What is the Emerging New Workplace?

by Mike Bell, The Gartner Group

A year-long exploration of the emerging new workplace and the services and products that support this changing environment has yielded a number of insights about the changing nature of work, the workforce, and the workplace environment needed to support these new workstyles. These insights can be found in the report, **The Agile Workplace: Supporting People and Their Work**.

This year-long exploration was led by the Gartner Group and the Massachusetts Institute of Technology (MIT). GSA, plus 21 private sector companies, sponsored the initiative and actively participated in the group's work.

While the rate of transformation to the new workplace may be evolutionary rather than revolutionary, the direction and nature of change are now clear. And perhaps in light of the September 11, 2001 assault, the rate of change to a more agile and resilient workplace will be given added impetus to enhance employee safety and business continuity while conserving enterprise resources during a period of economic uncertainty.

We have reach a number of fundamental conclusions about the emerging new workplace and the services and products needed to support it.

Drivers

Work is becoming more collaborative and team based. Workers across the employee spectrum, will increasingly be working in the context of virtual teams across boundaries of time, space, geographies, and culture. This trend will accelerate as enterprises restrict travel and disperse critical operations.

Workplace agility has emerged as the single highest priority that underpins workplace services and infrastructure in the new business environment. We have concluded that workplace agility is more than adaptable work environments and user controlled applications. It is a workplace that is constantly transforming, adjusting, and responding to and enhancing organizational learning. The workplace must become a laboratory of human innovation. This notion of co-invention between the workforce and workplace makers is a radical departure from the concept of workplace as a pre-determined, standardized and stationary envelope for work. It envisions workplace services and settings as extensions and components of the work itself that interact dynamically, not passively in the work process.

The workforce is changing relative to expectations about their work and the relationship they have with their employees and colleagues. People are increasingly seeking meaning and purpose in their work and will expect a workplace that facilitates and supports communities and collaboration and a work environment that offers flexibility and choice.

The connected economy has resulted in a shift in power from large monolithic organizations to individuals both as consumers and employees. This power-shift demands new leadership styles that are inspirational, supportive and facilitative, not autocratic and directive. And it requires a workplace

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(both physical and virtual) that is more egalitarian, more adaptive, and socially engaging.

There is another major shift in the workplace from a focus on places and assets to individuals and groups. This re-orientation to a people centric paradigm changes the essence of work environments and services. While enterprises must continue to manage their portfolio of assets judiciously, there is increasing evidence that the workplace must flex and support individuals and groups in dynamic, adaptive, and multiple modes. No one size will fit all. And the boundaries that define the workplace: space, time, and culture will increasingly become permeable. Work must be supported anytime, anywhere.

Organizational Response

The ownership of workplace services and environments must increasingly be a shared accountability. The emerging synergy between people, systems, and settings requires a multi-disciplined planning and management system that integrates the domains of human resources, information systems, and facilities. The costs of fragmented decision making and siloed management accountabilities result in enormous waste and lost opportunities. The need for integrated workplace planning and management has been known for the last decade, however, we believe it is now an urgent enterprise priority in light of the new and uncertain environment.

Information technology is still highly fragmented, complex, and user-unfriendly. It is also expensive and difficult to adapt to enterprise needs and user requirements. But the advent of portal technology yields the promise that applications will be more interoperable, integrative, and adaptive to user needs in the foreseeable future. As collaborative applications become more robust, and ubiquitous, we see a continuing trend toward moving work and work processes into a technology mediated virtual environment. Virtual teams will need and demand virtual work systems; and with greater enterprise immobility at least in the short term, these applications will develop more rapidly.

We have affirmed our hypothesis that the workplace has become in fact a bundle of services that include the full range of occupancy, connectivity, procurement, work tools, and other services that support the individual and group needs of the workforce both in their work and worklife. This emphasis on a service paradigm is the essence of the shared services movement in global business. This service paradigm is grounded in principles of customer focus, competitive value propositions, market based pricing, and benchmarked service levels against best-in-breed competitive offerings. Workplace services has lagged other enterprise service offerings such as financial and accounting services, but this is changing. Employee self-service is an emerging and rapidly evolving set of applications in the software market that will further enhance the workplace services paradigm.

We have affirmed the need for more integrative costing models that support integrative workplace management organizations and systems. Fragmented budgets will continue to be sub-optimized, and the adoption of integrated costing models like Enterprise Total Cost of Ownership (ETCO), or workpoint accounting will result in more astute investment and cost allocation in workplace transformation initiatives. It will also sharpen the value proposition of externally provided services and lead to more competitive offerings.

Change management must urgently become an enterprise core competence. Workplace transformation is perhaps the most challenging and difficult initiative

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within the enterprise. It challenges strongly held beliefs about management roles and prerogatives. It challenges the notion of workplace as entitlements and prerequisites. It threatens notions of hierarchy and authority. And it challenges the essence of work itself, and how best to enhance and facilitate purposeful, innovative, and value creating output and outcomes. But now in this new environment of global terror and global recession, it is now a fundamental business imperative. Change management must urgently become an enterprise core competence.

Industry Response

The workplace industry is still in its formative stages. Technology adoption in the traditional property and construction industry has been slow. Most of the web based business models over the last two years have either failed or been consolidated. But we have observed promising innovations both in services and technology applications that may rapidly evolve in the next several years. There will be continuing innovations in portfolio management and services. Information systems that enhance service delivery and efficiency will be particularly popular. The consortiums like Octane and Constellation will be major engines of both investment and innovation. And the move toward data standardization will greatly facilitate the move toward web-based applications and services in support of workplace making and management. There are tremendous opportunities in the workplace industry for breakthrough products and services to support these new workstyles and workforce needs. It is still a question on where market innovations will emerge.

There are distinct best practices in progressive workplace management that have resulted in significant cost efficiencies and more productive and effective organizations. The sponsors of this study represent industry leaders and their stories offer valuable insights on how to govern, manage, and deliver effective workplace services.

Bottom Line: If anything this project has laid out a management doctrine for enterprise resiliency. For now a workplace that is distributed, connected, adaptable, flexible, serviced, and enabled, and moves seamlessly between space and cyberspace is not only the source of huge competitive advantage; it may now be a matter of enterprise and organizational survival. ■

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