

Workplace of the future:

Power to the people



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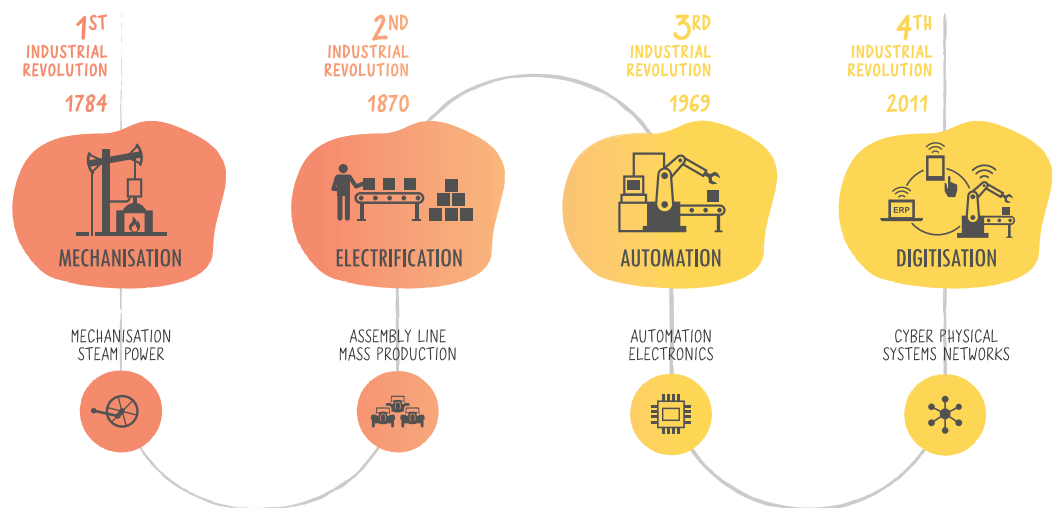
Aurecon's study – Workplace Ecology 2.0 – explores the shifting workforce expectations and habits that are redefining the ecosystem of places to work.



The 'future of work' is already here

As 2020 evolved, headlines were filled with predictions of what a post-pandemic world would look like. In particular, how will our traditional narrative on the nature of 'work', in essence...work?

By definition, a 'workplace' is a location where the activity of 'work' takes place. Prior to the 1st Industrial Revolution and the advent of factories, work was mostly undertaken on farms, cottages, or in small shops. The contemporary workplace, characterised by centralised activities and open office spaces, is only a recent phenomenon heralding the dawn of the modern professional workplace.



COVID-19 has disrupted the world of workplace as we have known it. **CBRE's Workforce Sentiment Survey**, which collected employee experience and expectations data while working remotely during COVID-19, found that 90 per cent of employees and employers discovered that productivity either stayed the same or increased. This does, however, beg the question of what a **workplace of the future** looks like beyond a pandemic and lockdowns. While 85 per cent of employees preferred to work remotely two to three days a week, 60 per cent said they would return to the office for community and collaboration.

Boston Consulting Group analysis found that productivity increased by 15 to 40 per cent for workers with optimised remote working models, absenteeism reduced by 40 per cent, staff turnover decreased by 10 to 15 per cent and companies saved over 20 per cent on their real estate costs.

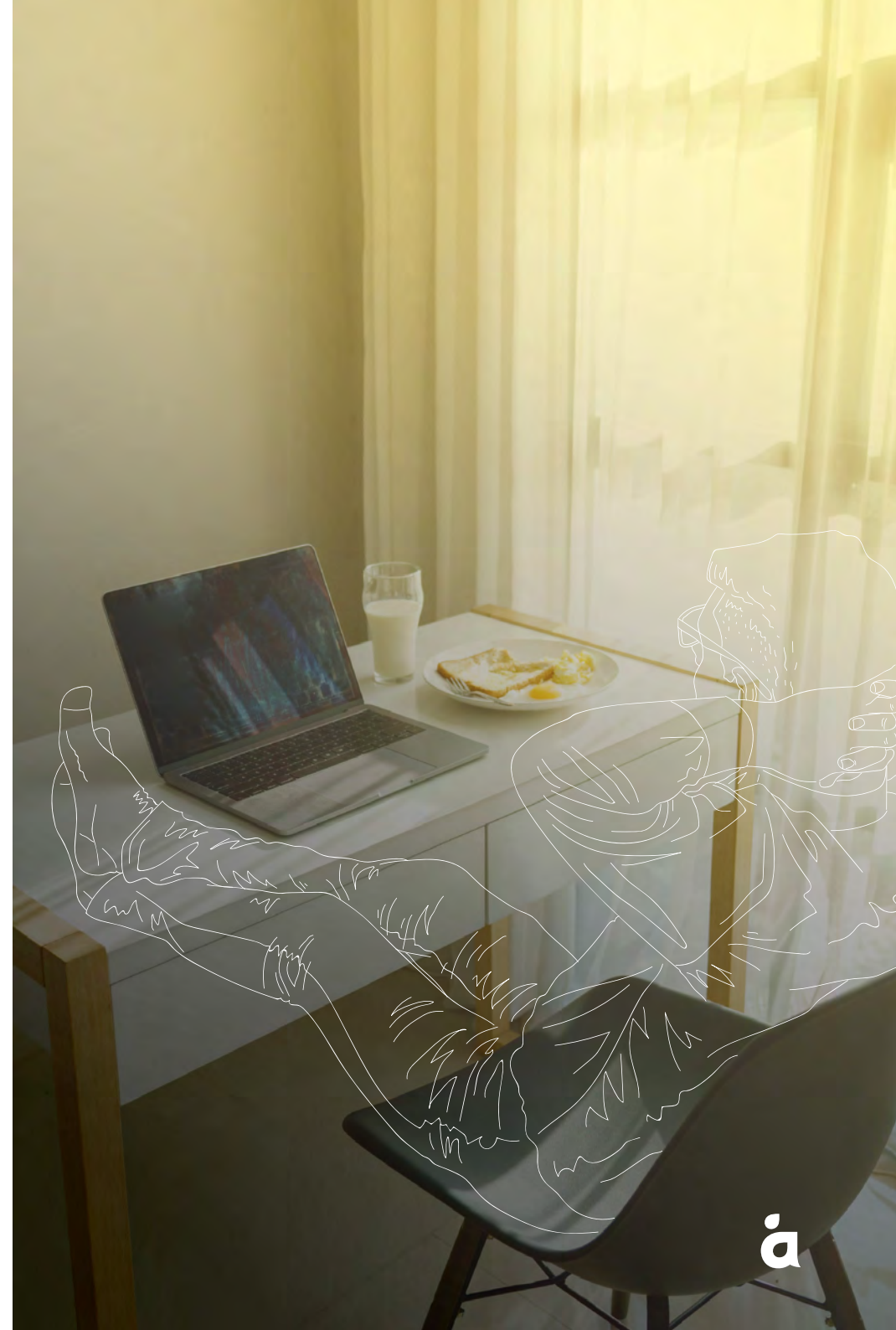
It is human nature to seek answers that

While these statistics provide a compelling case for change, we are nevertheless struggling with the uncertainty of how to prepare for a future yet unknown.

give us comfort. For every worker who feels secure and empowered working from home, there are others who find it isolating and discombobulating. Likewise, employers are either relishing this new world order, or fear the loss of company culture and control.

Perhaps we should hit the pause button and spend more time exploring the questions before rushing to try to find solutions to the challenges, because, despite disruptors like COVID:

We still have one powerful common denominator that connects us to the traditions of the past and the possibilities of the future...people.



People crave connectedness

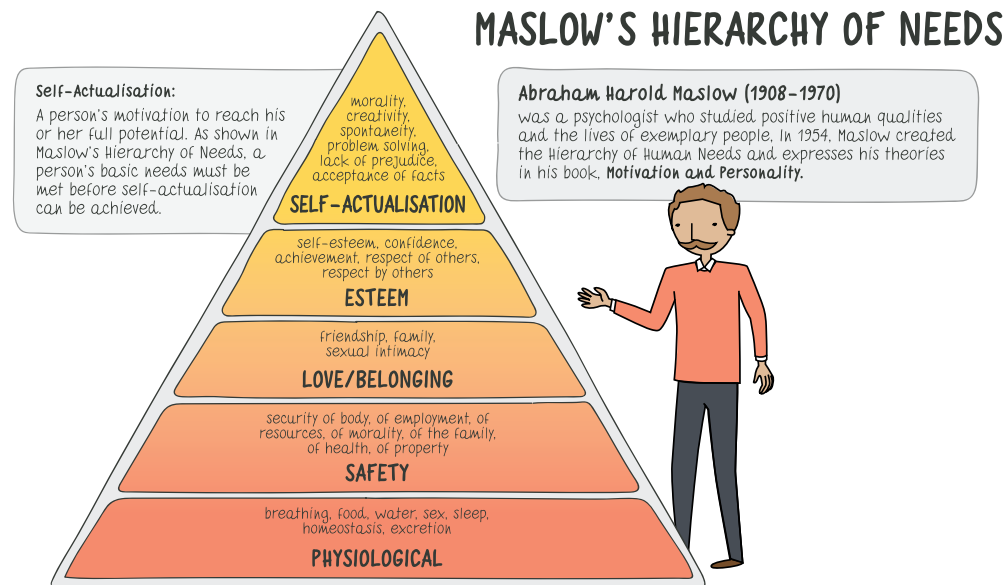
As Einstein hypothesised, we owe our strength in the struggle for existence to the fact that we are social animals.¹

In 1945, Abraham Maslow published a book entitled *'Motivation and Personality'*, suggesting a hierarchy of needs for human beings that starts with the basic needs of food and shelter, moving up the pyramid to the nirvana of self-actualisation, exemplified by creativity and problem-solving, along the way ensuring that our desires for love and belonging are also met.

During the COVID-19 pandemic, you could argue that we traversed the pyramid a bit more than usual, from bunkering down in the safety of our homes during lockdown, to relishing connecting with friends and family in restaurants and cafes when released from confinement, demonstrating our desire to meet both our physiological and emotional needs in variable proportions at different times.

In his book *'Social – Why our brains are wired to connect'*, psychologist Professor Matthew D. Lieberman from the Departments of Psychology, Psychiatry and Behavioural Sciences at the University of California, states that our need to connect with others is even more fundamental than our need for food or shelter. In fact, our brains' reactions to social pain and pleasure are similar to the way we react to their physical equivalents. Our survival as a human race is based on our ability to understand ourselves and others and modify our behaviour accordingly. Based on his and others' research, Prof. Lieberman argues that any activities that minimise social interaction, actually restrict our ability to engage and learn, and live happy, healthy and productive lives.

In an address to Google in 2019, **'The social brain and the workplace'**, Prof. Lieberman argued that while companies often spent time and energy on building their human capital, what was more important was to create the connections between employees, thereby creating powerful **social capital**. He stated that for those people who declare a love for working with their particular company, 40 per cent say it is because they enjoy working with their colleagues. Further research by his team has shown that to ensure co-workers are in 'synchrony' they need to 'share the same experience' as opposed to just being 'exposed to the same experience.'



¹ "Man owes his strength in the struggle for existence to the fact that he is a social animal" - Albert Einstein



What this tells us is that humans, despite our sometimes self-centred behaviours, are essentially wired towards community and social interactions, to pick up the non-verbal cues and other signals that enable us to make sense of ourselves, others and our complex world. We cannot change our physiology. While online interactions have a role to play, the ultimate goal, whether it's a dating app, a job interview, a project brainstorm or a medical consultation, is to 'connect' physically, at least occasionally, to create a sense of social cohesion, meaning, belonging, camaraderie and being part of a greater 'whole'.

Research by **Gallup** has shown that people who have a best friend at work are seven times more likely to be engaged in their job, are better at connecting with clients, produce higher quality outcomes, report higher levels of health and well-being and lower

rates of injury. Proximity is important too – a friend who you can physically connect with has a greater impact on your well-being, and if you have a mutual friend then this leads to even higher levels of health and well-being, demonstrating the importance of team cohesion.

As John Donne famously pointed out in 1624, we are not alone – we are all a piece of the whole.²

² "No man is an island, entire of itself; every man is a piece of the Continent, a part of the whole."
- John Donne

Technology – enabler or disabler?

For decades we have discussed the enabling power of technology, and this was brought to the fore during the COVID-19 pandemic when we experienced a massive and unprecedented uptake of **digital ways of working**, allowing remote delivery of work previously undertaken in specific ‘places of work’. However, as our lives are becoming increasingly enabled by digital devices we can hold in the palm of our hand, allowing us to do everything from checking emails to monitoring our health, are we becoming too reliant on technology? Is it the whole answer? Or are we ignoring our innate need for social interaction?

One school of thought is that we are in fact entering a kind of **‘renaissance’, or 5th Industrial Revolution**, where our physiological traits of humanism, critical thinking, diversity, creativity and purpose will thrive alongside technology. The very meaning of homo sapiens – ‘homo’ being the Latin word for ‘human’ and ‘sapiens’ derived from the Latin for ‘astute’ or ‘wise’, instructs us to leave the mundane algorithms to ‘machines’, while we humans continue to make sense of the world through our higher abilities of reasoning and creativity.

We need to grasp this opportunity to ensure our creativity is not lost – that we continue to use our higher human thinking skills to create and craft. The Institute for the Future and Dell Technologies, in their report, **Future of Work**, identify four emerging technologies that they predict will reshape human and machine interaction and thus enable the pursuit of more meaningful, creative and sustaining work for all:

- **Collaborative AI** – machines and humans working in partnership to achieve more
- **Multimodal interfaces** – moving from traditional interfaces of sight, hearing and touch, to emerging interfaces such as gesture recognition and smell
- **Extended reality (XR)** – combining augmented reality (AR), virtual reality (VR) and mixed reality (MR) to create real and virtual environments for rich, interactive experiences
- **Secure distributed ledgers** – **blockchains** that will transform applications such as smart contracts, enabling seamless connections and automated actions like paying a worker once a task is complete

The report paints a picture of a future workforce that is more inclusive, more empowered and more fluent in technologies.

As we spend roughly 30 per cent of our lives working, then ensuring our ‘workplace’ is delivering the creativity, sense of belonging, self-actualisation and connectedness we crave, in spite of, or perhaps enabled by, technology, is vital.

So, what implications does this have for our future ‘workplaces’? Will emerging technologies like quantum computing, create the speed and efficiency of problem-solving that abdicates the need for human brainstorming and iteration? Or will our workplaces become centres of excellence where ‘craft’ and ‘creativity’ thrive, a kind of ‘makers’ space’ for brainstorming, experimenting and prototyping, alongside technology; being more **human-centred** and focused on team dynamics and end-users?



The new workplace ecosystem

To understand the implications of recent workforce trends and the impact on workplace, Aurecon undertook a study, with the assistance of the Bright Group, on **Workplace Ecology 2.0 – Aurecon's New World of Work**. The study highlighted the fact that the 'workplace' is no longer necessarily one place where workers congregate to deliver a product or service. In fact, we believe the 'workplace' is transforming into an ecosystem of places to work that:

- Aligns with worker values, ethics and purpose
- Is flexible – can easily adapt to employer and employee needs
- Incorporates interactivity – smart, connected and integrated
- Supports activity-inspired learning
- Embeds safety, wellbeing and sustainability
- Encompasses inclusive, universal design
- Enables networked knowledge
- Incorporates real-time and predictive analytics, automation, machine learning and AI assistants

An ecosystem of places to work will likely consist of:

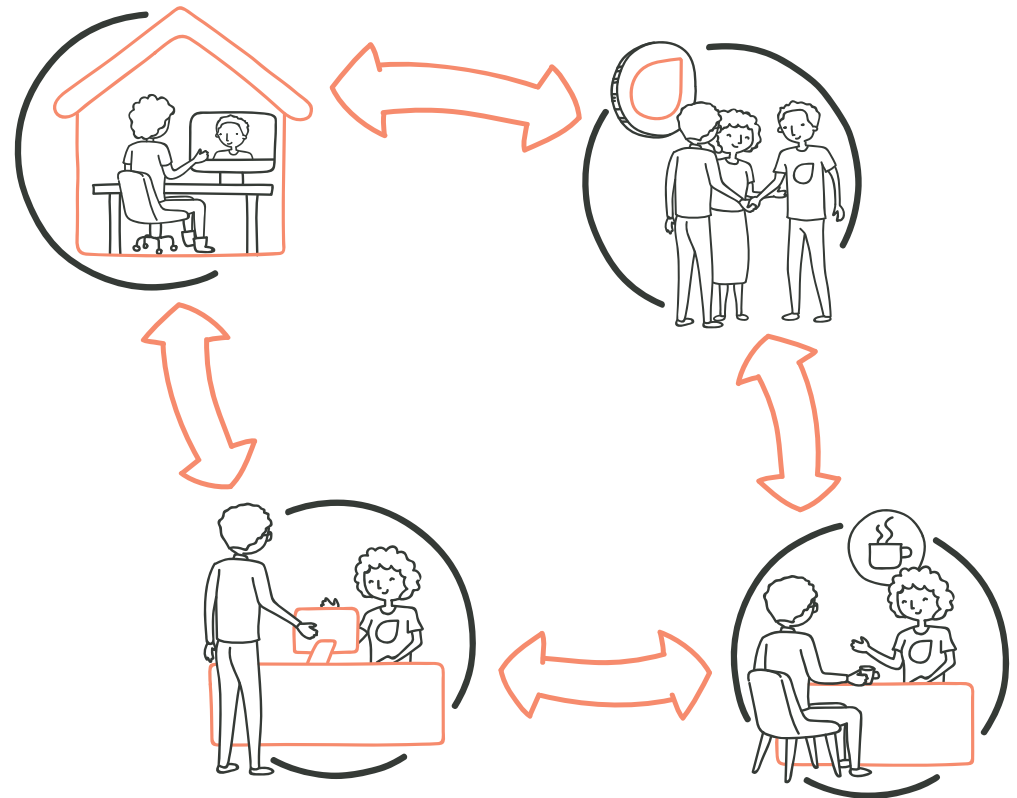
- **Central community place** – a thriving place for interactions and collaborations. It is an environment for company brand and culture to thrive and its primary purpose is for engagement, experience, attraction and retention
- **My workstation** – the place for me to be productive on focused tasks in the physical proximity of my work colleagues
- **My home workstation** – the place for me to be productive on focused tasks in the virtual proximity of my work colleagues
- **Remote places** – opportunistic places to connect, revive or focus. This could be a client's office, the park, a coffee shop, building lobby or co-working space

In making decisions about where to work each day, empowered workers will ask themselves a series of questions:

- What do I need to get done?
- What is the best way to organise my time to achieve the desired outcomes?

- Where is the best place to carry out my work?
- With whom do I need to connect?
- How will we collaborate?

From there the person picks the place – this is how, in turn, the **place empowers people**.



Re-defining workplace metrics

How will companies measure success in this new hybrid workplace model?

Workplace metrics are both quantitative and qualitative and the challenge will be to balance these metrics in the new workplace ecosystem to ensure desired outcomes, aligned to business strategy, are being realised.

In **Gartner's 'How to Measure Success of a Hybrid Workforce'** the two overarching metrics of workforce outcomes and business outcomes are explored.

Workforce metrics include tracking progress towards:

 Collaboration	Effective team collaboration , including mutual respect and understanding, a sense of connectedness, willingness to collaborate and effective conflict resolution
 Workplace Culture	A culture of trust and accountability
 Clear Process	Seamless, agile and transparent processes for a consistent employee experience , including having the tools, processes and technology available to enable effective hybrid working
 Health & Wellbeing	Prioritised mental and physical well-being , including effective work-life balance, positive manager/employee relationships, utilised wellness programmes and team bonding
 Organisational Alignment	Employee performance aligned to business objectives , requiring an understanding of the vision of the organisation, roles in driving business growth, how to prioritise tasks and their impact on organisational priorities and culture, and a shared sense of ownership for success

Business metrics involve:

 Optimised Workforce	Cost-optimised workforce footprint enabled through the ability to hire across locations, diversify skillsets and operate lean offices
 Strong Brand	Strengthened employer brand enabling attraction and retention of high-quality talent
 Innovation Rate	Innovation rate – not just productivity – as a contribution to revenue

Understanding how to use these metrics, and what to do if the model is not meeting objectives, will be essential to ensuring the workplace ecosystem is appropriate for the needs of the business and employees, and ultimately, sustainable.

Re-designing workplace ecosystems

As we look to the future, how do we make sense of this new workplace paradigm, one that is complex and evolving?

We need to consider it in the context of the ecosystem in which it exists, an environment that allows people to thrive wherever they choose to work.

How will we design the workplace ecosystem to enable it to be successful?

In the work that we've been doing, vital to success of the workplace ecosystem will be its ability to:

- Create a sense of belonging
- Support self-actualisation
- Create self-esteem
- Evoke fond memories
- Provoke the senses
- Invoke pride of place
- Encourage creativity
- Enable connectedness

- Promote health and wellbeing
- Enable balance and harmony
- Meet the needs of employer, employee and customer/client
- Enable optimum productivity
- Provide a comfortable environment in which to work – temperature, lighting etc

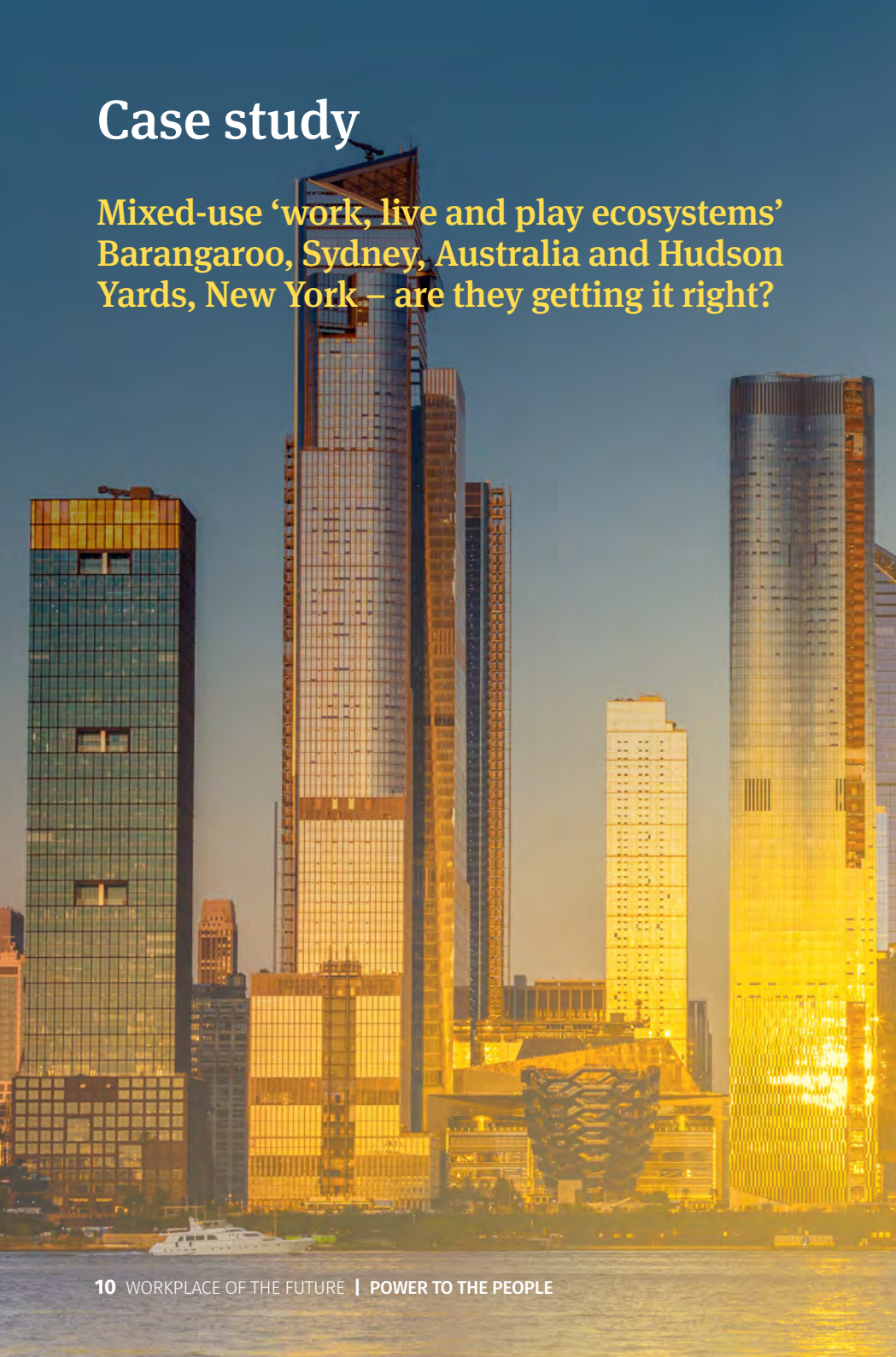
These additional metrics are also being considered to drive decision-making around the choice of workplace:

- Location
- Ease of access and proximity to transport services
- **Precinct design** - for example by activation through transport connections, commercial, residential, open space, restaurants, retail
- Local amenity
- Sustainability – eg. energy, waste



Case study

Mixed-use 'work, live and play ecosystems' Barangaroo, Sydney, Australia and Hudson Yards, New York – are they getting it right?



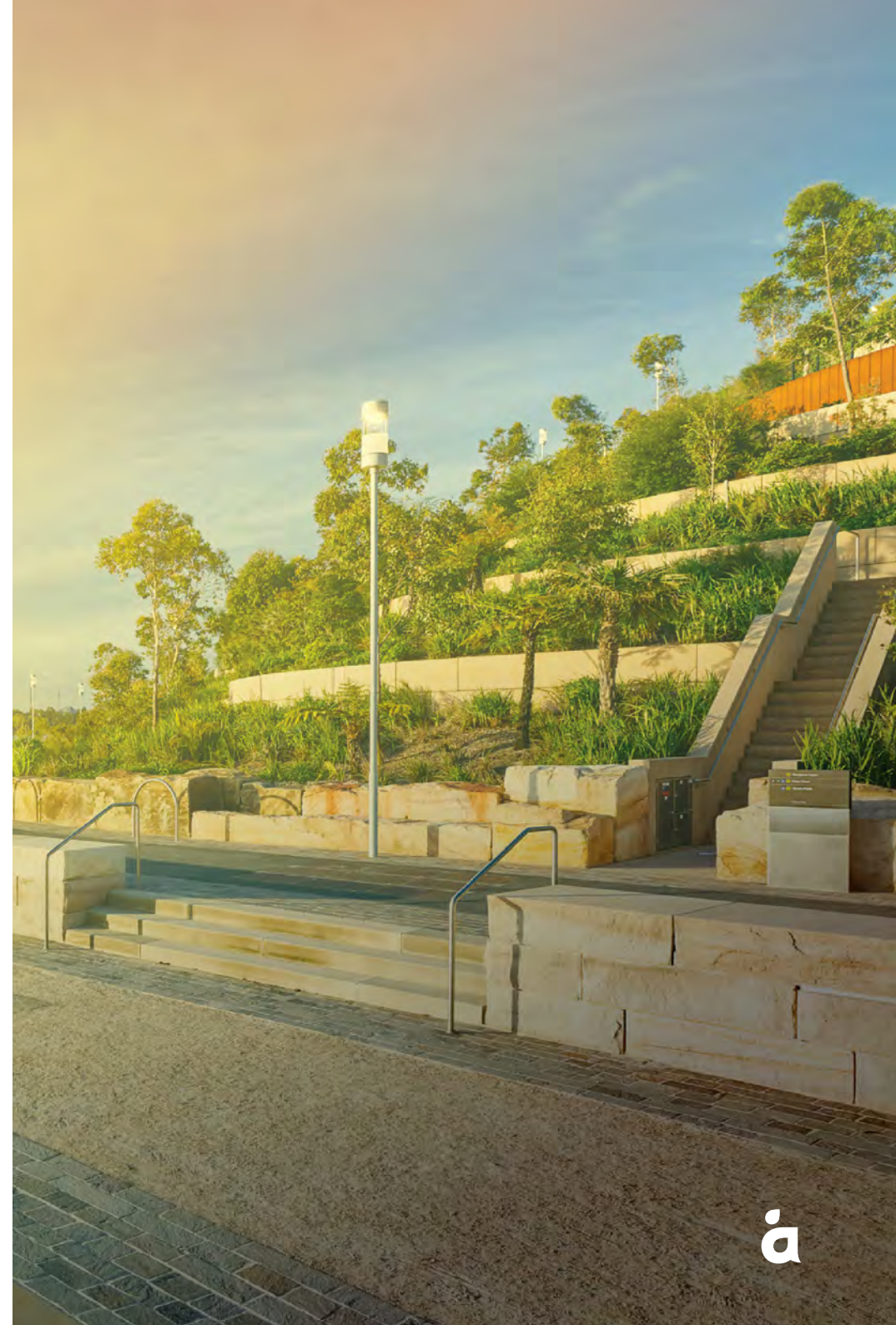
Precincts have a unique opportunity to create the 'live work play' neighbourhoods that fulfil all our basic and higher-level needs. Emerging from former industrial landscapes, two mixed-use precincts, commenced before COVID-19, are transforming communities, and setting new benchmarks for an 'ecosystem of places'. While they have received much acclaim, ultimately, will they fulfil the expectations of a post-pandemic workforce?

Hudson Yards on New York's West Side, is transforming 11 hectares of working rail tracks into the largest private mixed-use real estate development in the history of America. Planned to incorporate 16 new buildings, including 4 000 new dwellings (1 000 subsidised housing), public art, restaurants, a hotel, retail, public transport infrastructure, a school, parkland and over 55 000 jobs, it has its supporters and detractors. Hailed as an architectural masterpiece, and a triumph of commerce (enticing names such as SAP, Wells Fargo, CNN, Facebook and BlackRock to relocate their offices there), it has also been criticised for doing little more than **stroking the egos** of the designers and developers involved, and lacking in open 'green' space of the ilk of Manhattan's Central Park. The first

neighbourhood in Manhattan to be awarded a LEED Neighbourhood Gold certification by the World Green Building Council, its sustainability focus is admirable – encompassing a first-of-its-kind microgrid and stormwater reuse. Two eco-friendly cogeneration plants will generate electricity and use waste heat to both cool and heat precinct buildings. It estimates to reduce carbon emissions by 25 000 metric tonnes a year - the equivalent of taking 5 100 cars off the road. However, a commitment to a full circular economy approach is lacking, and the design of its skyscrapers as towering glass boxes will adversely impact energy efficiency.

Barangaroo, located on the edge of Sydney's central business district, is a 22-hectare, mixed-use waterfront precinct, with a rich maritime history. The area is now being transformed by the Barangaroo Delivery Authority for the NSW Government into a bustling residential, commercial, leisure and retail precinct, focused on accessibility by **ferry**, train, bus, cycling, and pedestrian access (with a target of only 4 per cent of journeys-to-work by car); world-renowned, architecturally designed residential and commercial buildings; food and beverage offerings; and expansive parklands and public spaces encompassing the award-winning **Barangaroo Reserve**. Barangaroo has a strong **sustainability focus**, and is one of only 19 projects around the world selected to participate as part of the C40 Climate Positive Development Program, with commitments to be

carbon neutral, water positive, zero waste and community-centred. The precinct aims to be Australia's first large-scale carbon neutral precinct, by incorporating Sydney Harbour water cooling, embedded electricity networks, recycled water treatment plants and on-site renewable energy generation. The reserve incorporates 100 per cent native plants and more than 50 per cent will be dedicated to public space. When the project is complete, Barangaroo will be home to 3 000 residents and 23 000 office workers, as well as shoppers, diners, and visitors. It is expected it will contribute AUD 2 billion to the NSW economy each year. Only time will tell if this integrated ecosystem of places for people to live, work and play, will represent a best practice precinct model for the future.





People empower place

Despite the chaos the COVID pandemic has inflicted on our world, and the predictions of a more technology-enabled way of working, our basic human needs, wants, desires, and expectations haven't changed. As per Maslow's *Hierarchy of Needs*, we still crave the basics of physiology and safety, as well as the more esoteric desires of belonging, esteem and self-actualisation – and Leiberman's more recent research supports this theory of social connectedness.

What this means for the future and our ways of working, is that our workplace ecosystem will need to 'work harder' to fulfil our physiological needs, to connect, collaborate, create and enable organisations, employees and customers to thrive. Instead of 'mandating', our workplace ecosystem will need to be a human 'magnet' – creating the spaces that support the goals of productivity, personal and professional fulfilment, as well as vision and purpose.

This is a moment in history.
As we make a quantum leap
towards the empowerment of
people who will decide how,
where and when we live and
work, our built environment
will be forever changed.



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About Aurecon

Aurecon brings ideas to life to design a better future.
Imagining what is possible, we turn problems into solutions.
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