

# The Workplace of Tomorrow: Productivity engine or safe haven for slackers?



### Productivity engine or safe haven for slackers?

The shrinking pool of skilled labor and an increase in employee demands for flexibility have led many organizations to embrace innovative workplace solutions. Some organizations, however, aren't convinced that a more flexible and mobile workforce is necessarily a good idea. They worry that employees with too much freedom won't get the work done. Which raises this question: should your company be moving toward enabling the workplace of tomorrow – or is business as usual the right choice for now?

Here's the debate:

	Point	Counterpoint
<b>Start building the workplace of tomorrow today</b>  <i>The productivity and talent benefits are significant</i>	There's every reason to go for it. The ubiquity of broadband has eliminated the last mile barrier to millions of households, giving people working remotely the same tools and access that office workers enjoy.	In some geographies broadband is fast and reliable, but in others it's barely better than dial-up. The infrastructure isn't there yet.
	Employee expectations have really changed over the past ten years. They know that where they sit doesn't really matter if the job's getting done. That's doubly true for knowledge workers.	You're not leading-edge in the use of technology. While employee morale and satisfaction are important, there's no reason to give workers more technology than they need to accomplish their jobs.
	Accountability for performance is one of the chief benefits of the workplace of tomorrow. Once you decide what to measure, you'll have all the metrics needed to track productivity.	Easier said than done. What you decide to measure is critically important – and there's no consensus yet about what should be tracked.

	Point	Counterpoint
<p><b>The benefits are too fuzzy</b></p> <p><i>People are more productive when they work in real offices</i></p>	Organizations can't handle this sort of thing on a sustained basis. If you're not culturally ready for change, you'll struggle and fail.	Any culture can – and does – change over time. Use this opportunity to assess your core values and determine what is necessary to make your workplace a magnet for top talent.
	It costs more to up-fit a mobile worker with the right technology – and the benefits aren't worth the added expense.	Technology is like water. If you don't provide what your best people need, they'll bring their own. That's a formula for more security and operational risks than you can imagine.
	When you have a unionized workforce, the tools for mobility end up being seen as an entitlement. You give up a lot – and it still comes back to bite you.	Bring your union leaders into the discussion early – and be clear that this is about a whole new approach to getting work done. It's all negotiable.



## My take

**Seth Siegel, Director, Deloitte Consulting LLP**

The Workplace of Tomorrow is a modern work environment that supports an organization's current and future business requirements – as well as the realities of today's evolving workforce – in a cost-effective manner. It may not make sense for every organization, but for those seeking to recruit and retain top knowledge workers, it's rapidly becoming a bare minimum..

Many organizations are well on their way to adopting some elements of the workplace of tomorrow, but even among the most enthusiastic some still wonder whether they're getting the performance improvements they signed up for. On the cost side, the benefit opportunities are clear. The workplace of tomorrow can often deliver near-term and significant value, simply by reducing real estate spending. For example, an employer with roughly 4,400 workers in New York City found it could trim \$8 million from its \$58 million facilities budget by delinking physical space requirements from headcount through mobile technologies and shared workspace environments.

On the productivity side, the measures can be trickier. Though many organizations value "soft" benefits like improved morale and better work-life balance, the hard-nosed finance types want to see real performance improvements. They want to know that workers are getting their work done more effectively – and that they're not going to soccer games or doing laundry. Fortunately, early leaders in workplace innovation offer plenty of good advice about the most important metrics – and how to track them. They've been able to demonstrate that performance measurement in a web-enabled environment can be easier to manage than in the good old days of punch cards and time clocks. Indeed, their efforts have been able to provide good of evidence to suggest that workers who have the freedom to work from anywhere at anytime often do just that – logging in more hours and getting more accomplished than their counterparts who come into the office every day.

So whatever fears you have might have about bunny slippers and the pajamas brigade, you can set them aside. Get your organization focused on workplace innovation – with the right metrics in place – and you should soon be on the path to performance improvements, costs reductions, and a more engaged and productive workforce.

# A view from the talent perspective

**Jeff Schwartz, Principal, Deloitte Consulting LLP**

**Neil Neveras, Senior Manager, Deloitte Consulting LLP**

If engaging and retaining a more diverse workforce is part of your business strategy, workplace innovation has to be on your to-do list. Indeed, many companies are already on their second and third iterations of future workplace programs. It's an excellent approach to providing people with the freedom and flexibility to do their best work – no matter where they are physically located. What's more, flexible workplace solutions are not only for Millennials. They can also be an important talent and work program for all generations: Y, X, boomers and veterans.

Of course, not everyone has the same desire, need, or ability to work remotely. Some customer-facing roles need to be out with customers – while some are purely online. Workers who rely on a high degree of collaboration often need face-time to produce results. Another piece of the puzzle is the need for varying levels of flexibility as life circumstances change. When people can perform just as effectively from home, why not accommodate their needs? Do you really want to lose a high-value employee because of the price of laptop and data card?

On the metrics front, we're not convinced that trying to measure whether employees are working or going to soccer games is relevant. The real measurement should be on things that drive business results. This points to the big challenge of changing management perceptions – from a focus on measuring time-spent to a focus on measuring outcomes. That said, you should always stay alert for employee productivity and burnout. While employees enjoy the flexibility of a wired and wireless world, some will feel obligated to be "always on." Help your people set limits early so you don't turn top performers into toast.

Finally, don't overlook the opportunity to better manage business continuity risk. Workplace of Tomorrow can provide a critical backbone for continuing operations in the face of potential challenges from pandemics and other disruptive threats.

# A view from the real estate and facilities perspective

**George Bouri, Principal, Deloitte Consulting LLP**

From our work with global organizations in different industries over the past few years, two things are clear to us: 1) Most knowledge workers are already operating with a high degree of mobility irrespective of their formal work environment or whether a company policy exists or not and 2) For companies considering this kind of change, the potential solution components (space design, technology tools, and HR policies) are increasingly mature. Companies are also coming at this from a wide range of starting points, based largely on the industry, the generational make up of their workforce, and the ways in which they interact with customers. And by the way, don't think you need to design these programs on your own – learn from others who have gone before you.

There are two broad approaches for seizing the opportunity of the Workplace of Tomorrow. The first, known as the pilot or proof of concept approach, uses a series of small projects with early adopter business units to demonstrate results and build the program incrementally. This takes time and requires perseverance to achieve the full benefits, but you are able to take advantage of existing informal programs (in sales force populations for example) or solve specific location constraints relatively quickly (in a metro area where workspace demand is quickly outpacing supply). The second, enterprise mandate approach, relies on a compelling business case with executive sponsorship for a large scale, time-bound change. Incidentally, we believe today's economic climate is ripe for the high-impact enterprise mandate approach.

Companies that are undertaking the larger enterprise approach should focus on three critical factors:

- Integration and alignment across corporate real estate, human resources, information technology, finance, and tax
- Executive support for a business case comparable in clarity and urgency to other initiatives at the C-suite level
- Understanding of a sustainable "business-as-usual" end state

Don't underestimate that last point. While the benefit opportunities of workplace innovation are significant, the perceived level of change required is also quite profound, particularly for certain employee populations. For the Workplace of Tomorrow to be more than merely a reactionary approach to reducing real estate costs, it should embrace and support a shift in how people work and use the work environment to help them be more productive. In addition, the changing workplace means a rethink of the workspaces that people occupy and the interaction with their physical surroundings. This evolution also impacts the types of building amenities and services required to keep a mobile workforce coming in to the office as needed. Essentially, as workers are no longer tethered to desks and are able to work from a network of places, including home, companies need to rethink how to approach driving cultural transformation, building internal networks and communities and offering compelling benefits to their workers. The physical infrastructure and corresponding services will have to evolve to meet those needs.

For more information, please visit: [www.deloitte.com/us/debates/theworkplaceoftomorrow](http://www.deloitte.com/us/debates/theworkplaceoftomorrow).

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