ACTIVITY-BASED WORKING: THE FUTURE WORKPLACE?
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In the age of constant change and disruption, how are organisations responding and what is the future of the workplace?

In 2013, Chief Executive Officer of technology giant Yahoo, Marissa Meyer, reversed the firm’s popular work-from-home policy as part of its overall strategy to emphasise collaboration and communication at the workplace. More recently in Singapore, both Google and Facebook reportedly increased their office space footprint by 300% and 350% to some 500,000 sq ft and 320,000 sq ft respectively. Ride-hailing firm Grab also announced that it will expand its offices to almost 100,000 sq ft in the Central Business District, to accommodate its Research and Development functions.

Given the increasing adoption of technology and the Internet of Things enabling workforce mobility, such major office space occupancy particularly by technology frontrunners signify that the workplace remains not only as a fundamental solution for human interaction, but a competitive advantage in overcoming the challenges from an age of constant change and disruption.

To stay competitive, organisations are driven to constantly innovate and transform, and with a growing millennial and contract workforce who thrive on flexibility and mobility at work, there is an urgency for organisations to adapt and bridge the gap between the current and future workplace.

According to a research report on “Millennial Careers: 2020 Vision (Singapore)” commissioned by workforce solutions provider ManpowerGroup, one of the key factors in better engaging and retaining millennial workers is to provide greater flexibility in where, when and how people work. Increasingly known as the “Gig Economy,” recruitment consultancy Michael Page’s 2017 Asia Salary & Employment Outlook found that nearly 70% of Singapore-based companies have been using contract hire, while 85% of companies surveyed in Singapore and Hong Kong have the intention to maintain or increase their contract hires over the next 12 months. According to Lynne Roeder, Managing Director of recruiting firm Hays in Singapore, employers opt for short term hire in a bid to maximise the flexibility in cost and labour management.

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With a changing workforce and work styles, there is increasing recognition by organisations that workplace productivity needs to align with business strategy. In 2015, global financial services firm KPMG spent an estimated $7 million on agile workspace in its Adelaide office, as part of preparations for the digital age. The new office layout aimed to reinforce flexible working as a way of life for its people, and is zoned to suit different working needs. Similarly, the LEGO group rolled out activity-based working in its London office to dissolve the traditional concept of “a department”, in favour of encouraging greater cross-organisational collaboration.

And the call for greater productivity in a technology-led age has led to the rise of Activity-Based Working (ABW), a form of workplace strategy where technology and behaviours enable people to choose where, when, and how they want to work most effectively at the office.

The Harvard Business Review defines productivity in its most basic form.

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\text{PRODUCTIVITY} = \frac{\text{amount of value produced}}{\text{amount of time or cost to do so}}
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ABW is not merely hot-desking, remote- or home-based working. Rather, ABW provides employees with an experiential working environment and the choice of inhabiting the ideal work setting within the office.

According to research conducted by Knight Frank on Melbourne’s agile-work culture, ABW typically incorporates four key types of work settings:

- **CONCENTRATIVE**
- **COLLABORATIVE**
- **INTERACTIVE**
- **COMMUNITY**

In recent years, ABW has garnered significant interest across various gateway cities within the Asia-Pacific region. A survey conducted by Knight Frank Office Advisory on six key gateway cities in Asia-Pacific revealed that over half of occupier clients are looking to adopt ABW in their new office space.

Despite its rising popularity, ABW is not a one-size-fits-all concept. At its most basic level, ABW means employees no longer have a dedicated work station but instead work where it best suits them for the day. As the physical environment plays a role in shaping the emotions and behaviour of its occupants, the workplace can be a powerful catalyst for organisational change and business outcomes.
02.
REALISING WORKPLACE OPTIMISATION AND PRODUCTIVITY

According to research carried out by Australian firm Telsyte, the productivity of an ABW employee is 16% more than a regular employee – this is equivalent to an extra 6.4 hours per week, per ABW employee. Ultimately, workplace productivity translates into an organisation’s bottom line growth\textsuperscript{11}. Knight Frank’s six cities occupier client survey cite promoting collaboration and creativity among staff and improving workplace productivity as the key motivators for adopting ABW.

From a cost-optimisation perspective, ABW’s agile, multi-use space utilisation approach can reduce the overall office real estate footprint of an organisation, yet provide for alternative work and community spaces. The agility of ABW allows the operational flexibility of scaling a workforce up or down without incurring the cost of disposing, acquiring or re-configuring space. Such future-proofing of the workplace is increasingly valuable to organisations, in today’s business environment of constant change and disruption.

Based on Knight Frank’s survey, all six respondent cities indicated that more than half its occupier clients who implemented ABW either maintained or increased their headcount per square, provided a variety of work spaces and yet achieved an overall reduction in office space take-up.

People remain the key motivation behind the implementation of workplace strategy. Organisations that have embarked on ABW see higher engagement, greater collaboration and increased productivity among its employees.

TOP 3 MOTIVATIONS TO ADOPT THE ABW WORKPLACE STRATEGY

1. Promote collaboration and creativity amongst staff

2. Introduce flexible working spaces to cater to different work activities

3. Introduce a more conducive workplace to promote staff well-being

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\textsuperscript{1} No phones on desks as KPMG spends $7 million on agile workspace for digital age, SMH, August 2015.


\textsuperscript{3} The Paradox of Workplace Productivity, Harvard Business Review, April 2016.

\textsuperscript{4} Melbourne’s co-working culture, Knight Frank Research Insight, July 2016.

\textsuperscript{5} The six cities are Sydney, Melbourne, Singapore, Shanghai, Beijing and Hong Kong. These cities are selected based on their status as key business and financial hubs within the Asia-Pacific region as well as within their respective countries.

\textsuperscript{6} Activity-based working is driving business outcomes, Telsyte, 2015.
The success of ABW hinges on how effectively an organisation adapts to the change. It begins with developing a customised approach for managing change, as opposed to a “one-size fits all” approach. Understanding the unique attitudes and willingness of users towards change is crucial in the route to successful change management.

Change management starts from the day planning starts. The key elements of change management at the workplace include conducting and conveying user survey analyses, focus group dialogues, electing internal change ambassadors, and creating feedback and communication channels. Consistent messaging of “what will change”, “why and when the change will take place”, “who will be part of the change” and “how the change will be effected” are essential as being informed and heard, can be of great comfort to users in accepting change.

Leadership needs to lead change by role modelling intended behaviour and practices. Utilising the activity-based spaces themselves can foster new work behaviours and shared principles on attitudes, as well as other aspects of workplace etiquette. As change is a constant, regular user feedback surveys and corresponding tweaks to the workplace strategy will serve to institutionalise change.
ABW is expected to be a predominant workplace strategy going forward, adopted not only by the technology sector, but by all organisations looking to foster openness, knowledge-sharing, collaboration, problem-solving, ideation, staff well-being and productivity, in a flexible and inspiring workplace environment.

Restrategising the workplace is aimed at bridging the gap between its current and desired realities with measurable results core to maintaining successful change. Collating user satisfaction and business output data will allow an organisation to quantify the holistic gains of its workplace strategy in augmenting competitive advantage and efficacy in the long run.