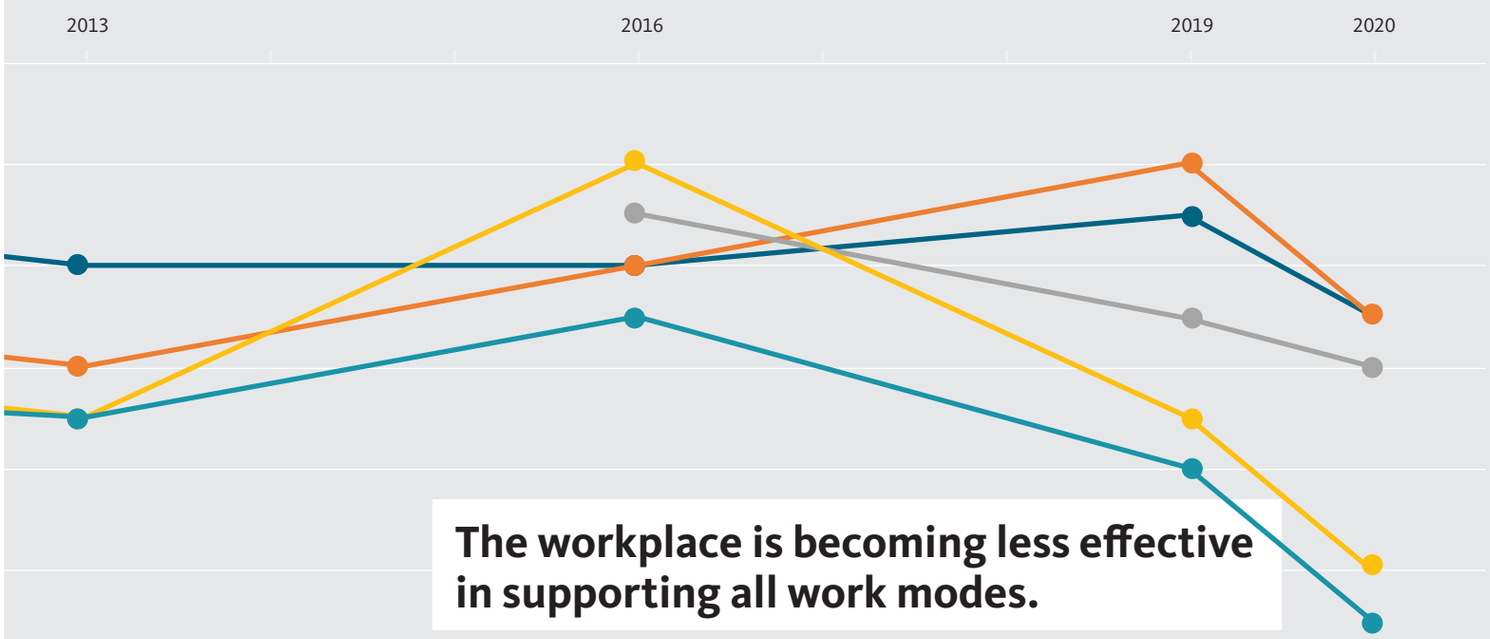


Gensler's Workplace Performance Index (WPI) score is a composite measure of the effectiveness and functionality of the physical workplace based on 30+ individual variables.

WORKPLACE EXPERIENCE (EXI)



Gensler's Experience Index (EXI) score is a composite measure of the overall employee experience, capturing broad cultural, behavioral, and interpersonal factors.



The workplace is becoming less effective in supporting all work modes.

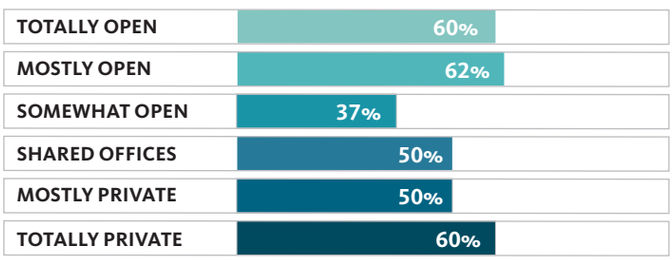
What makes an optimal workplace?

Mostly open environments with on-demand private spaces consistently prove best.

All the various forms of mobility studied in this research continue to play out on the platform of the physical workplace—and the design of that workplace has a significant impact on the performance, experience, and behaviors of workers. In our 2019 report, we identified six "degrees of openness" that bring nuance to the open-office debate—and showed that mostly open environments, those that supplement open seating with on-demand private space, tend to perform best.

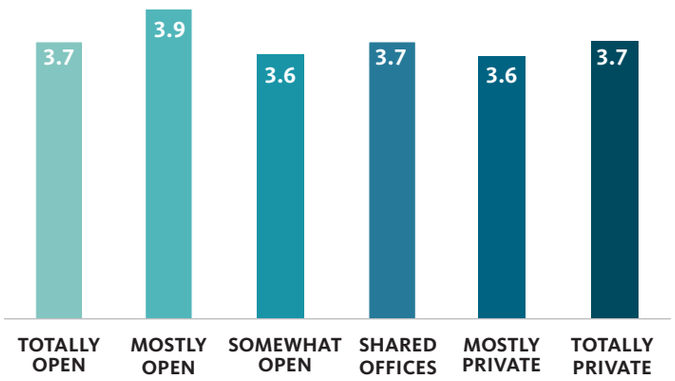
Those relationships hold true in our 2020 data, and also show a link between effective mobility and the mostly open workplace typology. We've asked respondents for the workplace typology where they work—and what their ideal typology might be. Roughly 1 in 7 workers currently sit in a mostly open environment—and when asked about their ideal workplace, they tend to prefer more private environments. However, when our data is segmented to show how each typology performs, mostly open environments support more choice, provide a wide variety of spaces, and are correlated with greater innovation and effectiveness overall.

CHOICE

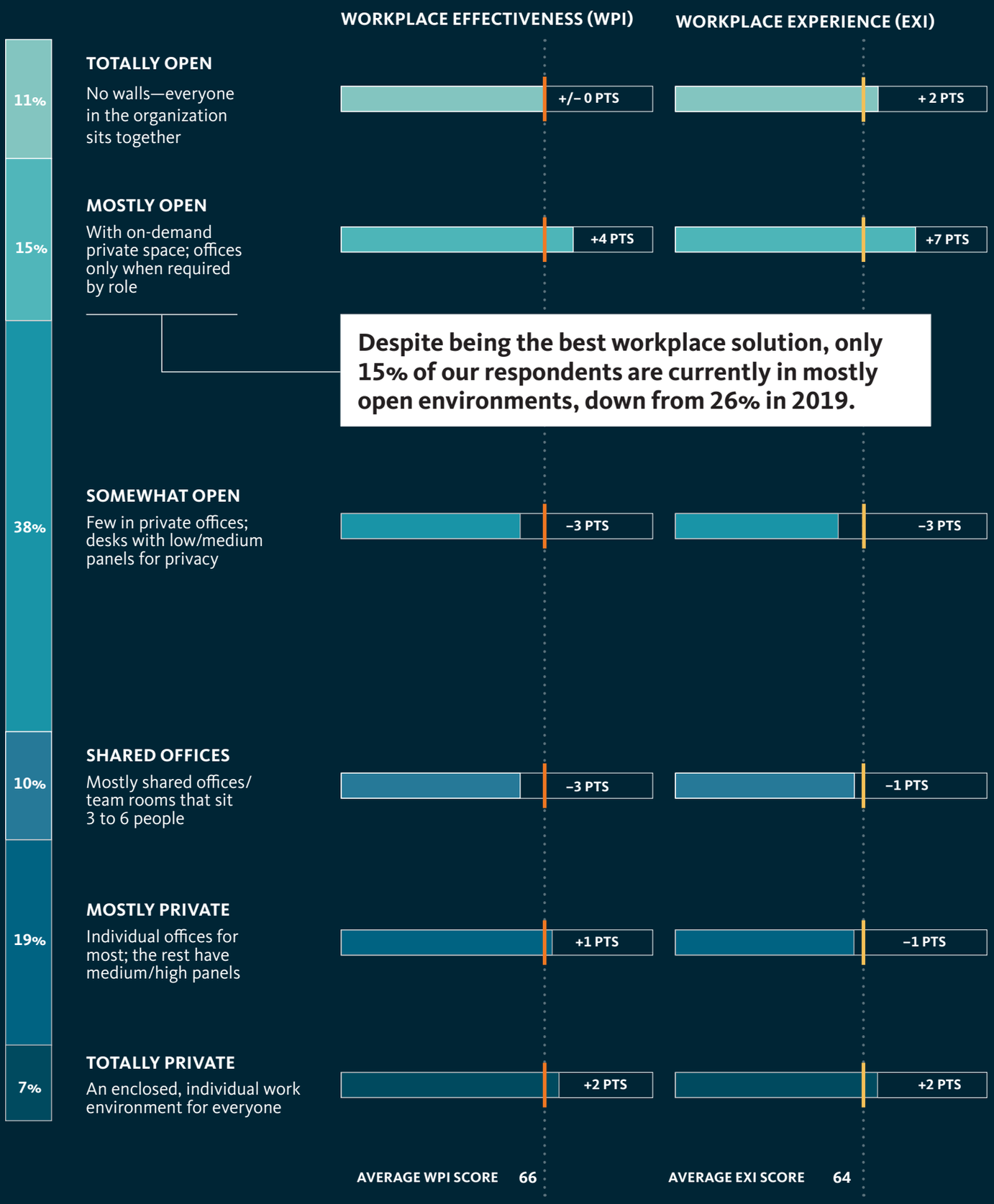


Percent of respondents with choice in where to work, by degree of openness.

INNOVATION



How innovative respondents see their company to be, based on Innovation Index ratings, by degree of openness. All scores are on a 5-point scale.



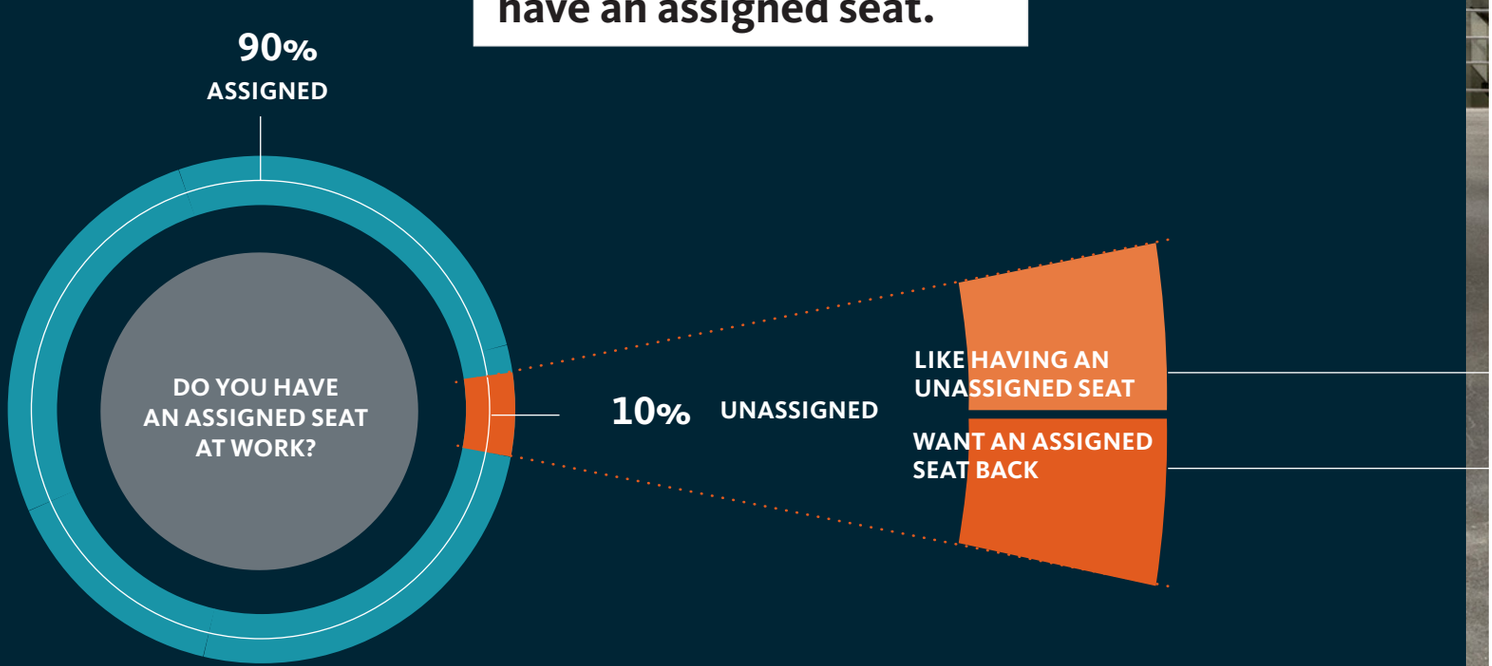
Percent of respondents who currently sit in each type of workplace environment, compared to how each workplace type scores on Gensler's WPI and EXI scores.

Is unassigned seating working?
People without assigned seats are struggling, even those who like it.

Unassigned seating is on the rise—our data shows 10% of the U.S. workforce no longer has an assigned seat at work, doubling from 5% in 2019. While the idea of unassigned seating (also known as "hot desking," "dynamic seating," "hoteling," etc.) isn't new, its recent growth in application is notable. The larger portion of working population in unassigned seating now lets us look more deeply into the qualities of their experience at work, and begin to understand the implications of this trend for workplace effectiveness and experience.

The reviews are mixed: many workers in unassigned seating want their seat back, while many are happy with the scenario. Taken as a whole, our data suggests unassigned seating has a negative impact on performance and experience—a challenge to a dominant narrative centered around the increased choice and freedom that should follow suit. For the people who like unassigned seating, the negative impacts are diminished. Those workers report slightly lower performance, but a slightly better experience than the average worker.

1 in 10 U.S. workers don't have an assigned seat.



The chart above shows 90% of workers have assigned seats and 10% have unassigned seating. Of that 10%, 50% like having an unassigned seat, and 50% want their seat back. Note that these percentages are among workers who have an assigned company location, excluding 5% of our sample who do not have an assigned company location.These percentages are among workers who currently sit in unassigned seating, representing whether they prefer that scenario or would rather have an assigned seat.

Gusto, San Francisco

WORKPLACE EFFECTIVENESS (WPI)

50%

LIKE HAVING AN UNASSIGNED SEAT 64

50%

WANT AN ASSIGNED SEAT BACK 56

ASSIGNED 66

AVERAGE WPI SCORE 66

WORKPLACE EXPERIENCE (EXI)

LIKE HAVING AN UNASSIGNED SEAT 65

WANT AN ASSIGNED SEAT BACK 58

ASSIGNED 64

AVERAGE EXI SCORE 64

How do you fix unassigned seating?

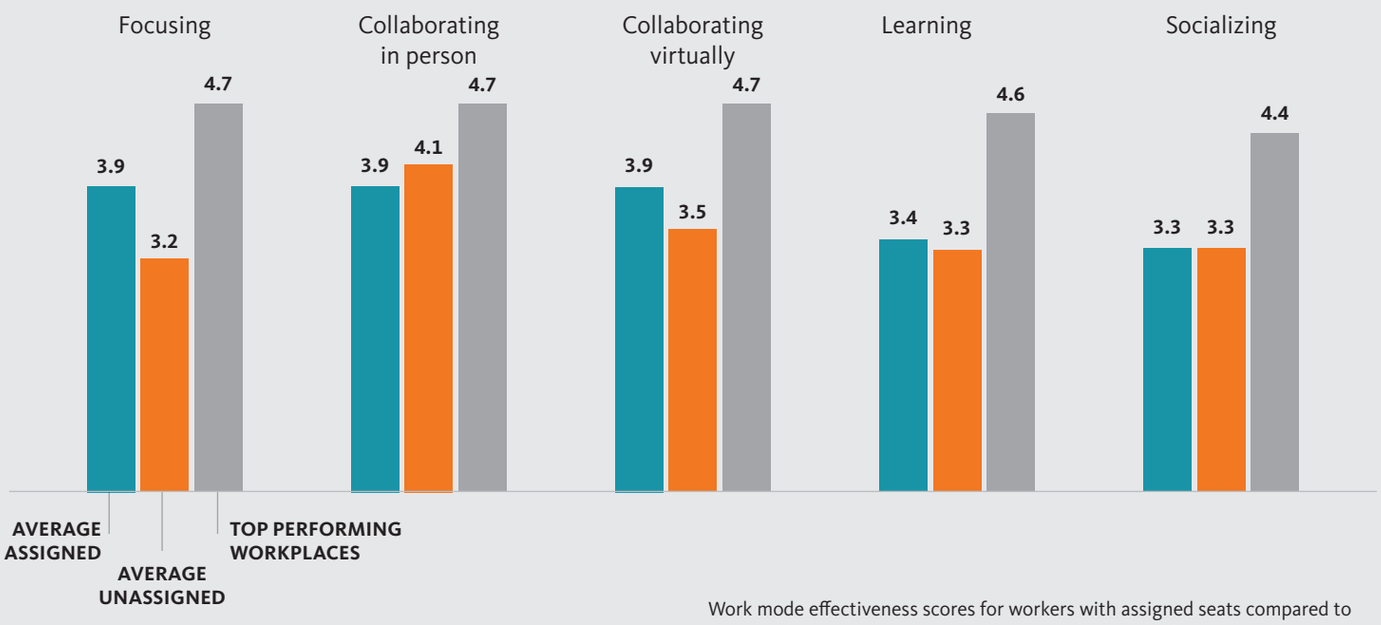
The ability to focus is hardest hit; the most important solution is privacy.

Comparing data for workers in unassigned seating to those with assigned seats, and those in top performing workplaces overall, uncovers specific areas where unassigned seating underperforms. This data suggests the fundamental challenges that come with taking away someone's desk, as well as areas to focus on to improve unassigned seating.

The biggest difference: unassigned seating is a particular challenge to the ability to focus and to work with colleagues virtually. And as a result, our data suggests workers who spend a significant amount of time collaborating with others in person may be the most apt to thrive in unassigned seating. Those who need significant amount of time to focus, less so.

Providing the right suite of alternative workspaces or amenities can make a sizable impact—in particular, workers in unassigned seating struggle to find private places to work, and places to take phone calls. They also struggle with the basic issues that come with losing a desk—storage, cleanliness, comfortable seating, and overall noise.

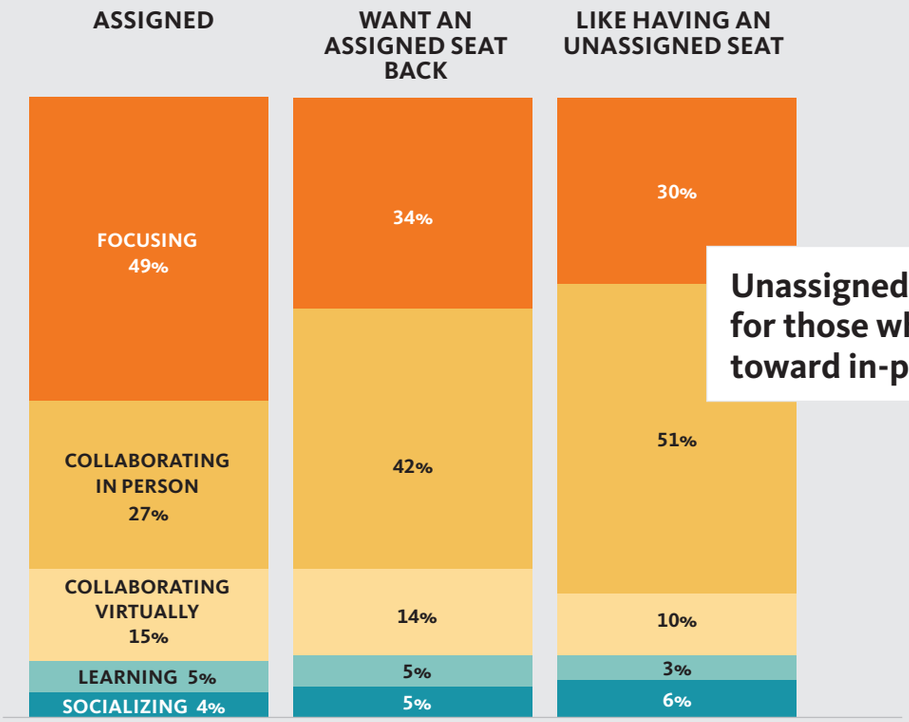
Unassigned seating poses particular challenges to focused work and virtual collaboration.



Work mode effectiveness scores for workers with assigned seats compared to those without assigned seats, and to workers in top performing workplaces as defined by the top quartile of WPI scores. All scores are on a 5-point scale.

Most important design factors for unassigned seating:

1. Ample private spaces, reservable and on-demand
2. Spaces to support virtual collaboration
3. Enough work settings for everyone
4. Personal storage
5. Maintenance and cleanliness
6. Ergonomics and comfort
7. Noise management
8. Technology to support group work



Unassigned seating is more appropriate for those whose work styles tend toward in-person collaboration.

Time spent in each work mode during an average week for workers with assigned seats compared to those without assigned seats but would prefer to have a desk, and to those without assigned seats and are happy with it.

FINDINGS

1

Ample private spaces. The ability to find privacy is paramount for workers, even more so for those in unassigned seating. Having both reservable and on-demand space that is consistently available and within close proximity to workers is key.

2

Spaces to support virtual collaboration. Workers in unassigned seating struggle to find places to take calls and video conferences; provide a variety of places to collaborate virtually with others, with considerations for both noise and technology.

3

Enough work settings for everyone. Even if workers are highly mobile, everyone should be able to be in the office at once—and workers should always be able to find the spaces they need to perform their best.

4

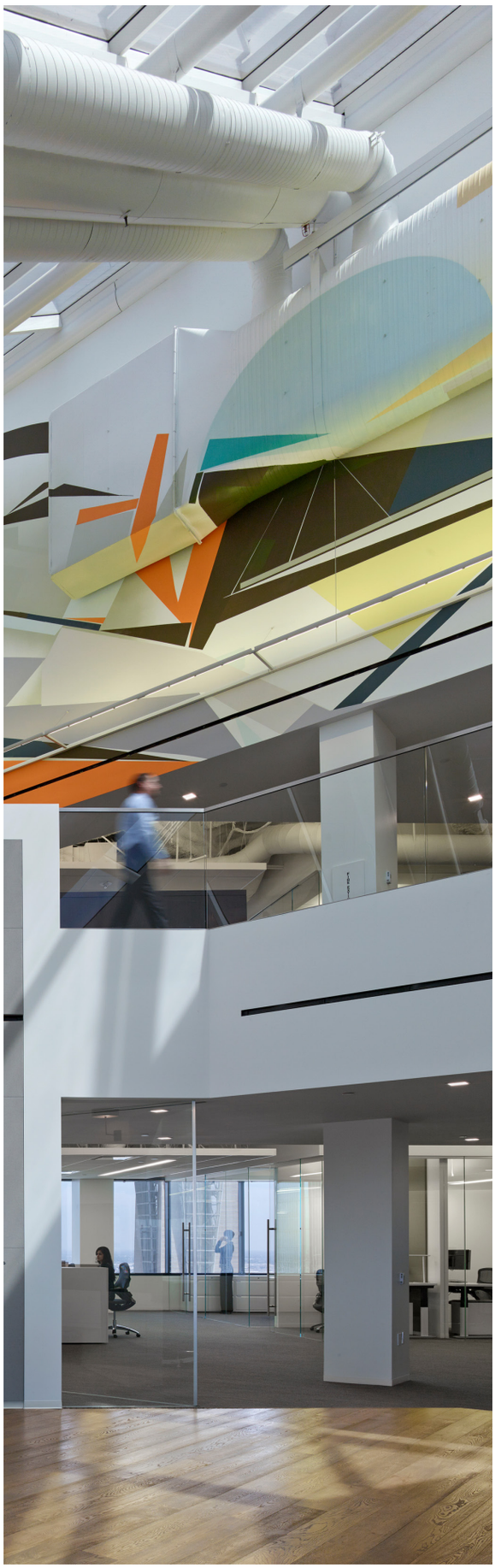
Personal storage. Create convenient places to store personal belongings and work-related materials for all workers.

Confidential Consulting Firm

CBRE, Houston, Texas

NCR, Atlanta

CBRE Headquarters, Los Angeles



United Technologies Digital Accelerator, Brooklyn, N.Y.

CBRE, Minneapolis, Minn

Zendesk, 989 Market, San Francisco

5

Maintenance and cleanliness. Sharing spaces, and the increased utilization that comes with that sharing, makes maintenance and hygienic concerns even more important—ensure all work settings are sufficiently clean and ready for work.

6

Ergonomics and comfort. As workers use a wider variety of spaces, ensuring that all spaces are comfortable and ergonomically appropriate for work helps optimize worker well-being and performance.

7

Noise management. Provide a variety of spaces with varying noise levels to accommodate different work styles and behaviors; some should be energetic and accessible, others more quiet and private.

8

Technology to support group work. Equip spaces and empower workers with the right technology to collaborate virtually.

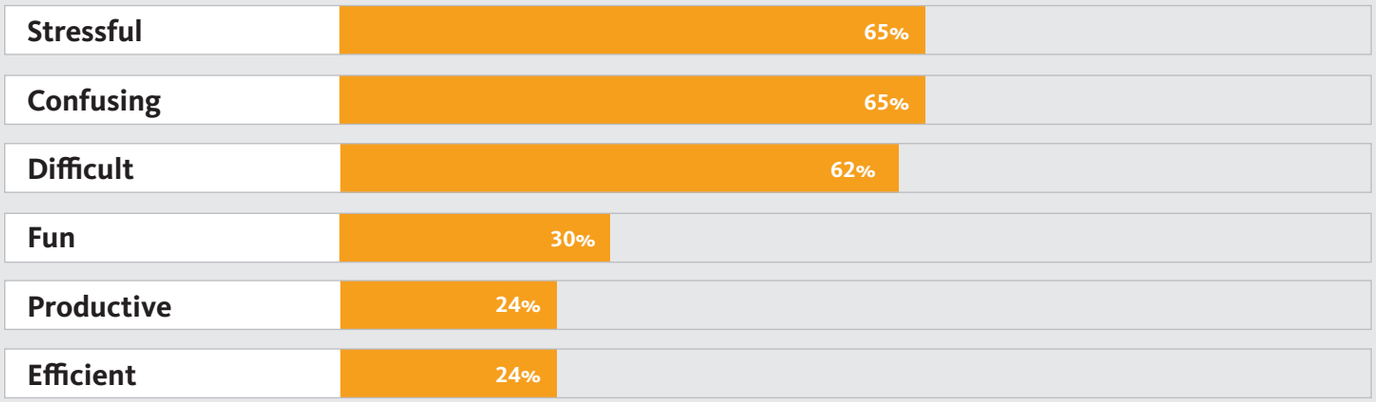
Fixing unassigned seating requires more than just the right workplace. Worker perception and participation are also a significant barrier.

As unassigned seating grows in application, understanding how the general working population perceives the trend is important to informing when, and how, the strategy should be adopted. For workers not currently sitting in unassigned seating, its perception is neutral to negative—two-thirds of U.S. workers agree it sounds confusing and stressful, while less than a quarter think it sounds productive or efficient.

However, perceptions around unassigned seating are not universal. By role, those in more senior positions are more likely than other workers to express positive impressions of unassigned seating, though they are no more likely to be in unassigned seating at this time. Across industries studied, technology workers appear most receptive, but on average only 1 in 4 see the strategy in a positive light.

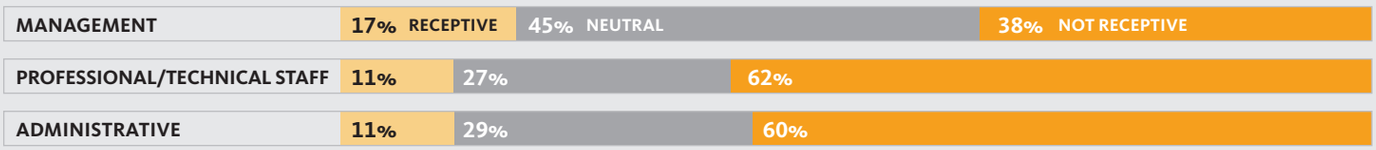
Ultimately, any workplace transition's success will lean not only on the appropriateness of the strategy to workers' needs, and organizational culture and processes, but also on how the change is communicated and managed. Similar to broader discussions around open working environments, a key barrier to adoption is negative perception—that sentiment must be addressed for any strategy to succeed.

What do U.S. workers think about unassigned seating?

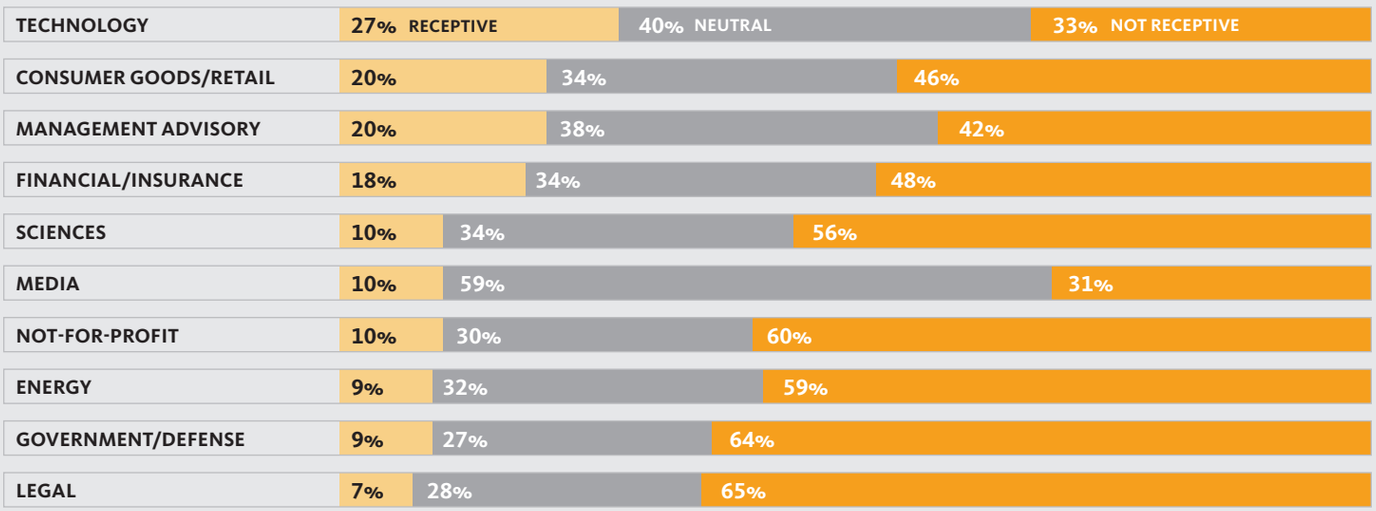


For workers not currently in unassigned seating, the percent who agree with each of the above statements about unassigned seating.

ROLE



INDUSTRY



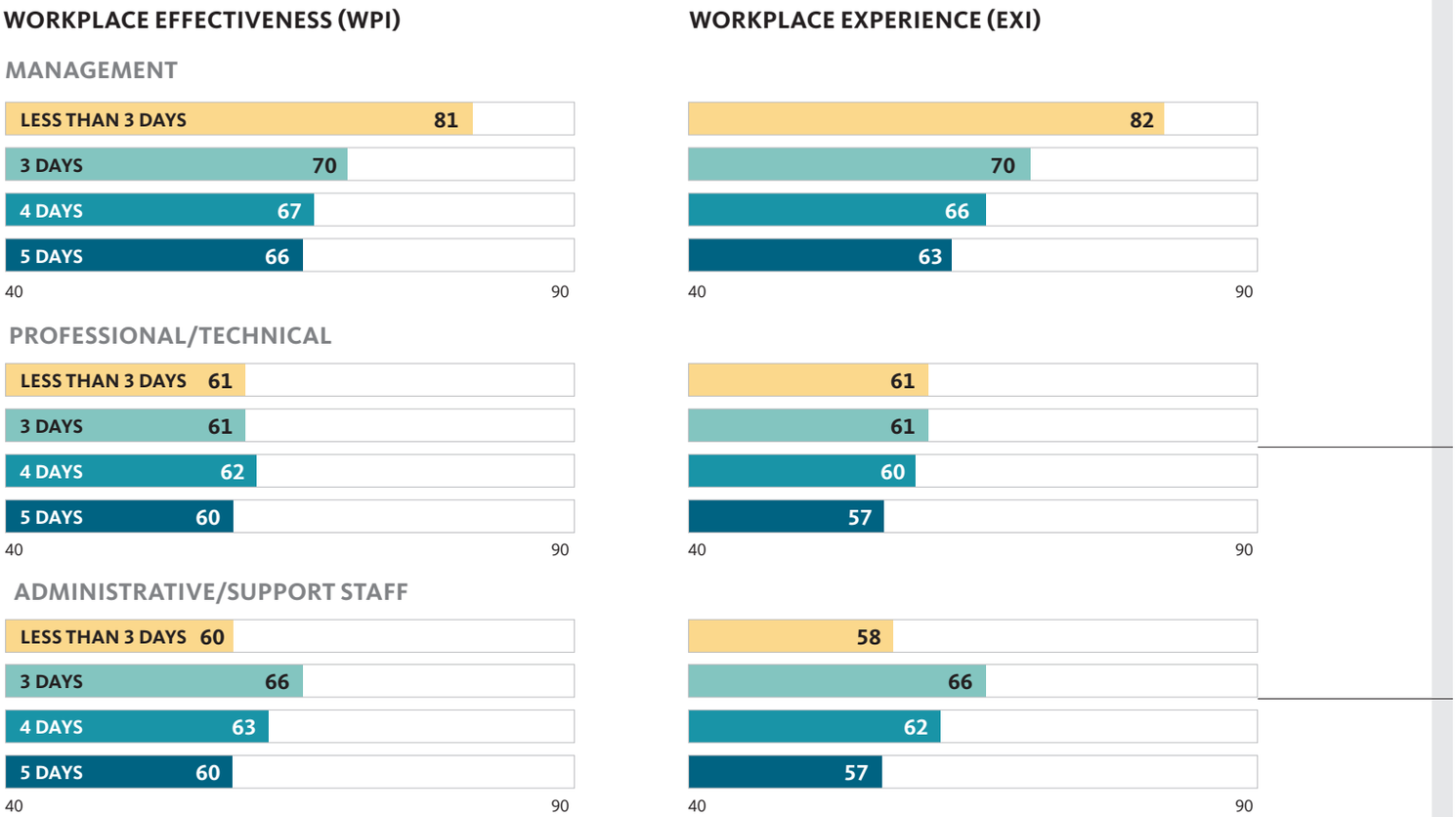
Receptivity to unassigned seating by role and by industry.

Out-of-office mobility is also a key strategy to improve workplace effectiveness and experience.

People still spend the majority of their working time in the office—and that time, and the quality of that environment, are directly associated with higher performance. Interestingly, the ability to work away from the office for a portion of one's workweek also shows positive benefits—effectiveness outside the office brings effectiveness back to the office too.

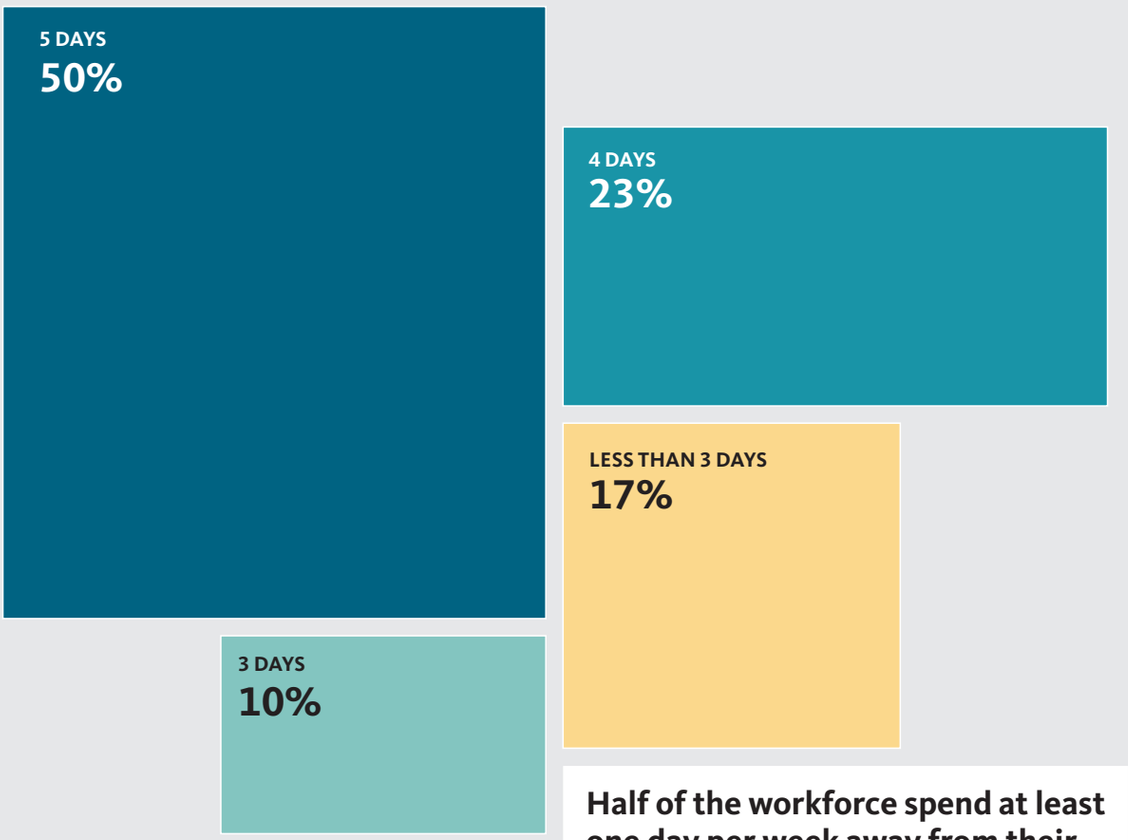
While broad measures of autonomy and mobility—like having choice in where to work during an average day—are unequivocally associated with higher performance, the right amount of time working in versus away from the office is far from universal. Overall, mobile workers tend to have higher effectiveness (WPI) and experience (EXI) scores. These workers are also the most engaged. Mobility may put pressure on how teams collaborate, but those who are most mobile are also highly likely to have an awareness of what their colleagues are working on.

Increased mobility may have a greater impact on those in more senior positions compared to professional, technical, and administrative workers. The relationship of mobility to performance varies by the nature of the individual's work.



Percent of respondents within each mobility profile, top performers compared to average.

TIME SPENT IN THE OFFICE

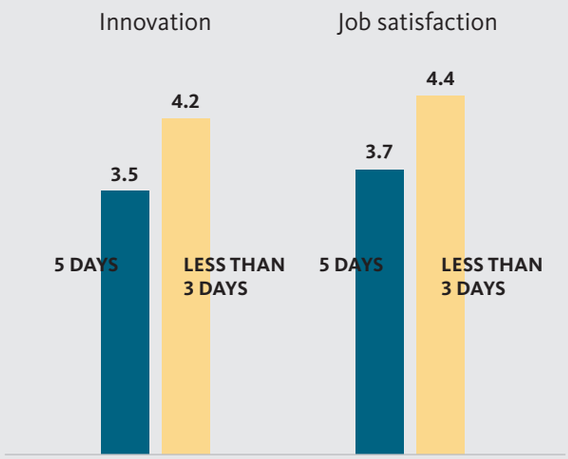


Half of the workforce spend at least one day per week away from their primary office.

Percent of respondents within each mobility profile.

For professional/technical workers, time spent in the office doesn't have as large an impact on effectiveness and experience.

Administrative and support staff shows the best effectiveness and experience when working three days in the office during an average week.

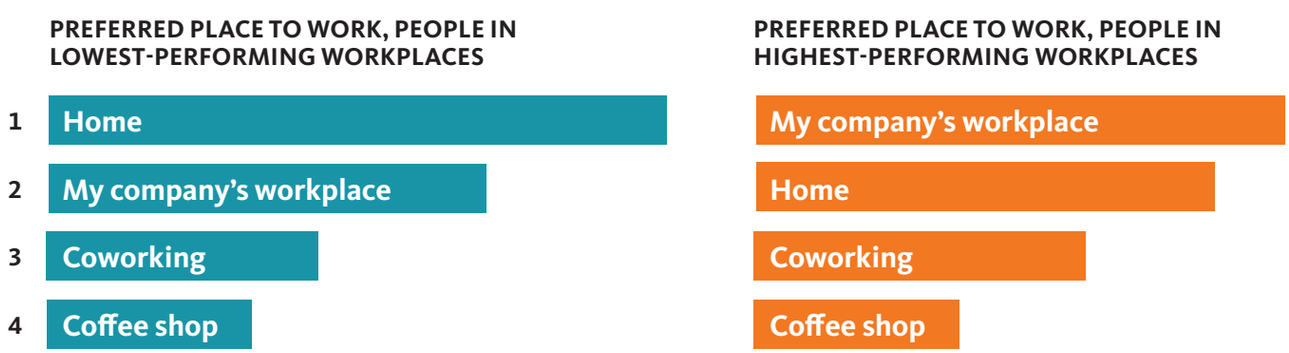


Innovation is measured by the Innovation Index, a composite score of how innovative an employee sees their company to be. Job satisfaction is measured on a 5-point agreement scale.

In an era of choice, the office is still people's preferred place to work, but only if it's designed to support their work.

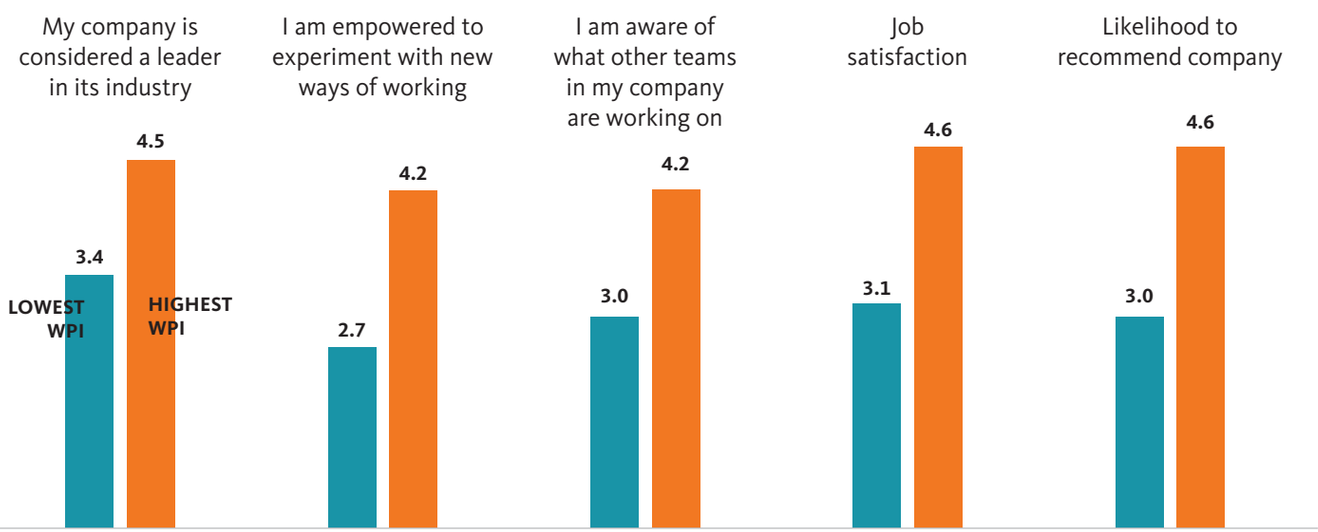
The more choices people have in where to work, the more important it is to understand their preferred work settings. We asked respondents a simple question—where would you prefer to work among four options: a coffee shop, a coworking space, your home, or your company's workplace? The workplace and people's homes consistently outrank the other choices, but another interesting insight also emerged. When we segment our data between those with the highest and lowest WPI scores, we found that the workers with the highest WPI scores—those with the best performing, best designed workspaces—prefer working from their company's office location above all other places. For those whose workplaces aren't performing, they would rather work from home.

The additional benefits of high-performance workplace environments are myriad and well-proven by both this and prior Gensler Workplace Surveys. Employees in high-performing workplaces rate their company in a more positive light, are more empowered to experiment with new ways of working, are more aware of the impact of their work and what their colleagues are working on. They're also more engaged, more satisfied with their jobs, and more likely to recommend their company as a place to work.



Respondent rankings of their preferred place to work, lowest performing workplaces vs. highest as measured by WPI score.

Confidential Tech Client, Santa Clara, Calif.



Measures of employee engagement and performance, lowest performing workplaces vs. highest as measured by the WPI score. All scores are on a 5-point scale.

To create an optimal workplace, understand what kind of workplace is right for your organization.

Create a workplace strategy with the granularity and flexibility to support different worker needs. The complexity, dynamism, and rapid change of work mean the response time of the work environment is narrowing. As new forms of mobility—both in and away from the office—continue to enter the workplace ecosystem, continually measuring what does work, as well as what doesn't, is imperative. Responses on the part of employers and those managing real estate need to be just as fast as the impact of change on workers. When the impact of a shift appears negative, that doesn't mean reverting back to old modes of work—but it also doesn't mean expecting workers to eventually adapt and fall in line.

Be careful with unassigned seating—making it work requires extra attention, and often a wider variety of alternative work spaces. The general sentiment among workers: unassigned seating sounds stressful and confusing. Half of people currently without assigned spaces would prefer to keep it that way; the other half would want an assigned seat back. Don't underestimate the importance of consistency and ownership provided by one's desk, and weigh the space-saving and collaborative benefits of unassigned seating against the potential negative impacts on performance, experience, and individual work. And if you do implement unassigned seating, make sure to focus on design strategies that address the increased need for on-demand privacy, and the acute issues of cleanliness, storage, and ergonomics.

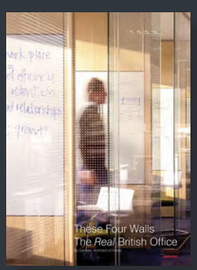
Etsy, Brooklyn, N.Y.

History

Gensler's ***U.S. Workplace Survey 2020*** is the latest iteration of ongoing research on the workplace, which began in 2005. A subsequent survey in 2006 established the connections between workplace design, employee productivity, and business competitiveness. In 2008, our research established a framework for understanding knowledge work through the lens of the four "work modes"—focus, collaborate, learn, and socialize. We discovered that the effectiveness and support of all four work modes connect to employee engagement and company performance.

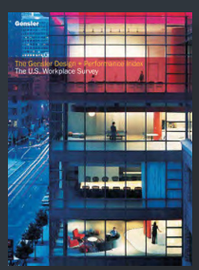
Gensler's 2013 and 2016 U.S. Workplace Surveys continued these efforts, taking the pulse of the American workplace as it relates to employee effectiveness, business performance, and innovation.

This report represents the integration of our historic workplace surveys with recent insights into the nature of experience, drawing from the 2017 ***Gensler Experience Index***. These questions, in addition to existing workplace survey questions, allow for direct comparison with data collected through past research efforts, as well as parallel surveys conducted around the globe in the UK, Middle East, Asia, Germany, and Latin America. This puts our findings in the context of fundamental work and life shifts over that time period.



2005

UK WORKPLACE SURVEY
Employees see a clear link between the physical work environment and personal productivity.



2006

U.S. WORKPLACE SURVEY
The link is confirmed between the physical work environment and productivity in the minds of workers.

2016

U.S. & ASIA WORKPLACE SURVEY
Findings connect workplace design directly to organizational innovation and an "innovation ecosystem."

2017

UK & LATIN AMERICA WORKPLACE SURVEYS
Additional global surveys uncover global differences in social behavior, and problems with workplace equity.

2008

U.S. & UK WORKPLACE SURVEYS

Our survey established the four work modes and confirmed a link between workplace and business performance.

2013

U.S. WORKPLACE SURVEY

Focus, balance, and choice in the workplace emerge as key drivers of satisfaction, performance, and innovation.

2019

U.S. & GERMANY WORKPLACE SURVEYS

Research integrates new questions focused on well-being and experience, and challenges the open/closed office debate.

2020

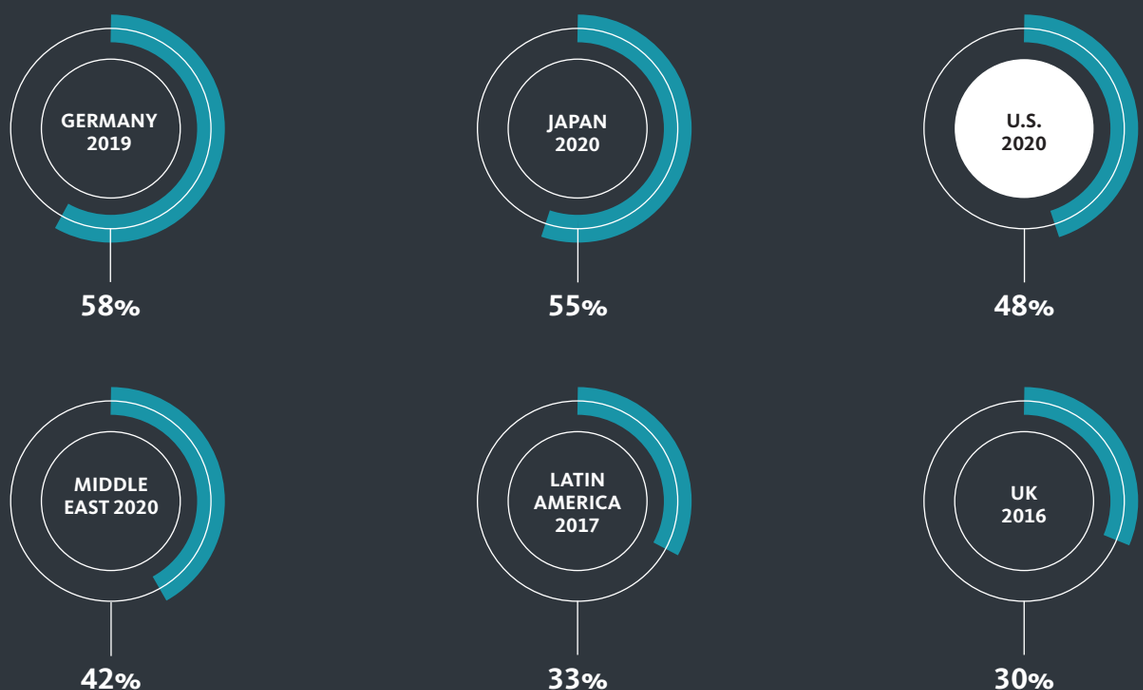
MIDDLE EAST WORKPLACE SURVEY

Data uncovers significant differences in the workplace experience of expats compared to locals.

The U.S. workplace is falling behind its global peers.

The decline in performance for U.S. workplaces represents a marked shift—workplace performance lags behind recent data collected in other global markets. As a market that often acts as the bellwether for global trends, this shift in performance is worth noting.

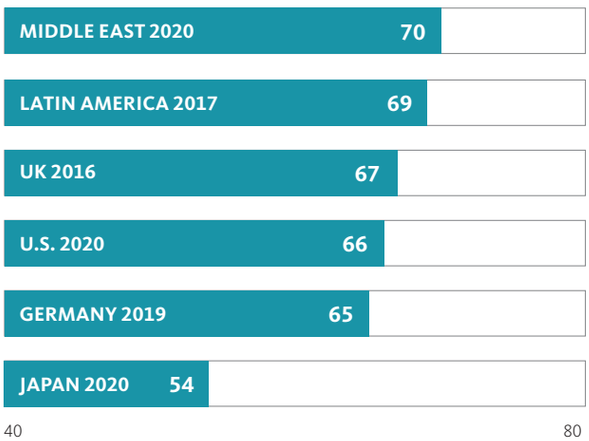
While the dynamism of today's workplace makes it hard to attribute this shift to any one factor, the various forms of mobility studied in this report are likely at play. In particular, a rise in unassigned seating and continued challenges of open environments may explain lower performance.



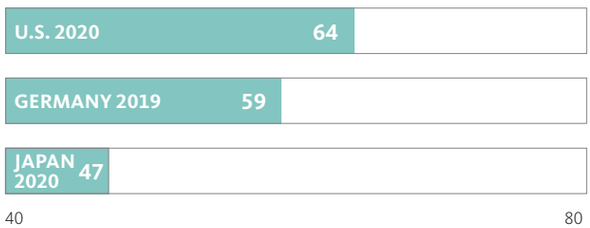
U.S. WORKERS ARE ONLY AVERAGE ON CHOICE

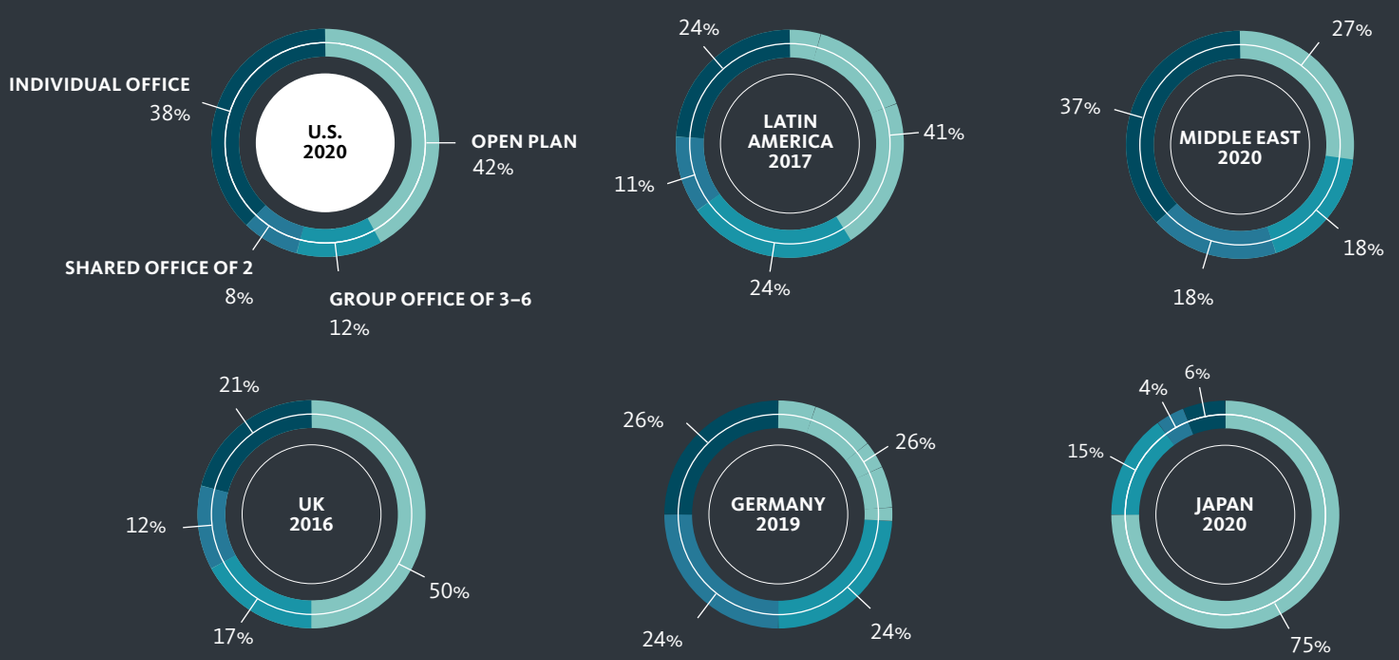
By global region, percentage of workers who report they have choice in where to work. Data is from most recent Workplace Survey in each country, conducted between 2019 and 2020.

WORKPLACE EFFECTIVENESS (WPI)



WORKPLACE EXPERIENCE (EXI)





SHARED OFFICES ARE UNCOMMON IN THE U.S.

Type of individual work setting employees have, by global region. Data is from most recent Workplace Survey in each country, conducted between 2016 and 2020.

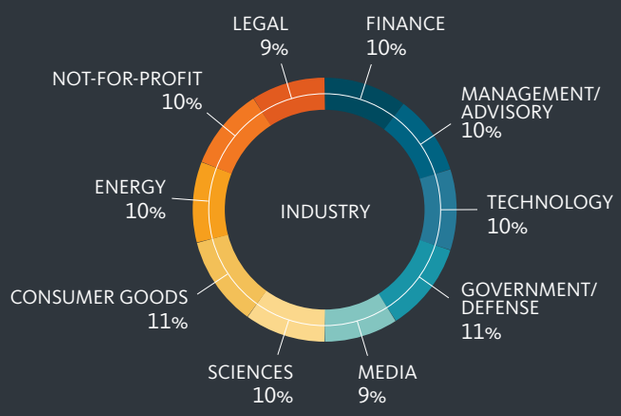
Methods

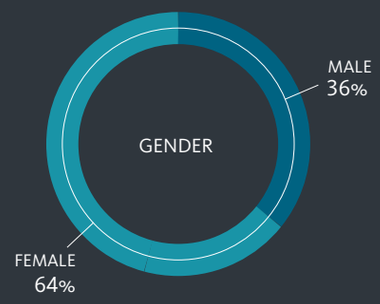
This survey represents data collected via an online survey conducted among 5,000+ anonymous, panel-based respondents representing a broad cross section of demographics, including education, age, gender, and geographical location. Respondents do not work for Gensler, are not necessarily working for Gensler clients or in Gensler-designed spaces, and were recruited via a third-party panel provider.

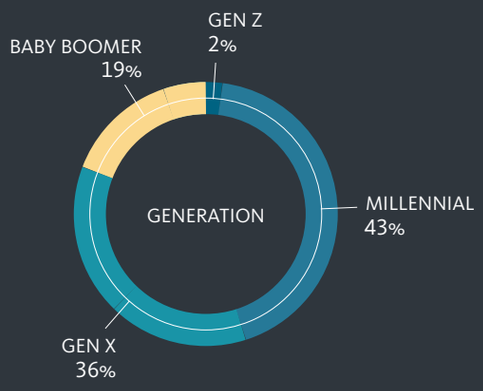
Respondents were required to be full-time knowledge workers who work in an office some or all of the time, and work for companies with more than 100 employees within 10 designated industry segments.

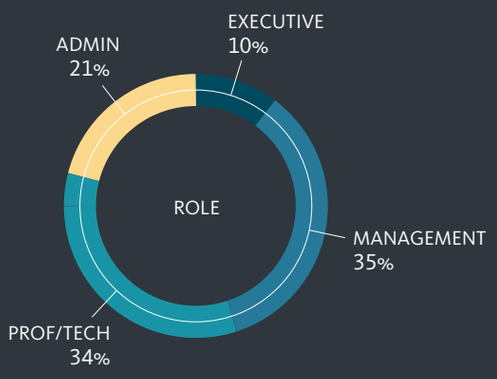
Survey questions included those from Gensler's WPI and EXI alongside additional questions that asked respondents to rate their workspaces and companies across a variety of factors, including innovation, motivation, choice, and technology, as well as individual patterns of behavior and preferences.

The Gensler Research Institute team employed inferential statistics techniques, such as multiple linear regression, bivariate correlation, and analysis of variance (ANOVA), as well as descriptive statistics, to derive these findings. For all inferential statistical tests, the Institute team utilized a p-value cutoff of 0.005.









Applied Research Tools: the WPIx℠

Gensler's Workplace Performance Index (WPIx) is a proprietary, web-enabled survey tool designed to measure the performance of an individual workplace or portfolio for our clients. The tool is used for both pre- and post-occupancy analysis to allow for comparisons and to document improvements in workplace effectiveness. At the beginning of a project, the WPIx is used to gather employee input on how they work, space effectiveness, and workplace experience factors to inform design decisions.

Post-occupancy, typically 3 to 6 months after move-in, employees are surveyed to measure the success of the design solution. By using a core set of parallel questions, individual projects can then be directly benchmarked against the results of national surveys to put project work into a context of broader knowledge and trends in workplace design.

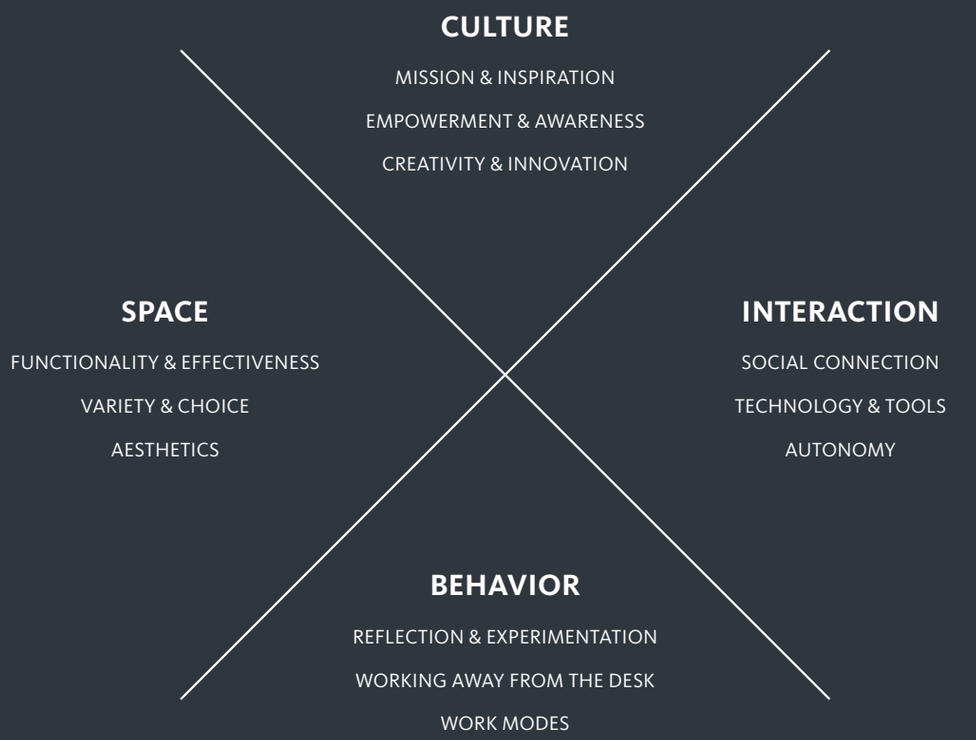
WPI surveys are conducted as a part of direct client engagements. The results of WPI surveys are collected in a separate database from Workplace Survey responses. The WPI database now has over 400,000 survey responses from employees of Gensler clients.

400,000+
client respondents

50+
countries

11
languages

WORKPLACE EXPERIENCE FRAMEWORK



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Team Oversight

Diane Hoskins
Janet Pogue
Christine Barber

Analytics Team

Michelle DeCurtis
Isabel Kraut
Jerde Analytics

Editorial Team

Tim Pittman
Kyle Sellers

Design Team

Laura Latham
Minjung Lee

www.gensler.com/research

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