

# EMBRACING WORKPLACE TO MOVE FM FORWARD



In partnership with



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# FOREWORD

The past ten years have seen some of the greatest socioeconomic shifts in modern memory. With a global recession, the rise of digital technologies, disruptive business models and political uncertainty, it is fair to say that the only constant is change.

As a profession, facilities management is no different and this year marks BIFM's 25th anniversary. Over the years we have seen our profession grow and blossom, but it has not been without its challenges. As an industry that grew from the outsourcing of non-core business functions FMs today comprise a key profession with the combined capacity to deliver major productive benefit; but too often the function is regarded as being of more operational than strategic importance.

BIFM wants that to change. We see workplace as a clear opportunity for the industry to raise both its voice and its game; but this does not mean turning away from FM, or its value as a profession. It does mean recognising and exploring the potential combined value of workplace and FM, particularly in the knowledge economy. We are foregrounding workplace because we can achieve an overall uplift to our profession if we can help FMs develop the necessary interconnector skills of a workplace professional and educate the corporate world to demand them.

This knowledge report comprehensively explores the relationship between FM and workplace. We hope you find it of value, and we openly encourage your response. We would very much like to hear your thoughts – get in touch at [research@bifm.org.uk](mailto:research@bifm.org.uk)



**Stephen Roots**

Chairman  
BIFM

# CONTENTS

ABOUT THIS REPORT .....	4
SUMMARY .....	5
INTRODUCTION .....	10
OVERVIEW OF THE RESEARCH .....	11
WHAT IS WORKPLACE.....	12
THE WORKPLACE EQUALISER .....	17
PLACEMAKING: THE POWER OF PLACE .....	18
WHY IS WORKPLACE IMPORTANT? .....	19
CONVEYING THE IMPORTANCE OF WORKPLACE .....	22
WORKPLACE HAS ‘CORE’ VALUE .....	24
WHAT DOES WORKPLACE MEAN FOR FM? .....	26
BACK TO THE FUTURE – A BRIEF HISTORY OF FM AND WORKPLACE .....	30
ENDNOTES.....	31



# ABOUT THIS REPORT

## ABOUT THE AUTHORS

This knowledge report was written by Dr James Pinder and Ian Ellison, Directors of 3edges Workplace Ltd. 3edges helps organisations of all shapes and sizes unlock workplace advantage through action-led consultancy, research and a broad range of education, learning and developmental approaches.

James is an applied researcher with a longstanding interest in the workplace. Following a degree in building surveying, his doctorate explored the relationship between workplace design, perceptions and cost. He is an experienced evaluator, adept at providing organisations with new insights and communicating those insights in engaging and understandable ways.

Ian joined Sheffield Hallam University as a senior lecturer following ten years in both in-house and service provider facilities management roles. Since then his engaging, provocative and personable approach has led to a wide range of workplace, leadership and change related commissions, always with education and advocacy at their core. His ongoing research explores what matters to people about workplace.

Reflecting our commitment to learning, 3edges hosts the regular *Workplace Matters* podcast, and co-created the *Workplace Leadership Manifesto* with workplace author and strategist Neil Usher.

For more information about 3edges and *Workplace Matters*, visit [www.3edges.co.uk](http://www.3edges.co.uk)



**JAMES PINDER**  
BSC(HONS) PHD



**IAN ELLISON**  
BSC(HONS) MBA CBIFM FHEA



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# SUMMARY

Recent years have seen a growing interest in workplace, as some of the world's most influential and successful companies have used workplace as a tool for competitive advantage. The term 'workplace' has always been part of the facilities management (FM) vocabulary, however, like FM itself, the term means different things to different people.

This report therefore explores what 'workplace' is, why it's important, and what opportunities and challenges workplace presents for the FM profession.

The overall aim of this report is to raise awareness and understanding of workplace amongst FM practitioners, and to encourage them to think about what workplace means for them.

This report builds upon research carried out on behalf of the British Institute of Facilities Management (BIFM) in 2017, which included interviews with FM and workplace practitioners, and an online survey of BIFM members.

This report explores what 'workplace' is, why it's important, and what opportunities and challenges workplace presents for the FM profession



## WHAT IS WORKPLACE?

For some people workplace brings to mind a physical setting (usually a building) where people carry out their work; for others, workplace is more about culture. These different perspectives of workplace are wrapped up in our notions of 'work' as either 'somewhere you go' or 'something you do', notions that are shaped by our professional background, education and upbringing.

- Over two-thirds of BIFM members who responded to our survey indicated that they see workplace as being more about the cultural than the physical environment.
- The research also revealed more nuanced perspectives in which workplace is seen as an amalgamation of the physical and the cultural environments, where there is more of an emphasis on service and experience.

The reality is that physical space and culture are intrinsically linked: a sense of place comes through the meaning people bring to it. Physical space shapes organisational culture, and organisational culture shapes space. We also know that technology plays a key role in work – it always has done. Technology can therefore be considered a third component of workplace, alongside physical space and culture.

- Any workplace can therefore be seen to comprise these three overlapping components. It's the overlapping nature of these components that's really critical – because one component will inevitably impact on the others.
- Although an organisation's culture, workspace and technology can be (and often are) changed independently of each other, they are interlinked, so if a disconnect occurs problems will arise.
- The value of workplace is in viewing space, culture and technology together – appreciating the impact that one component can have on another, for better or worse.

This underlines the need to view workplace more holistically, something that rarely happens in organisations. The components of workplace – as outlined here – have traditionally been considered separately, and often managed in silos. However, the problem with managing the workplace this way is self-evident: decisions made unilaterally in one domain may (and often do) have a negative impact on another domain.

The value of workplace is in viewing space, culture and technology together – appreciating the impact that one component can have on another, for better or worse



## WHY IS WORKPLACE IMPORTANT?

The idea that workplace can be a lever for strategic advantage is by no means new, but it's one that many senior leadership teams still fail to act upon. Workplace very often gets taken for granted. Despite the centrality of workplace to individual and organisational activity, in many organisations the management of workplace continues to be seen as 'non-core'. Non-core activities are typically perceived to be less valuable than core activities, which make them a more likely target for economy-focused challenges and cost-cutting.

However, decades of research have shown that each component of workplace is important at both an individual (personal/employee) level and organisational (company/business) level.

- At an individual level workplace can impact on people functionally (influencing whether or not they can work effectively) and symbolically (affecting how they feel about their work and/or organisation).
- Workplace is important at an organisational level because it can, amongst other things, be used to project an organisation's purpose and brand, attract and retain talent, or initiate change.

Progressive organisations recognise this and invest in their people, technology and workspace. For these organisations workplace is core to what they are about.





## WHAT DOES WORKPLACE MEAN FOR FM?

Workplace played a fundamental role in the early development of FM and, despite the relationship weakening in the intervening years, has the potential to play a critical role in its future. However, that role is by no means inevitable because as well as presenting opportunities, workplace also poses a number of challenges for the FM profession.

Some people see workplace as a vehicle for raising the profile of an FM profession that has for decades struggled to get 'a seat at the top table' and has repeatedly been told to be 'more strategic'. This is understandable given that many of the FMs who responded to the research felt that their work wasn't valued, understood or respected. The research found that FM still has problems with its identity and status.

- There is an opportunity to embrace workplace as a way to realise a more business-relevant version of FM. For people outside of FM, the term 'workplace' is more evocative than 'facilities management'.
- Whereas FM is often concerned with the means (the supply of operational services), workplace implicitly focuses on the ends (enabling strategic business performance).
- In the same way that some organisations use workplace to attract and retain talent, the language of workplace might be a useful vehicle for FM to communicate with and appeal to a broader and younger audience.
- However, if some facilities managers still see workplace solely in terms of the physical environment, there is a risk of FM just paying lip service to workplace rather than genuinely understanding and embracing it.

Workplace played a fundamental role in the early development of FM and, despite the relationship weakening in the intervening years, has the potential to play a critical role in its future





There is evidence to suggest that FM is beginning to recognise a potential workplace related remit beyond its traditional physical domain – seeing the role of FM as being more about enabling work than managing space. The research highlights an opportunity for FM to assume a unifying or leadership role, bringing together the different elements of workplace management that have traditionally operated in silos.

- There was a strong sentiment that management of the workplace needs to be better integrated – particularly in terms of the relationships between FM, HR and IT functions.
- FM was seen to have the breadth of knowledge and experience to fulfil a unifying role in the workplace, however assuming a leadership role also creates challenges for the FM profession.
- There was a feeling that if FM is to assume a workplace leadership role the profession as a whole will need new skills and be better at speaking the language of business.
- The FM profession has an opportunity to be proactive and lead by example by demonstrating value through action, for instance by putting an emphasis on ‘placemaking’ in organisations and adopting the role of ‘enabler’.
- A potential risk for the FM profession is that if it doesn’t assume the workplace leadership role someone else will, thereby relegating FM to the role of building manager, divorced from the core business.

If some facilities managers still see workplace solely in terms of the physical environment, there is a risk of FM just paying lip service to workplace rather than genuinely understanding and embracing it

# INTRODUCTION

Some of the most influential and successful companies in the world see workplace as a tool for business advantage. For instance, the four largest American technology companies – Google, Apple, Facebook and Amazon – all invest heavily in their workplaces and regularly make media headlines with their high-profile projects. These and other leading organisations have acknowledged that workplace is high on their business agenda and see it as a way of improving their business performance, employee experience and brand value.

While the scale and nature of the investment by the big technology companies may seem far removed from the day-to-day reality of most other organisations, it's difficult to refute that they have raised the profile of workplace and legitimised interest in it. As The Economist noted last year: *“Other industries would be wise to take time to watch how tech firms are structuring their work environments.”*<sup>1</sup> It's also clear that the growing interest in workplace presents opportunities and challenges for a facilities management (FM) profession that has struggled to gain recognition outside of the FM industry.

The purpose of this report is to highlight the opportunities and challenges that workplace presents for FM by exploring the relationship between FM and workplace – and considering how this relationship could change in the future. The term ‘workplace’ has always been part of the FM vocabulary, however like FM itself the term means different things to different people, which can be confusing. This report will look to articulate what ‘workplace’ is, why it's important, and what a better understanding of workplace means for FM and its practitioners.

This report builds upon research carried out on behalf of the BIFM in 2017. The research sought to explore the current state of the FM profession and the potential challenges and opportunities facing it in the future. The relationship between FM and workplace was a key focus of the research because of the central role it had played in The Stoddart Review's 2016 report, ‘The Workplace Advantage’, for which BIFM acted as host organisation<sup>2</sup>.

As well as the 2017 research this report will draw upon other sources of information and the informed opinion of the authors. The overall aim of this report is to raise awareness and understanding of workplace amongst FM practitioners, and to encourage readers to think about what workplace means for them. Each section therefore contains ‘thinking tools’ for readers to use and a summary of key messages.


Some of the most influential and successful companies in the world see workplace as tool for business advantage



## OVERVIEW OF THE RESEARCH

The research canvassed the opinions of BIFM members, views of FMs who aren't BIFM members and people from other disciplines who work in and around the FM industry – for instance, workplace consultants, architects and real estate professionals<sup>3</sup>. The research was conducted between April and July 2017 and involved:

- Analysing anonymised BIFM membership data, in order to create a demographic profile of BIFM membership and a baseline against which to compare the survey data.
- Reviewing previous research and publications about the FM profession and the FM industry, in order to help inform the design of the data collection and provide context to the findings.
- Telephone interviews with 78 people, including 28 BIFM members and 50 industry professionals working in and around the FM and workplace industries.
- An online survey of BIFM members, which yielded 550 responses. The profile of respondents was broadly similar to BIFM's membership as whole.



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# WHAT IS WORKPLACE?

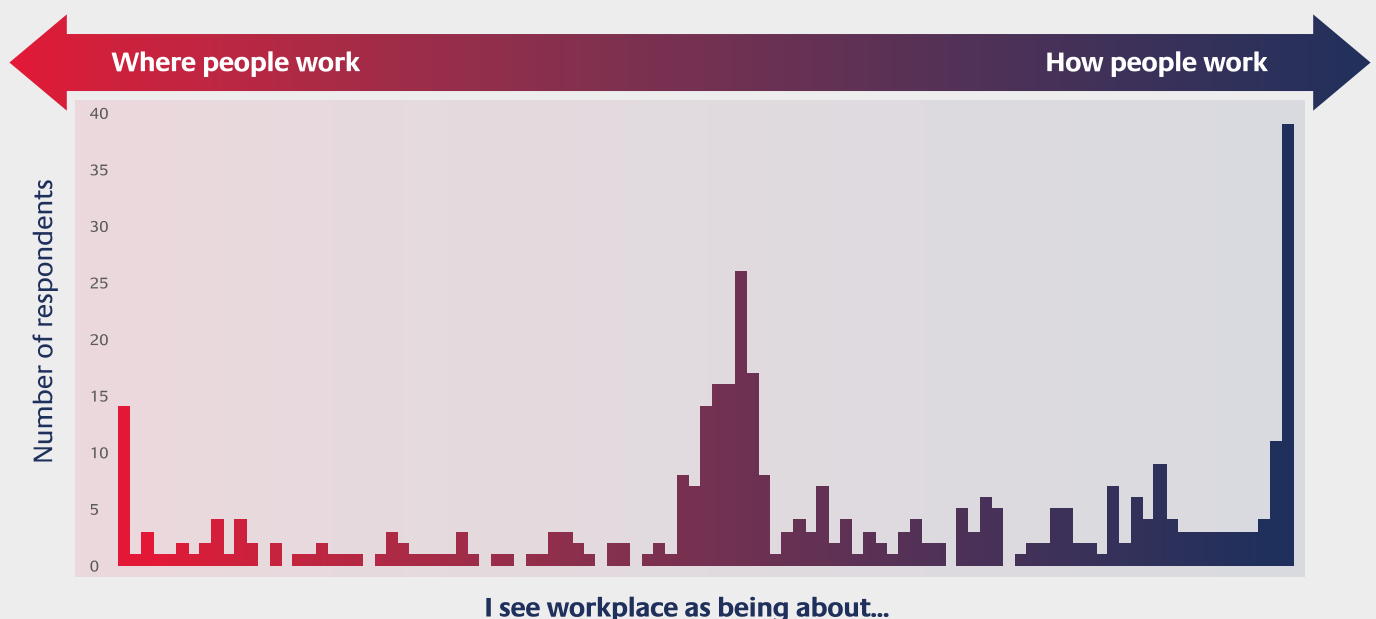
The word ‘workplace’ is used frequently in everyday conversations and in the news and media. However, if you were to ask people – your friends, family or colleagues – what workplace means to them, it’s likely that you’d receive a range of different responses. For some people workplace brings to mind the physical setting (usually a building or workspace) where people carry out their work; for others, workplace has more cultural relevance – it’s the social setting or community of people doing the work.

These different perspectives are wrapped up in our notions of 'work' itself. Work as 'something you do, not somewhere you go' has become a popular phrase, but we still say things like 'I'm going to work' - because many of us still regularly do just that. The enduring notion of 'work' as a fixed location appears to have roots in our industrial past, with 'works' being

*“a place or premises in which industrial or manufacturing processes are carried out”*<sup>4</sup>. So, as with workplace, there are multiple notions of work: it’s about activity (and therefore culture) but it’s also about location (in a physical space).

We can see these different perspectives in two well-known workplace assessment tools. For example, Leesman<sup>5</sup>, the workplace benchmarking firm, frame workplace as the physical work environment, seeking to measure its impact on organisational experience. Their survey questions (and resulting data) are all about the physical aspects of workplace and its impact on employees' ability to carry out their work. In contrast, Great Place to Work<sup>6</sup> see workplace in terms of the cultural phenomena of trust between colleagues and employee engagement. Their survey questions explore the non-physical aspects of workplace. Neither approach is wrong, but they are two different ways of seeing and assessing workplace.

## RESPONDENTS' VIEWS ON WORKPLACE



These contrasting perspectives of workplace were also reflected in the responses of BIFM members. When survey respondents were asked to indicate their position on workplace, there was a broad spectrum of responses between the two extremes. The fact that over two-thirds of respondents positioned themselves towards workplace being about ‘how people work’ suggests that, for many of them, workplace is becoming more about the cultural than the physical environment.

However, it’s clear that some people still see workplace primarily in terms of physical settings, a fact echoed in the comments made during the interview research. For instance, workplace was defined as:

*“A physical environment where you go to connect to others. Not necessarily employer space”*

*“Anywhere you work – not a desk”*

*“The place that people do their best work”*

*“Somewhere you do something that you get paid for”*

*“The physical environment that employees are located in and their workstation”*

These definitions are interesting because they also highlight how some people define workplace more narrowly in terms of office environments, whereas others see workplace more broadly to include a wider variety of physical settings, corporate or otherwise.

The research also revealed more nuanced perspectives in which workplace is seen as an amalgamation of the physical and the cultural environments. For instance, some people defined workplace as a service, with an emphasis on meeting the needs of ‘customers’ rather than simply providing workspace for ‘users’. Serviced office space epitomised this perspective of workplace. Other interviewees saw workplace more as a curated experience, citing hotels and co-working spaces as examples<sup>7</sup>.

## DIFFERENT PERSPECTIVES ON WORKPLACE



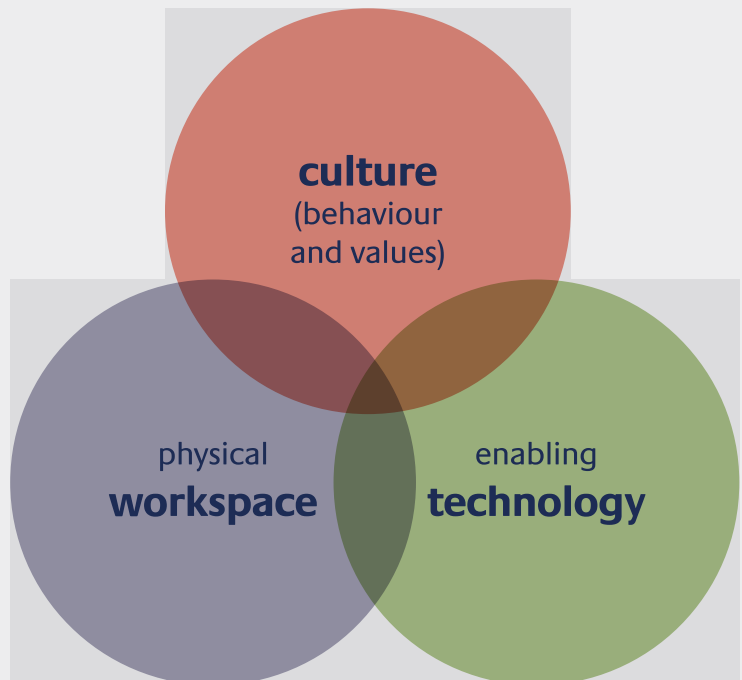
Ultimately, the way that we view workplace is shaped by our professional background, education and even upbringing. These in turn influence what we consider to be significant in the world around us. For instance, if you are from a built environment profession, your view of workplace is more likely to include some sort of physical element. But if your background is more people/employee focused, you may be more predisposed to see the workplace in terms of organisational climate or culture.

However, whether your view of workplace is orientated towards the physical or the cultural, the reality is that physical space and culture are intrinsically linked: a sense of place comes through the meaning we bring to it. Winston Churchill, the then British Prime Minister, seemed to be implicitly aware of this when he declared that *“we shape our buildings, and afterwards our buildings shape us”*, during a discussion of how to rebuild the House of Commons following its bombing in the blitz<sup>8</sup>. So, even if our professional biases tell us otherwise, we should be thinking of workplaces as an amalgamation of physical space and culture.

Whilst physical space and culture are important, we mustn't neglect the key role that technology plays in work – and always has done. Throughout human history

developments in technology have served to shape our built environment and our culture, and vice versa. Just think about the impact that the smartphone has had on the way we live and work. Technology can therefore be considered the third component of workplace, alongside physical space and culture. Any workplace – whether it be an office, shop, factory, school or hospital – will comprise these three overlapping components.

#### THE THREE OVERLAPPING COMPONENTS OF WORKPLACE



Whilst physical space and culture are important, we mustn't neglect the key role that technology plays in work – and always has done





It's the overlapping nature of these components that's really critical – because one component of workplace will inevitably impact on the others. For instance, a physical workspace that is designed to be flexible, with a range of different work settings, will not be utilised to its full potential if an organisation's culture constrains choice and autonomy, and/or its information technology doesn't enable people to work wherever, whenever and however they need to. Equally, having the technological capability to work in a distributed, flexible way is largely pointless without the cultural elements in place to allow people to take advantage of it.

These examples are useful because they underline the need to view workplace holistically, something that rarely happens in organisations. Physical space has traditionally been the domain of estates and FM departments; culture has been the preoccupation of leadership teams and more recently some HR functions; and depending on context technology has been the responsibility of operations and/or IT departments. However, the problem with managing the workplace in this way is self-evident: decisions made unilaterally in one domain may (and often do) have a negative impact on another domain. This is an issue that we return to later, when we consider what workplace means for FM.

Whether your view of workplace is orientated towards the physical or the social, the reality is that physical space and culture are intrinsically linked: a sense of place comes through the meaning we bring to it



## KEY MESSAGES

**Workspace does not equal workplace. Workplaces also comprise cultural and technological components as well as physical space**

**Workplaces need to be viewed holistically to ensure that their spatial, cultural and technological components are aligned**

**Workplaces are more than just about offices – they include a diverse range of work settings. All work happens somewhere.**



## THE WORKPLACE EQUALISER

We use a series of ‘thinking tools’ to help structure conversations about workplace. One such tool is the ‘workplace equaliser’, illustrated below. The equaliser suggests that the three components of workplace exist on continua, which can be used to understand the relative positions of each component of an organisation’s workplace and determine how well they are aligned with each other.



Thinking about workplace in this way is useful because it underlines the need to view the three components of workplace together. Although an organisation’s culture, workspace (physical space), and technology can be (and often are) changed independently of each other, they are interlinked, so if a disconnect occurs problems will arise. This thinking tool is therefore a great way of framing discussions about the need for change in the workplace.

The labels on the continuum may vary depending on context and the type of work being carried out. For example, the workplace equaliser above was developed for office workplaces and suggests that:

- **Culture** exists on a continuum between traditional (embodying principles such as presenteeism, hierarchy and status) and progressive (embodying principles such as trust, choice, flexibility and empowerment)

- **Workspace** exists on a continuum between fixed (very limited choice of work settings and limited sharing) and flexible (a wider choice of work settings and a greater degree of sharing and/or mobility)
- **Technology** exists on a continuum between constraining (poor functionality and often limited choice) and enabling (technology that reflects and supports different user needs)

**Try using this tool to appraise your own workplace, by asking yourself the following questions:**

- **Where would you position your workplace on each part of the equaliser?**
- **Are the labels appropriate and, if not, what should they be?**
- **How well aligned are the different aspects of the workplace?**
- **How might your workplace need to change, and who are the key people you need to talk to about this?**



## PLACEMAKING: THE POWER OF PLACE

*“First life, then spaces, then buildings.  
The other way around never works”*  
Jan Gehl, *Life Between Buildings*

The relationship between people, space and place has for centuries been a preoccupation of philosophers, sociologists, historians, geographers and many other academic disciplines. We tend to forget this when we focus on the traditional remit of FM, however stepping beyond our usual sources of knowledge can often help us see things differently.

For instance, one short sentence from eminent human geographer Yi-Fu Tuan shows just how intertwined space and place are through our cultural interpretations. Tuan explains, “What begins as undifferentiated space becomes place as we get to know it better and endow it with value”<sup>23</sup>. For Tuan, space is freedom, openness and even sometimes threat, whereas place is stability and security. It’s interesting to reflect on this proposition in relation to the new workspace solutions we seek to implement, the cultural change challenges we consequently face, and the outcomes by which we measure success.

We can frame how people feel about workplace and the value it has in terms of the psychological concept of place identity. This helps us further understand the important symbolic role it holds, beyond the mere functional. Studies<sup>24</sup> have shown that *“When place identity is higher, employees report more engagement in their work, more communication with their peers, and a stronger connection to the company”*. The leadership role in understanding and helping people realise place identity cannot be underestimated.

A broader notion of place identity shines through in an approach called ‘placemaking’. Place in built environment terms has its roots in urban planning and design. During the 1960s and particularly in the USA, top down and rigid planning solutions favoured for example transport routes, automobiles and shopping centres over people. In essence, design decisions began eroding human scale communities.

In reaction to this, urban activists such as Jane Jacobs and behaviourists such as William H Whyte began challenging these then growing conventional wisdoms. They foregrounded an approach called ‘placemaking’, both as a process and a philosophy, to collaboratively reimagine public spaces as the heart of communities. For our FM and workplace discussion, it is placemaking that *“creates the cornerstones of mental association and gives such places the patina of affection”*<sup>25</sup> through the lived experiences of everyone inhabiting and using their workplace.

So, from ideas like these we can begin to appreciate both how interlinked space and place are, and also the psychological importance of them, according to how they are perceived. We are responsible for the workplaces we conceive, as much as we are individually and collectively affected by our working lives within and as we move through them.

**Where is your current focus – do you focus on space as a function (to be managed and controlled), or place as an asset (to enable communities of people)?**

# WHY IS WORKPLACE IMPORTANT?

For many organisations, workplace is a key part of what defines them. Culture – the way people do what they do – is intrinsic to organisations because they are, fundamentally, groups or communities of people with a purpose. Physical workspace is where organisational activity takes place, both ‘on site’ and off-site, because everything happens somewhere. And technology, in its various guises, enables organisations to carry out work activities that they would otherwise be unable to do. However, despite the centrality of workplace to organisational activity, in many organisations the management of workplace is deemed ‘non-core’. As a result, workplace very often gets taken for granted.

Over the years much has been written about the importance of the cultural, physical and technological components of workplace – although these components have tended to be considered separately. For instance, whereas researchers in the built environment have tended to focus on the impact that physical space has on people and organisations, those working in business and management fields have been preoccupied with culture and organisational climate. Similarly, technology has its own body of research. It’s rare for these domains of knowledge to overlap.

However, what is clear from decades of research is that each component of workplace is important. Researchers have consistently

found an association between organisational climate and corporate performance, across a range of sectors<sup>9</sup>. Physical space has been found to impact on people both positively and negatively, in a multitude of ways<sup>10</sup>. The same goes for technology<sup>11</sup>. However, the value of workplace is in viewing these components holistically and systemically – appreciating the impact that one component can have on another, for better or worse.

The importance of workplace can be articulated in both individual and organisational terms. At an individual level workplace can be seen to play two key roles. On the one hand, it impacts the way people function, influencing whether or not they can work effectively. On the other hand, workplace has a less tangible (but no less important) symbolic impact on people, affecting how they feel about their work and/or organisation, including the degree to which they feel valued and trusted. This symbolism is one of the reasons why workplace is often such an emotive issue.

The importance of workplace can be articulated in both individual and organisational terms

At an organisational level the idea that workplace can be a lever for strategic advantage is by no means new, but it's one that many senior leadership teams still fail to act upon. A recent report by Leesman, based on data from over 2,000 workplaces, concluded *"... that organisations are not getting what they should from their corporate workplaces."*

The report pointed to a range of reasons for this situation, including poorly informed decisions about the physical, cultural and technological aspects of workplace. For instance, there's often an assumption that new workspaces will automatically yield performance improvements irrespective of culture and technology<sup>12</sup>.

Any discussion of the importance of workplace eventually leads to the issue of productivity. The word 'productivity' is now ingrained in the language of business and work<sup>13</sup>, although some influential economists have begun questioning the concept<sup>14</sup>. The notion of productivity can be problematic for two reasons. The first is the need to distinguish between productivity at an organisational (enterprise) level and productivity at an individual (employee) level – the link between

them may not be as clear-cut as we might first assume<sup>15</sup>. The second reason concerns the difficulty of objectively measuring productivity, particularly in knowledge-based organisations, and the fact that such measures tend to be context specific.

The difficulty in making a connection between workplace and productivity could be used as reason for not investing in workplace (i.e. you can't manage what you can't measure). However, the reality is that productivity – however it might be measured – is only one of many reasons why workplace is important. As the Stoddart Workplace Advantage report found in 2016: *"...all roads lead back to workplace – whether in projecting brand values, reflecting purpose, changing behaviours or underpinning employee engagement."*

Different authors have encapsulated the importance of workplace in different ways. For instance, architectural practice DEGW (1971-2009) popularised the three 'E's of efficiency, effectiveness and expression, a model that has recently been developed further by workplace strategist and author Neil Usher in his recent book 'The Elemental Workplace'<sup>16</sup>. This new model is included in this report for you to use.

**Productivity – however it might be measured – is only one of many reasons why workplace is important**





## KEY MESSAGES

Many organisations fail to recognise how important workplace is – they take it for granted

‘Productivity’ is a nebulous and overused concept that requires careful and specific consideration

Workplaces are not neutral – they have a positive or negative impact on people and organisations

The importance of workplace can be framed in terms of six factors: efficiency, effectiveness, expression, environment, ether and energy



## CONVEYING THE IMPORTANCE OF WORKPLACE

The six-factor framework below is from Neil Usher's 'The Elemental Workplace' and is based on the three factors of workplace strategy – efficiency, effectiveness and expression – made famous by architectural practice DEGW. Three additional factors have been added to the original three: environment, ether and energy. Whilst these six factors are presented as distinct, in reality they influence each other, both positively and negatively.

- **Efficiency** is about achieving economical and/or flexible use of space and ensuring everyone takes the cost of space and its services seriously. It can be measured in terms of spatial efficiency (the amount of space occupied, the density to which it is occupied, and the degree of utilisation) or cost efficiency (the aggregated cost per unit of space and cost per person). Efficiency must be factored into workplace decisions because it impacts on an organisation's bottom line - but efficiency needs to be balanced with the other factors below.
- **Effectiveness** is the degree to which the workplace enables its occupants to perform at their best. It goes hand in hand with efficiency, but push efficiency too far and effectiveness will be negatively impacted – and vice versa. Effectiveness can be harder to measure in some contexts; however, this doesn't mean it is less important – a trap many organisations fall into. An effective workplace is simple and intuitive to use, allows its occupants to work together or alone, creates the opportunity for connection, inspires and motivates, and enables learning and development.
- **Expression** is about the symbolic role of workplace. Workplaces reflect and represent their organisations. Done well, a workplace draws people in, reinforces purpose and mission, and creates loyalty, pride, commitment and advocacy. Done badly, it can push people away. Expression is much deeper an idea than simply the flagpoles on the lawn - it extends to all aspects of the workplace, including the services provided and the behaviours of those providing them.
- **Environment** concerns the impact that workplace has on society and our planet. The impact that a workplace has on the environment helps to shape peoples' perceptions of an organisation and can demonstrate and encourage collective commitment to our planet. Strategies for mitigating the environmental impact of workplace include the use of sustainable construction materials, ethical sourcing policies and reducing energy performance in-use.
- **Ether** is the digital space that organisations exist in. Online – 'in the ether' – workplace is held accountable for what it does and says through the stories that people tell about it, especially on social media. Peoples' experiences of their workplace are part of the digital personality and brand of an organisation. Alongside expression and environment, ether is where workplace can make a major contribution to advocacy and the reputation of an organisation by showing how it cares for and values its people. A great (or terrible) workplace is rarely a secret.
- **Energy** is about the power of workplaces to inspire, energise and motivate people. A great workplace can boost the energy of an organisation through its functionality, amenities, technology and services. It can promote behavioural choices that enhance personal welfare. Equally, a poor workplace can consume an organisation, negatively impacting on performance and engagement. The idea of energy extends beyond wellbeing as it is directly related to the other five factors, particularly effectiveness.

The six factors can be used as a thinking tool to stimulate discussion and debate about what's really important to an organisation, and to highlight gaps in awareness. Most organisations consider some of the six factors when making decisions about their workplace, but few organisations consider them all. How much more valuable could our workplaces become if they did?

**Try using this tool to appraise your own organisation's approach to workplace. Consider the following questions:**

- **How does your workplace measure up to the six factors – what are its strengths and weaknesses?**
- **How do you currently measure the performance and impact of your workplace? Which of the factors do you have useful information about?**
- **Which of the factors reflect your organisation's priorities? Is this a sustainable approach?**
- **Overall, is your workplace impacting your people and your organisation positively or negatively?**
- **Does workplace appear to be core to your organisation's success?**





## WORKPLACE HAS 'CORE' VALUE

It would be hard to work in FM and be unaware of the terms 'core' and 'non-core'. They are typically used to distinguish between activities that are central to an organisation's business and those that are considered peripheral. Non-core has become part of the language used to describe FM and has therefore become ingrained in FM's culture. It is also a key part of the mechanism through which the FM industry grows through outsourcing.

The argument goes something like this: FM, in its non-core capacity, supports an organisation's core business functions. But, from an FM service provider perspective, a client's non-core FM is its core business, because they specialise in it. So, the business sense to outsource FM becomes doubly convincing – an organisation can focus on its business priorities, and FM can be delivered by the experts.

keep FM 'in its place' – away from leadership teams, and with a largely operational remit. We can see the impact of this in the research data, where there was a strong sense that FM needed to up its game and be more strategic.

Yet we only need to turn to, as one example, a modern hospital and the reality of infection control, to upend any notion of keeping core (healthcare) and non-core (for our FM purposes the healthcare environment) functions distinct. Managing infection control is so integral to healthcare, and the challenge so significant and pervasive, that the boundaries of core and non-core begin to blur. The distinction becomes too black and white. By keeping functions apart that need to be working together, it can hinder rather than help.

So where does this core and non-core rhetoric come from? And by returning to first principles, can we reconsider it? In 'back to the future' (below) we explain how the birth of FM was underpinned by new strategic management theory. We can use two such theories here to explore and reconsider the core/non-core relationship.

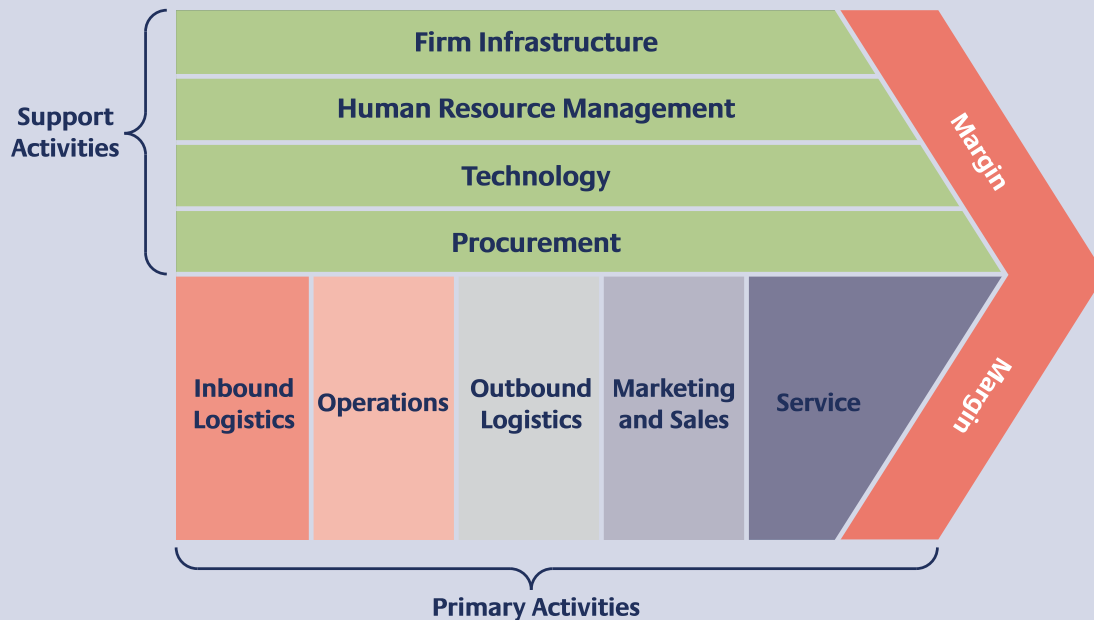
The first theory is a famous strategic management tool from Michael Porter. The 'value chain' was designed to consider strategic capability. Almost always shown diagrammatically it shows two types of organisational activity. Primary activities are directly related to the creation or delivery of the product or services. Support activities enable this to happen. The premise of course is that they are all essential to success, but all require careful consideration of cost and value.

## Whilst the 'non-core' narrative helps the FM industry grow, it also serves to keep FM 'in its place' – away from leadership teams

However, there is also a less comfortable counterpoint to this position. Whilst it helps FM grow, some would say that the core/non-core language has inadvertently become judgmental, even divisive. Non-core is typically perceived to be less valuable than core, which makes it a more likely target for economy-focused challenges and cost-cutting.

The overall outcome of both of these elements is that whilst the 'non-core' narrative helps the FM industry grow, it also serves to

## MICHAEL PORTER'S VALUE CHAIN (1985)



This is where the second theory comes into play. In 1990, Prahalad and Hamel wrote an influential article about 'core competencies': the collective things that distinguish an organisation in a marketplace. All organisations have different attributes, in the form of knowledge, skills and techniques, but competencies that provide significant business advantage and are hard to imitate add the most strategic value. Such core competencies are to be nurtured and protected. According to this theory, other competencies are deemed non-core and can legitimately be considered for alternative delivery methods, such as outsourcing.

In hindsight, when you look at these theories together, it is easy to see how support functions, including FM, became conflated with non-core, for better and for worse. By the early 1990s the notion of 'core competencies' drove businesses to divest themselves of non-core activities during

challenging economic times. Colleagues became customers as service providers emerged with new capabilities that allowed them to package-up and deliver into organisations functions that had previously been delivered in-house – FM included.

So, if FM is cast as non-core, what about workplace? An organisation cannot exist independently of its culture, because an organisation is – put simply – people with purpose. Furthermore, people in an organisation are always working with something (technology), somewhere (in physical space). From this perspective, we can consider workplace as core - integral to all activities, both primary and support. Progressive organisations recognise this and invest in their people, technology and workspace.

# WHAT DOES WORKPLACE MEAN FOR FM?

One of the key objectives of the research was to explore the relationship between FM and workplace. It's often forgotten or ignored that workplace played a fundamental role in the early development of FM and, despite the relationship weakening in the intervening years, workplace has the potential to play a critical role in its future. However, that role is by no means inevitable. As well as presenting opportunities, workplace also poses a number of challenges for FM.

It's clear that some people see workplace as a vehicle for raising the profile of an FM profession that has for decades struggled to get 'a seat at the top table' and has repeatedly been told that its route to the boardroom will come from being 'more strategic'. This line of thinking is pervasive in the profession, with seventy-nine percent of survey respondents agreeing that "FM needs to be more strategic".

However, it's also understandable given that many of the FMs who responded to our survey felt that their work wasn't valued, understood or respected.

The research found that FM continues to have problems with its identity and status. People from outside of the profession (and many of those within it) saw FM as being primarily operational, associating it with 'low value' work, irrespective of how necessary such work might be for the health, compliance and functionality of the organisation. Describing the FM profession as 'operational' is not to diminish the value of (and need for) the work being carried out. Indeed, many FM practitioners old and new are tremendously proud of what they do, and the role they play in organisations<sup>17</sup>. But, if the research findings are in any way reflective of the views of the broader FM profession, there is a clear desire for FM to raise its profile.

## OPPORTUNITIES AND CHALLENGES THAT WORKPLACE PRESENTS FOR FM

Opportunities	Challenges
<ul style="list-style-type: none"> <li>■ FM will need to collaborate more with other workplace functions</li> <li>■ The potential for FM to be a unifying function for workplace provision</li> <li>■ Workplace is a vehicle for raising FM's profile (status)</li> <li>■ Workplace can provide FM with clarity of purpose (identity)</li> <li>■ Workplace is a way of FM attracting and retaining talent</li> </ul>	<ul style="list-style-type: none"> <li>■ FM will need to collaborate more with other workplace functions</li> <li>■ FMs will require new skills and competencies</li> <li>■ The risk of FM being side-lined in a workplace 'turf war'</li> <li>■ FM will need to be better at speaking the language of business</li> <li>■ Accepting that workplace does not equal workspace (and buildings)</li> </ul>



It would be hard to disagree that, for people outside of FM, the term ‘workplace’ is more evocative than ‘facilities management’. Anyone in FM who has ever tried to explain what they do knows this. Again, this isn’t to belittle or devalue FM but there is an opportunity to embrace workplace as a way to realise a more business-relevant version of FM. Whereas FM is often concerned with the means (the supply of operational services), workplace implicitly focuses on the ends (enabling strategic business performance). The archetypal view of FM could be summed up, as one participant explained, as

*“... all the essential stuff that is really important that no-one else wants to do. Not desperately sexy.”<sup>18</sup>*

In contrast, articles about workplace appear frequently in the mainstream media and prominent business publications such as the Harvard Business Review.

The current profile of FM also directly impacts the recruitment and retention of talent into the profession. It’s telling (but not surprising) that only six percent of survey respondents said that they had always planned to work in FM. Despite a range of positive initiatives, FM has yet to become a career of choice for school leavers or graduates, which means that there is a lack of younger, educated people entering an ageing profession. In the same way that some organisations use workplace to attract and retain talent, the language of workplace might be a useful vehicle for FM to communicate with and appeal to a broader and younger audience.

Putting more of an emphasis on workplace may also better reflect the work of the many BIFM members who work ‘client side’ and are ultimately engaged in managing at least the physical component of workplace. In the words of one FM,

*“Workplace is FM’s way of helping the business to understand the value of its services.”*

However, as we have explained above, because some facilities managers still see workplace solely in terms of the physical environment, there is a risk of FM just paying lip service to workplace rather than genuinely understanding and embracing it. The challenge here is that reimagining FM’s remit will require a substantial shift in mindset for some facilities managers. It will also require them to collaborate more with their counterparts in other organisational functions<sup>19</sup>, and more broadly within the workplace supply chain.

There is evidence to suggest that FM is beginning to recognise a potential workplace-related remit beyond its traditional physical domain. The majority of BIFM members in the research saw the role of FM as being more about enabling work than managing space. This points to an opportunity for FM to assume a unifying or leadership role, bringing together the different elements of workplace management that have traditionally operated in silos. That’s not to suggest that FM should become directly responsible for the cultural and technological components of workplace, but the research showed a strong sentiment that management of the workplace needs to be better integrated – particularly in terms of the relationships between FM, HR and IT functions<sup>20</sup>.

**For people outside of FM, the term ‘workplace’ is more evocative than ‘facilities management’. Anyone in FM who has ever tried to explain what they do knows this**

FM was seen to have the breadth of knowledge and experience to fulfil a unifying role in the workplace, however assuming a leadership role also creates another challenge for the FM profession.

In the words of one BIFM member

*“The challenge is many people in FM do not talk the language of their own organisations, nor do they really understand how FM can support and improve the organisation’s corporate objectives.”*

Hence, a potential risk for the FM profession is that if it doesn’t become better at speaking the language of business, other professions will assume the workplace leadership role and relegate FM to the role of building manager. As one respondent argued:

*“FM must take the lead and join the dots!”*

There was also a feeling that if FM is to assume a workplace leadership role the profession as whole will need to be better educated. The FM industry has traditionally put more of an emphasis on training rather than education,

## The majority of BIFM members in the research saw the role of FM as being more about enabling work than managing space

and such training is clearly essential if the people working in the FM industry are to have the necessary skills to do their jobs effectively. But as the American futurist Daniel Burrus points out, *“You train people for performance. You educate people for understanding.”* Training, he argued, *“does not provide the depth needed for creative problem solving and innovation”*. A leadership role in workplace will demand such skills because it will involve thinking more holistically about the different components of workplace and how they interact.

### HOW RESPONDENTS SEE THE ROLE OF FM



Assuming a leadership function in workplace does not mean waiting for organisational restructuring or the appointment of a ‘chief workplace officer’. The FM profession has an opportunity to be proactive and lead by example by demonstrating value through action, for instance by putting an emphasis on placemaking in the workplace and adopting the role of ‘enabler’. The alternative is that

FM waits for the world to change around it, resulting in a situation where facilities managers become more marginalised, divorced from the core business. However, such an outcome is by no means certain: in the words of management philosopher Charles Handy, *“The future is not inevitable. We can influence it, if we know what we want it to be.”*<sup>21</sup>

## KEY MESSAGES

**Workplace is an opportunity to raise the profile of FM by demonstrating business impact**

**Workplace challenges ‘traditional’ notions of FM as being solely about buildings and associated services**

**Workplace is a way of enhancing the FM profession’s identity and status, and attracting new talent into FM**

**Assuming a workplace leadership role will involve proactive action and leading by example**



## BACK TO THE FUTURE – A BRIEF HISTORY OF FM AND WORKPLACE

Ever wondered why it's so challenging to get FM and workspace on to the agenda at board level? Surely there's more to it than core and non-core rhetoric? The problem has its roots in two influential developments in the history of workplace and FM.

The first clue to the relative devaluing of workplace in many organisations stems from the Hawthorne Works experiments that took place in the 1920s, almost a century ago. The Western Electric factory complex in Illinois played host to many social science experiments, producing huge volumes of data. But one particular study that took place in the relay test assembly room stands out in terms of its influence. A group of female production line workers were being studied by male researchers, who were initially exploring the impact of different workspace conditions, such as lighting and temperature levels, on worker productivity.

We might expect some lighting levels or temperatures to be more conducive to higher productivity than others. However, somewhat counterintuitively, the studies revealed that whatever the conditions, employee productivity remained high. The only variable that seemed to make a difference was the amount of attention the female workers received from the researchers. This led one of the researchers, Australian psychologist Elton Mayo, to conclude that 'human' factors were far more important than 'environmental' ones.

For many, this was a seminal step in the birth of the human relations movement. But it can also be seen as a fork in the road: by choosing to embrace the value of 'human' factors, workspace inadvertently became devalued, subsequently relegated by many organisations

to the back bench in terms of importance.

Now, let's fast forward to the birth of FM. Pinning down very early use of the term FM is tricky, but one line of evidence concludes that it was coined in response to the introduction of increasingly sophisticated office systems furniture and the computer terminal in the 1970s. The 1980s are regarded as the early years of 'facility management'. FM's growth was promoted by newly formed professional bodies, driven by turbulent economic conditions and government outsourcing, underpinned by new strategic management theory, and fuelled by client organisations seeking to restructure to increase their performance and profitability.

Initially there were two competing notions of FM. One use was to describe outsourcing (primarily of computing, but also other office services). The other focused on the workplace, and offices in particular. So even at this early stage we can see evidence of FM as *"expert workplace management, with or without IT"*<sup>22</sup> alongside FM as service outsourcing. Again, though we can see a fork in the road: as the FM industry has grown through the outsourcing and commoditisation of operational services, the FM profession has inadvertently drifted away from workplace.

So, armed with the wisdom of hindsight, by raising FM's awareness of our modern conception of workplace as multifaceted (and with a remit far wider than that of corporate offices) can we capitalise on the opportunity to revisit FM's own original intent? Is a workplace focus an opportunity to acknowledge the value in all forks in the historical road, including those less travelled?



## ENDNOTES

<sup>1</sup> This article from The Economist discusses a number of new tech firm workplace projects: <https://www.economist.com/news/business/21721423-their-eccentric-buildings-offer-clues-about-how-people-will-work-technology-firms-and-office>

<sup>2</sup> Further information about The Stoddart Review and a copy of the 'The Workplace Advantage' report can be found at: <http://stoddartreview.com>

<sup>3</sup> Further information about the research can be found in the BIFM members briefing report

<sup>4</sup> <https://en.oxforddictionaries.com/definition/work>

<sup>5</sup> <http://www.leesmanindex.com>

<sup>6</sup> <http://www.greatplacetowork.co.uk>

<sup>7</sup> The global co-working business WeWork is an example of an organisation that has embraced this view of workplace – and thrived because of it. Founded in 2010, WeWork provides workplaces that are about community and experience. Their popularity and success illustrate how valuable this perspective on workplace can be. WeWork is currently valued at \$20 billion and is fast becoming the largest office occupier in major cities such as London, whilst it uses its occupants' usage data to reimagine workplace service delivery. This is an interesting article about WeWork from Wired.com: <https://www.wired.com/story/this-is-why-wework-thinks-its-worth-20-billion/>

<sup>8</sup> Here is an account of this famous Churchill story from Parliament.UK: <http://www.parliament.uk/about/living-heritage/building/palace/architecture/palacestructure/churchill/>

<sup>9</sup> For instance, see Kangis, P., Gordon, D., & Williams, S. (2000). Organisational climate and corporate performance: an empirical investigation. *Management decision*, 38(8), 531-540. (available at: <http://www.emeraldinsight.com/doi/abs/10.1108/EUM000000005371> )

<sup>10</sup> For instance, see Elsbach, K. D., & Pratt, M. G. (2007). 4 the physical environment in organizations. *The Academy of Management Annals*, 1(1), 181-224. (available at: <http://www.tandfonline.com/doi/abs/10.1080/078559809>)

<sup>11</sup> This Long Read from the Guardian newspaper provides a fascinating discussion of the impact that technology can have on the way people behave: <https://www.theguardian.com/technology/2016/dec/22/why-time-management-is-ruining-our-lives>

<sup>12</sup> The headline factors were: poor organisational attention to perceived individual productivity; misguided focus on younger generation digital natives; the pervasive yet under-informed demonization of 'open-plan' workspace; and poor cultural enablement of flexible work activities. The report can be accessed here: [http://www.leesmanindex.com/250k\\_Report.pdf](http://www.leesmanindex.com/250k_Report.pdf)

<sup>13</sup> The word 'productive' has also entered everyday vernacular. For instance, it's not unusual to hear people say "I've had a productive day in the garden" or similar.

<sup>14</sup> For instance, this podcast episode from WNYC's Freakonomics Radio explores the issue of productivity and growth at length: <http://freakonomics.com/podcast/no-new-ideas/>

<sup>15</sup> Debate concerning the value of different productivity measures is unlikely to stop anytime soon. This HBR article shows how tricky the issue can be: <https://hbr.org/2016/04/the-paradox-of-workplace-productivity>

<sup>16</sup> Usher, N. (2018). *The Elemental Workplace: The 12 elements for creating a fantastic workplace for everyone*. LID Publishing Limited.

<sup>17</sup> This pride is akin to the famous account of President Kennedy meeting a cleaner on a NASA space centre visit in 1962, who reportedly declared "Well, Mr. President, I'm helping put a man on the moon".

<sup>18</sup> Comment made by an interviewee in the research.

<sup>19</sup> Professional bodies have made attempts to encourage greater collaboration. Take, for instance, The Workplace Conversation, a seminal joint initiative between BIFM and CIPD in 2015, details of which can be found here <https://www.cipd.co.uk/knowledge/culture/working-environment/search-better-workplace-report>

<sup>20</sup> As controversial as this statement might be, Burrus defends his position here: [https://www.huffingtonpost.com/daniel-burrus/teach-a-man-to-fish-training-vs-education\\_b\\_7553264.html](https://www.huffingtonpost.com/daniel-burrus/teach-a-man-to-fish-training-vs-education_b_7553264.html)

<sup>21</sup> Handy, C. (1995). *The age of unreason.*, p.vii. Random House.

<sup>22</sup> Chapters 3 and 4 by Sheffield Hallam University's Professor Ilfryn Price in the following edited volume offer a thorough and researched account of FM's origins: Best, R., Langston, C. A., & De Valence, G. (Eds.). (2003). *Workplace strategies and facilities management*. Routledge.

<sup>23</sup> Tuan, Y. F. (1977). *Space and place: The perspective of experience.*, p.6. University of Minnesota Press.

<sup>24</sup> Open plan workspace design seems to receive infrequent but ongoing attention in HBR. This article notes place identity as a key consideration for successful implementation and offers practical guidance: <https://hbr.org/2018/01/sqc-research-when-moving-to-an-openoffice-plan-pay-attention-to-how-your-employees-feel>

<sup>25</sup> Fleming, R. L. (2007). *The art of placemaking: Interpreting community through public art and urban design.*, p.14. London: Merrell.

## About BIFM

The British Institute of Facilities Management (BIFM) is the professional body for facilities management (FM). Founded in 1993, we promote excellence in facilities management for the benefit of practitioners, the economy and society. Supporting and representing over 17,000 members around the world, both individual FM professionals and organisations, and thousands more through qualifications and training.

We promote and embed professional standards in facilities management. Committed to advancing the facilities management profession we provide a suite of membership, qualifications, training and networking services designed to support facilities management practitioners in performing to the best of their ability.

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## BIFM

Charringtons House  
1st Floor South  
The Causeway  
Bishop's Stortford  
Hertfordshire CM23 2ER

**T:** +44 (0) 1279 712620

**E:** [membership@bifm.org.uk](mailto:membership@bifm.org.uk)



[@BIFM\\_UK](https://twitter.com/BIFM_UK)

[www.bifm.org.uk](http://www.bifm.org.uk)