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# WHY COMPANIES ARE SUDDENLY INVESTING BILLIONS ON THEIR WORKPLACES

## What's to become of the traditional work office?

**I**s it possible that communications tools like Skype, Zoom.us and Google Hangouts will have the effect of making communal office spaces obsolete?

Is the day coming when organizations will redeploy workers to home offices - where they'll have no commute, and the freedom to work all day in play clothes?

A few years ago, researchers at iconic furniture maker, Herman Miller, began a deep-dive into the future of the global workplace driven by the desire to answer questions like these. Clearly, technology already makes it possible for many people to work away from conventional offices.

The question is whether that's ultimately the best thing for workers, not to mention the companies that employ them.

As part of the study, a team reviewed academic literature on psychology, anthropology, sociology and behavioral sciences - looking as far back as the B.C. era when human beings first began documenting ideas about work.

The research conclusions were then presented at the *Dive! Innovation Conference* held this summer in Rennes, France, which I attended. The following is a summary of the firm's most compelling discoveries as shared by Mark Catchlove, Herman Miller's Director of

Knowledge and Insight. His overriding conclusion is that many of us will indeed end up working remotely, just not all the time.

### **PEOPLE HAVE SIX FUNDAMENTAL NEEDS THEY SEEK TO MEET THROUGH WORK**

A consistent finding from over a half-century of the company's research is that human beings are inherently diverse. But what emerges from the new study is an understanding that across all cultures, genders, generations and organizations, people have basic needs in their experience of work that must be met in order for them to thrive and be optimally productive. While an organization's leadership practices and culture play essential roles in determining whether these needs are supported, where and how people work is also a key contributor:

**1- Sense of Achievement:** We strive for excellence and to feel a sense of mastery in our accomplishments.

**2- Autonomy:** We seek freedom in our actions and decisions - and desire to no longer work in one place eight hours a day.

**3- Belonging:** We are tribal, social beings who require meaningful connection with other people. Given the importance of work in our lives, we seek strong bonds with colleagues.

**4- Sense Of Purpose:** We want to make a meaningful difference and to know our work matters.

**5- Sense Of Security:** We desire health and physical safety, but also 'social security,' the need to feel connected to a team.

**6- Status:** We seek to be respected and appreciated for our work, and to have a working environment that inherently esteems us.

Because these needs are so deep and universal in people - and so essential to human productivity - Herman Miller now believes supporting them must become the cornerstone of all future workplace design.

### **PEOPLE ONLY THRIVE WHEN THEY HAVE CONNECTION AND COMMUNITY**

Gallup research shows that the ability to work remotely at least some of the time has become one of the greatest drivers of employee engagement.

But Catchlove says too much alone time backfires. *New research* by Gretchen Spreitzer at the University of Michigan shows that continual isolation inevitably makes people feel lonely and 'socially adrift.'

"The human need for belonging is so profound that we must always provide employees with a secure base," Catchlove says. "Most companies will continue to have offices just so people can routinely reconnect and collaborate with co-workers."

But Herman Miller also advises that traditional workplaces be given an extreme makeover. Says Catchlove, "people must be given greater choice

on where they work including more than one option within their own office. Less and less, you won't see people sitting in the same place for eight hours as firms provide workers with a collection of settings in which to move around."

Ironically, researchers found that a significant number of people don't have adequate space to work from home. So while co-working spaces will become more prevalent in the future, it will always be expected that employees return to the nest for consistent rejuvenation.

### **TECHNOLOGY FIRMS ARE DOUBLING DOWN ON TRADITIONAL WORKSPACES**

If there's any doubt that large office campuses will continue to be where most of us work, we only need to look to Silicon Valley. Apple is spending \$5 billion to build its new flying saucer-shaped headquarters. Amazon is putting up tree-filled spheres so employees can hold meetings in forests - and Google will soon build a massive futuristic complex featuring translucent canopies allowing air, light and nature to influence the workspace.

To Holly Honig, who led Herman Miller's research team, these massive investments are simply a reflection of highly-informed leadership.

"Businesses today face unprecedented challenges recognizing the speed of change, disruptive technologies and the need for sustainable growth. At the same time, a few enlightened organizations know what we do - that people create ideas and drive their execution. So when workers are highly engaged - when those six human needs are answered - their firms are propelled into prosperity."

### **Create Spaces That Show You Love Your People**

Under traditional leadership theory, companies that 'squeeze' employees can expect to have the greatest financial performance. But with a preponderance of data now proving just the opposite, organizations have begun investing much more heavily in workspaces to intentionally convey to workers that they are valued and worth every penny, (Herman Miller has sold seven million of its uber-pricey Aeron chairs, for example).

"When we look at company P&L's," says Catchlove, "seventy per cent of their investment is already in people. Recruitment is expensive. Training is expensive. So leaders are slowly being persuaded that looking out for their workers is really smart business. Our argument to company leaders is that the wisest thing they can do is to love and care for their biggest investment by far."

Herman Miller's study also confirmed what most of us already know intuitively: that workplace design and furnishings have an enormous impact on the human spirit and contribute greatly to how people feel in their jobs.

"We know that people are looking at different lenses at their total experience of work," says Catchlove, "and their physical environment is a big piece of that."

### **BIOGRAPHY**

Mark C. Crowley is a speaker, leadership consultant and the author of *Lead From The Heart: Transformational Leadership For The 21st Century*. Connect with him on *Twitter*, *Facebook* and at his *website*.