Workplace Transformation at 65 Gresham Street

Overcoming the challenges of measuring impact during a global pandemic

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AVISON YOUNG

Contents

Background

Like many companies, Avison Young UK took the opportunity to rethink and recalibrate its workplace while nearly everyone worked from home in 2020 and the first part of 2021. As employees returned only gradually toward the end of 2021, our challenge became how to measure the impact of the transformation during a period of low utilisation. Using a combination of data sources, we developed a methodology to validate and iterate to get the most out of our newly transformed space.

Description of transformation

Employees at 65 Gresham Street were already working in an agile way before the disruption of COVID-19. The space was organised in departmental "neighbourhoods" where employees shared desks within their teams at an approximate ratio of 0.9 desks per person.

The refurbishment of the second floor was designed with the intention to transform this area of the workplace to an activity-based model. Based on a capacity of 180, we reduced the number of individual desks by 54 percent, resulting in an updated ratio of 0.4 desks per person. In place of these desks, we introduced a larger variety of additional spaces and work settings: Focus pods, phone rooms, open collaborative areas, quiet reading spaces, and a large "war room." The individual desks that remain are now unassigned, available to all employees on a first-come, first-served basis.

When the space opened, we wanted all employees to have an opportunity to experience the new space. Since the slow return to office in 2021 removed the need for scheduled rotation by department, we simply asked employees to reserve a seat on each day they intended to work on the second floor.

As for the third floor, it remained more or less the same in terms of the number of desks and available settings. Each department maintained a neighbourhood of desks, albeit at a slightly reduced sharing ratio. Excess desks were designated as touchdown areas.

In effect, this created two separate pilot spaces, enabling us to compare the performance of transformed the 2nd floor, to that of the largely unchanged 3rd floor.

Summary of Spaces		
	Transformed (2nd Floor)	**Legacy (3rd Floor)**
Size	12,000 square feet	37,000 square feet
Capacity	180	345
Desk Assignment	Unassigned, FCFS	Department Neighbourhoods plus Touchdowns
Sharing Ratio	1/0.4	1/0.9
Desks as a % of Capacity	40%	91%
Available Settings	Only two bookable meeting rooms Five alternate on-demand settings for collaborative work	Multiple bookable meeting rooms Some alternate collaborative areas
Other	Designated "quiet" desk area Large refreshment/break area Townhall War room area	Reception and client-facing conference area

Description of measurement program

When workers began returning to our Gresham Street office in September of 2021, they saw a completely different space on the second floor than what had existed before. Free-address desk areas, on-demand collaboration and meeting spaces, and designated areas for quiet reflection replaced the previous "traditional" layout of assigned cubes with a smattering of bookable conference rooms.

Conceptually, we wanted to understand two things:

1. First, do employees prefer the updated space (2nd floor) to the older configuration (3rd floor)?
2. And second, does the transformed space actually provide better support to the way that we work?

These matters were complicated further by the fact that attendance is still far below pre-pandemic levels, making simple "before" and "after" comparisons impossible.

We developed a four-pronged methodology to address these questions and draw useful conclusions to use both in our own workplace and in service of our clients:

I. Employee sentiment

We deployed the Leesman Office Survey during the second half of November to measure employee sentiment about the office, including the newly transformed space on the second floor. This survey is renowned for measuring employee perceptions of how well their work is supported by their workplace – whether in the office or at home. Leesman's methodology offers the opportunity to benchmark against their proprietary Leesman Index (Lmi), as well as their high-achieving Leesman+ Index (Lmi+).

II. Attendance & Utilisation

Because our suite is access-controlled, we can track how many people come into the office on a given day. As attendance is still ramping back up to normal levels, this is vital for calibrating other data, in particular data on utilisation. For the initial re-occupancy phase, access to the 2nd floor (which reopened in September) was originally on a rotating, reservation-only basis. However, the relatively low level of attendance rendered this plan unnecessary.

During the last 2 weeks of November, the employee concierge team at 65 Gresham Street recorded regular observations of utilisation across the various types of space on both floors of the office. We took measurements approximately every 90 minutes to get a sense of which spaces – individual, collaboration, high focus, etc. – tended to be in use at which times.

III. Air quality

Modern sensors allow for constant, real-time, objective measurement of light, temperature, humidity, particulate matter, noise, and other elements of indoor air quality (IAQ). Early in the autumn, we installed a set of IAQ monitors supplied by the PropTech firm Infogrid. Importantly, these sensors were installed in both the transformed AND legacy spaces.

Note on Timing of Program

For purposes of initial analysis, we have examined the last 2 weeks of November 2021. Both the utilisation measurement and the Leesman survey were conducted during this time. Attendance and air quality tracking were already in place (and remain so). By fortunate happenstance, this time frame coincided with the post-pandemic peak in attendance that occurred before the Omicron wave and subsequent "Plan B" restrictions paused the return to office.

Review of findings

I. Employee Sentiment

Leesman has been measuring the workplace experience since 2010 using a standardised survey instrument that captures employee perceptions of workplace effectiveness. The questionnaire addresses individual work patterns, including each employee's indication of what they require to be well supported in their role. These attributes are divided into the categories of work activities, physical features, and service features.

When aggregated, the data (which includes responses from nearly 900,000 employees across 97 countries) generates several key outputs, including:

- The Lmi Effectiveness Score, a composite measure of each unique workplace and group within it
- A set of Super Drivers, comprised of 13 fundamental attributes that are consistently required for effective work by employees across geography, demographic, and role complexity
- The Leesman Index and Leesman+ benchmarks, which help place an individual Lmi in a context of performance relative to over 6,000 workplaces measured.

Since the beginning of the COVID-19 pandemic, Leesman has also introduced a measure of effectiveness for home offices known as the H-Lmi, which is based on responses from over 200,000 employees.

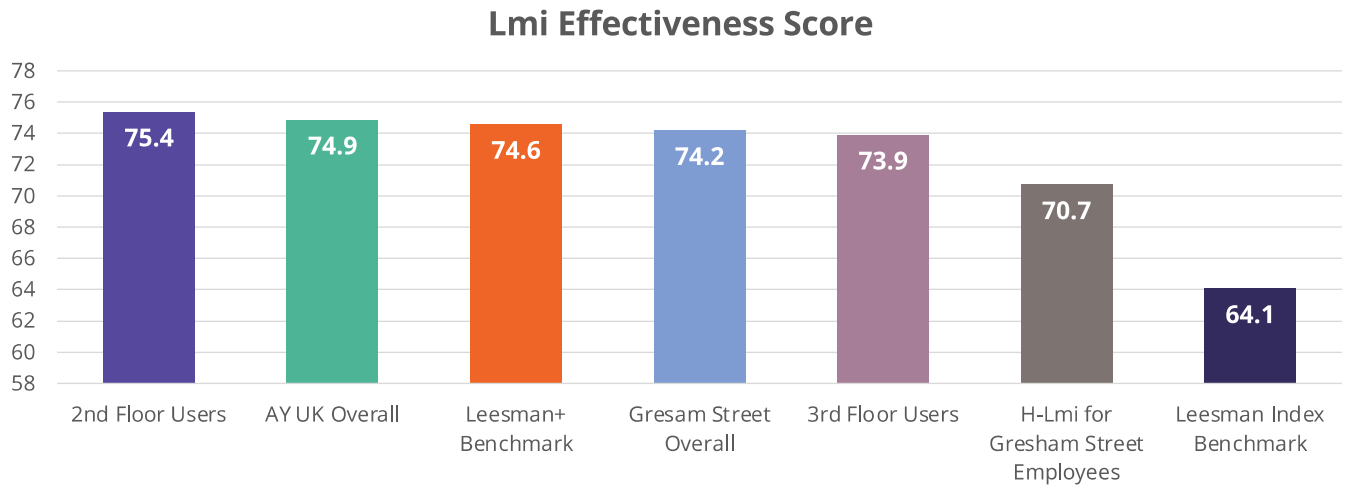
Avison Young UK engaged Leesman to conduct a survey of workplace effectiveness (including home working effectiveness) across all our UK locations. The anonymous survey was fielded from 21 November – 1 December of 2021. Approximately 57 percent of employees participated, including 273 who are based at the Gresham Street location.

Overall Leesman Results

Overall, we were pleased to find that Avison Young UK's overall workplace effectiveness score exceeds not only the Leesman Index, but also the Leesman+ benchmark, which designates a superior level of workplace. The Gresham Street office itself was in line with this performance, scoring in line with the Leesman+ benchmark.

Review of findings

FIGURE 1: OVERALL RESULTS OF LEESMAN SURVEY



Moreover, in an aberration among Leesman's clients, Avison Young UK's workplaces generally outperformed our employees' home working environments. In an indictment of corporate workplaces in general, Leesman typically observes that its clients' H-Lmi scores exceed the Lmi scores of their offices. However, the opposite is true in our case. This is not to say that our employees have poor remote work setups – indeed, our employees' H-Lmi is typically high. Rather, this is an indication that our offices in general are quite effective in supporting the work our employees perform.

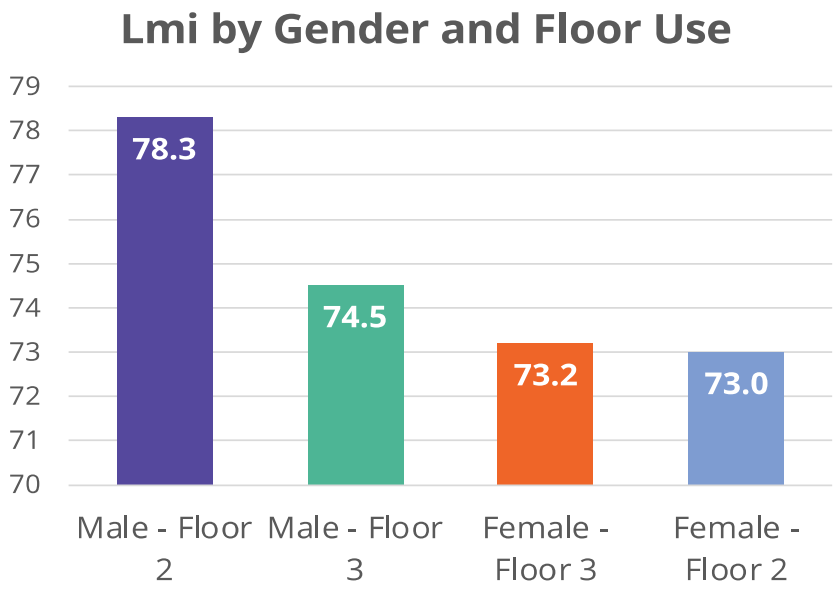
Finally, and crucially, *employees who spend more of their time in the transformed space on the second floor tended to rate the space as more effective* as compared to those using primarily the legacy third floor. It is important to note that there is fluid movement between floors, and, therefore, both are a part of most employees' perspective on the office. However, this does suggest that the transformation is on the right track in the minds of employees.

Review of findings

Demographic Breakdown

The Leesman results for Gresham Street revealed some striking differences based on employee demographic. The first of these is the difference by gender. In the aggregate, both male and female employees gave the office high marks. However, the Lmi among males is higher. This difference is particularly pronounced when accounting for the floor on which employees spend most of their time. Males who generally prefer the 2nd floor give an Lmi nearly 4 points higher than those preferring the 3rd floor. Among female employees, there is virtually no difference in Lmi based on floor preference.

FIGURE 2: LMI COMPARISON BY GENDER AND FLOOR PREFERENCE



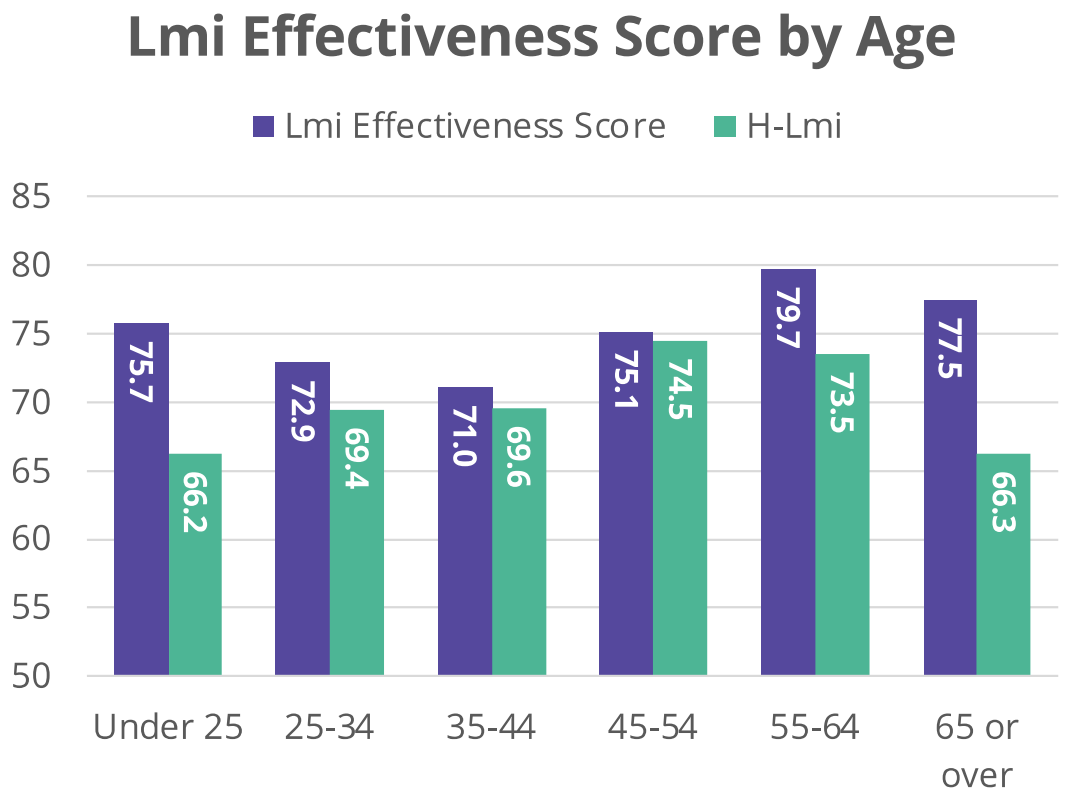
There is a further difference by gender in the comparison of Lmi and H-Lmi. Male employees have an overall H-Lmi of 69.2, well below their Lmi at the office. Females, however, have an H-Lmi of 73.0, essentially identical to their Lmi at the office.

The results also show a different gender breakdown by floor. Whereas males represent exactly half of employees spending most of their in-office time on the second floor, they comprise 62 percent of those using primarily the 3rd floor.

Differences by age also emerged from the Leesman results. Among employees aged 25-44 (who approximately represent the Millennial generation), the office's aggregate Lmi falls slightly short of the Leesman+ benchmark (though still comfortably above the Leesman Index). The younger half of this generation (those 25-34) are the largest single age group in the office. They comprise 40 percent of employees who prefer Floor 2 and 29 percent who prefer Floor 3.

Review of findings

FIGURE 3: LMI COMPARISON BY AGE GROUP



Workers who are younger than 25 or at least 45 rate the Gresham Street office more highly than those 26-44. Furthermore, the gap between Lmi and H-Lmi is largest for the youngest workers, those in Gen-Z. This would support the notion that younger workers appreciate the office environment for the opportunities for learning and mentorship it provides, not to mention its superiority to the cramped, crowded workspaces available to many of them at home.

Review of findings

Floor Comparison

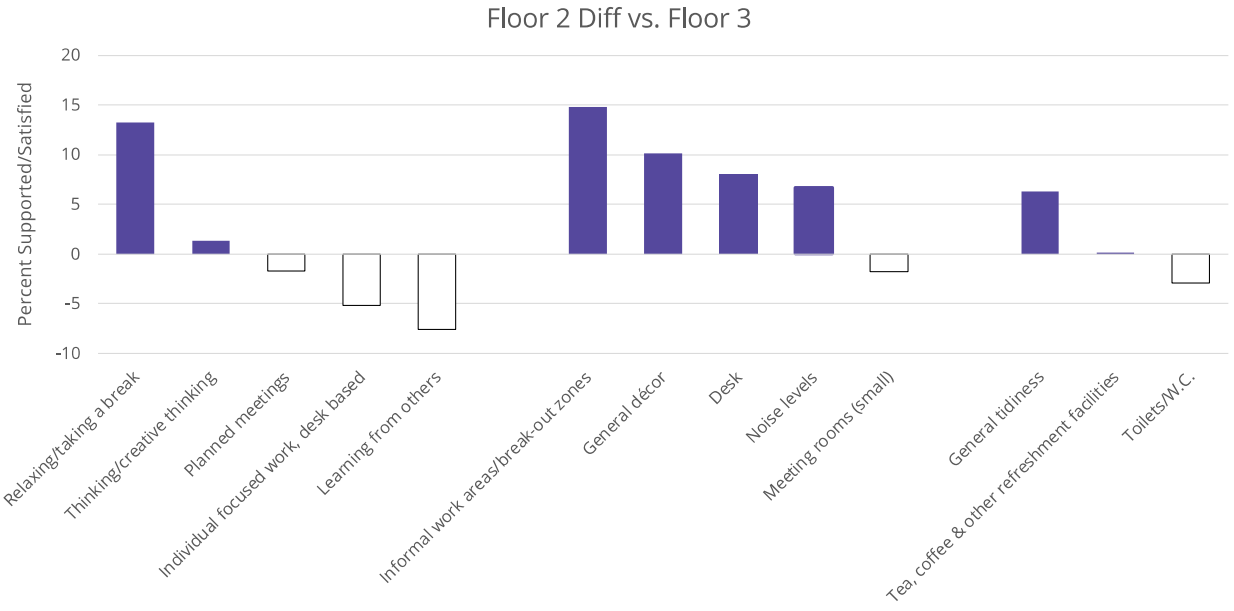
Comparing the detailed, aggregated responses from employees spending most of their time on each of the two floors yields some fascinating results about the nature of workplaces and what truly drives effectiveness. As noted above, the 2nd floor earned a slightly higher Lmi than the 3rd. However, an analysis of the 71 unique attributes that together comprise the Lmi shows that the 3rd floor actually outperforms the 2nd on nearly half of them.

The third floor earned higher satisfaction for 22 of 50 physical and service features, including meeting rooms, personal storage, and computer/audio-visual equipment. Furthermore, it is seen to support 13 of 21 specific work activities better than the 2nd floor, including video conferences, phone calls, large group meetings, and reading.

What, then, accounts for the 2nd floor's higher Lmi? The answer is that it delivers more fully on what Leesman calls "Super Drivers" – activities and features that are common in importance to workers in roles across the spectrum of collaboration and complexity and that, therefore, form the bedrock of workplace effectiveness. In short, the 2nd floor provides more of what matters most, including superior ratings for:

- Relaxing/taking a break
- Informal break-out areas
- General décor
- Desk quality
- Noise level
- General tidiness

FIGURE 4: SUPER DRIVER COMPARISON



The implication of these results is profound. On the one hand, there are many attributes on which the Gresham Street office can and should be improved, including on the transformed 2nd floor. On several, in fact, the office rates below the Leesman Index benchmark. However, the office provides well for what most workers truly need, especially on the 2nd floor. The survey results not only identify performance, but they also help prioritize efforts to take action on improving support for workers.

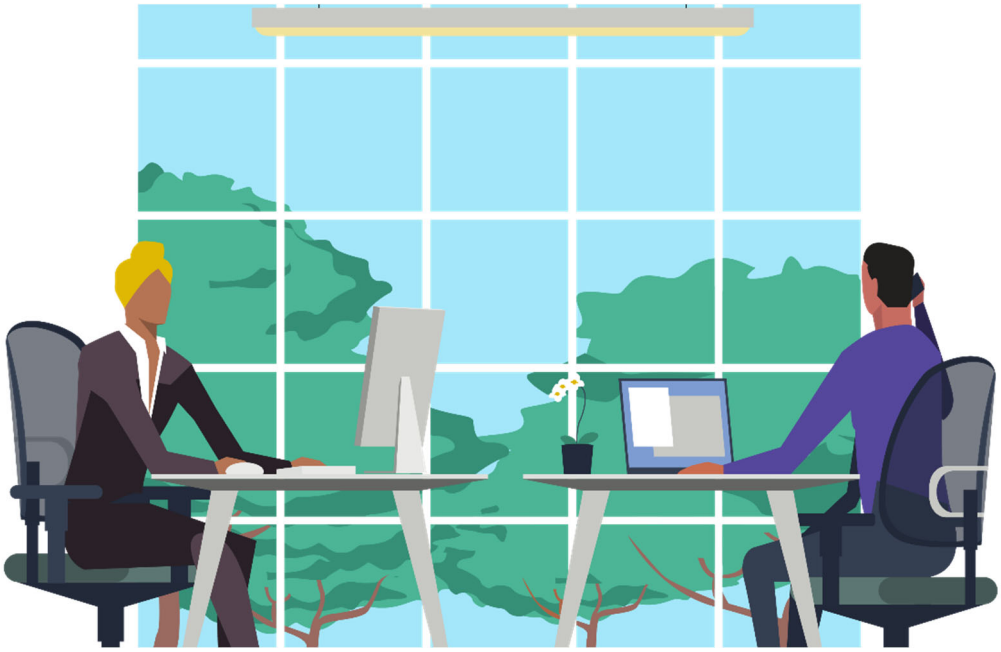
Review of findings

II. Attendance & Utilisation

Prior to the Omicron wave, attendance at Gresham Street increased slowly but steadily from its lowest pandemic-era levels. For November, the typical number of people in the office peaked near about 35 percent of what it was in November of 2019. Furthermore, in what will likely not surprise anyone, daily attendance has been much higher on Tuesday-Thursday than on either Monday or Friday.

It was under these low-attendance conditions that we conducted an initial 2-week round of observations to understand how our space is being used. The low density makes it difficult to draw firm conclusions about the effectiveness of the space under "normal" conditions. As a result, we have focused on the relative use of each type of setting, as opposed to its overall utilisation. This methodology provides insight into which types of space may be most popular and useful, but not into how efficiently it is used. We therefore have plans to repeat the measurement once more people return in 2022 to better understand the efficiency of the office.

This program revealed some interesting patterns. For example, the main area of free-address desks on the second floor tends to be more heavily utilised than the designated-quiet "Library" space. (See the next section for more on this and other findings related to IAQ monitoring.) Beyond such anecdotes, we have been able to draw several preliminary conclusions from our observation.



Review of findings

Day and Daypart Usage

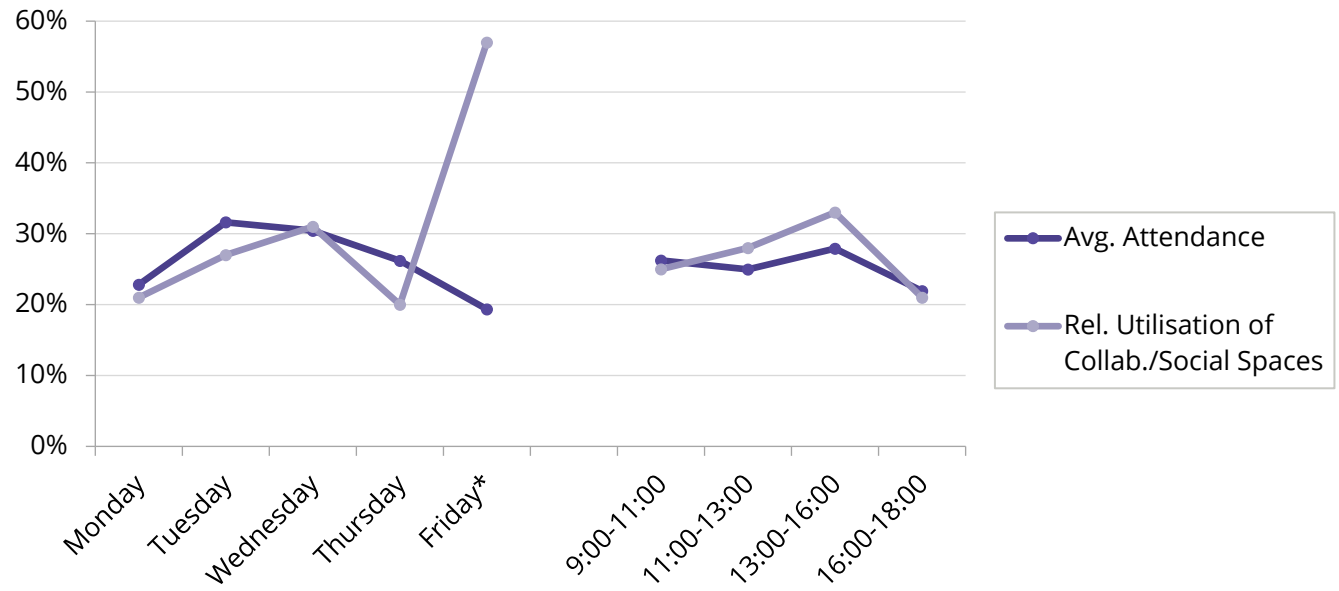
As already noted, attendance at the office was highest on Tuesdays and Wednesdays during our observation period, exceeding 33 percent on average. By contrast, attendance on Fridays averaged only 19 percent, while Monday saw 23 percent attendance. We also observed a distinct pattern by time of day. Average attendance held fairly steady (25-28 percent) before 4:00 pm before dipping to 22 percent in the late afternoon.

This level of attendance is far below the office's capacity, but it still offers some interesting high-level insight into space usage patterns. We would expect that a primary benefit of working in the office is access to colleagues for collaboration. (As will be explored further below, this is far from the only benefit of being in the office.) In fact we have observed that the utilisation of collaborative and social space types tends to rise with attendance. This suggests that the more people are present in the office, the more they tend to work together.

For example, on Tuesdays and Wednesdays, when attendance was highest, the percentage of people occupying meeting rooms, collaboration zones, or social/break areas was also highest (27-31 percent). Furthermore, a full third of employees (on average) were observed to be in these settings during the early afternoon, which is also the time of day with highest average attendance. It is intuitive that employees would use settings designed for multiple people more frequently when more people are present, and this is supported by our observations.

We note here also that our observation period included only one Friday and, as it happens, the Gresham Street office hosted an internal gathering for employees from other offices on that day. Thus, it is difficult to draw conclusions beyond mere attendance on that day.

FIGURE 5: ATTENDANCE AND SPACE USE BY DAY AND DAYPART



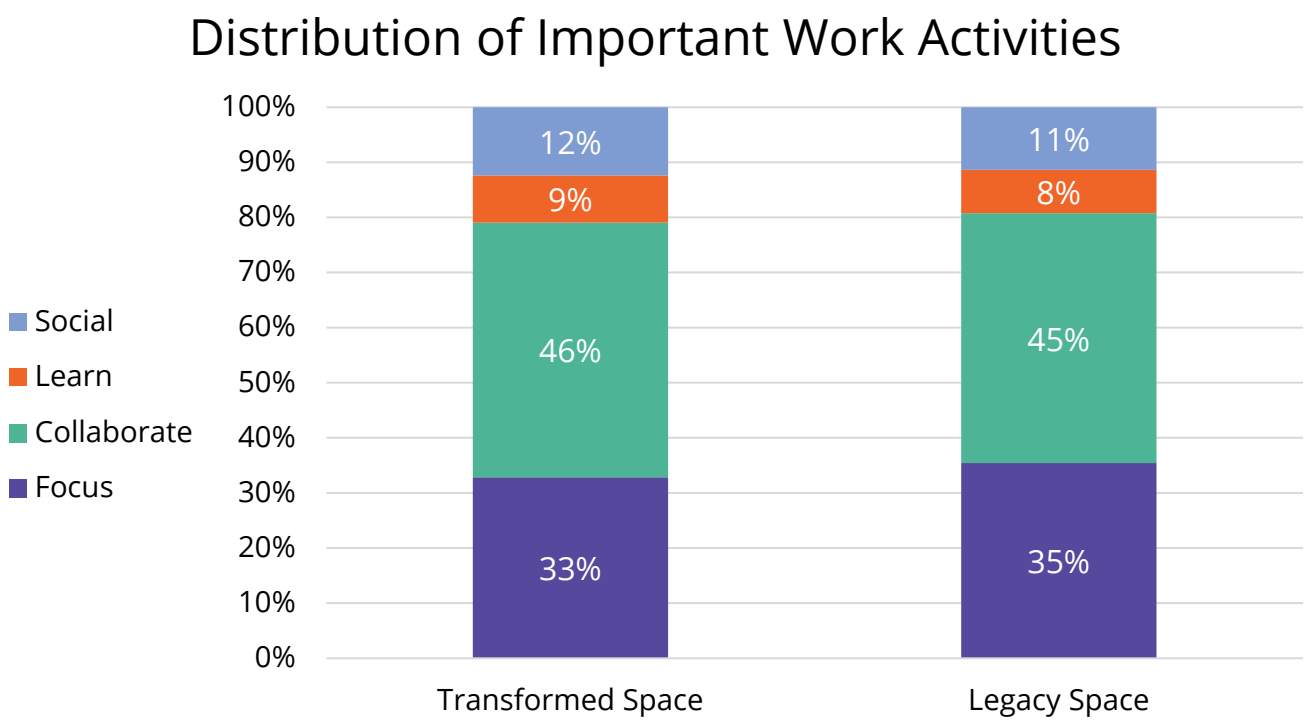
**Note: The Gresham Street office hosted a company event on the Friday that fell within our observation period.*

Review of findings

Floor Comparison

Fundamental to providing an effective workplace is an understanding of the activities that are most important to the work of employees. While intuitively we may understand what a typical "day in the life" of an employee looks like, the Leesman survey provides a more rigorous description. Overall, employees at 65 Gresham Street indicate that approximately a third of their important activities involve individual/focus work, while nearly half are collaborative. The remaining activities are split between learning and social activities. Most importantly, as Figure 5 shows, there is essentially no difference in the distribution of these important activities between employees who spend more time on the transformed second floor and those who prefer the legacy third floor. Their job activities are practically identical.

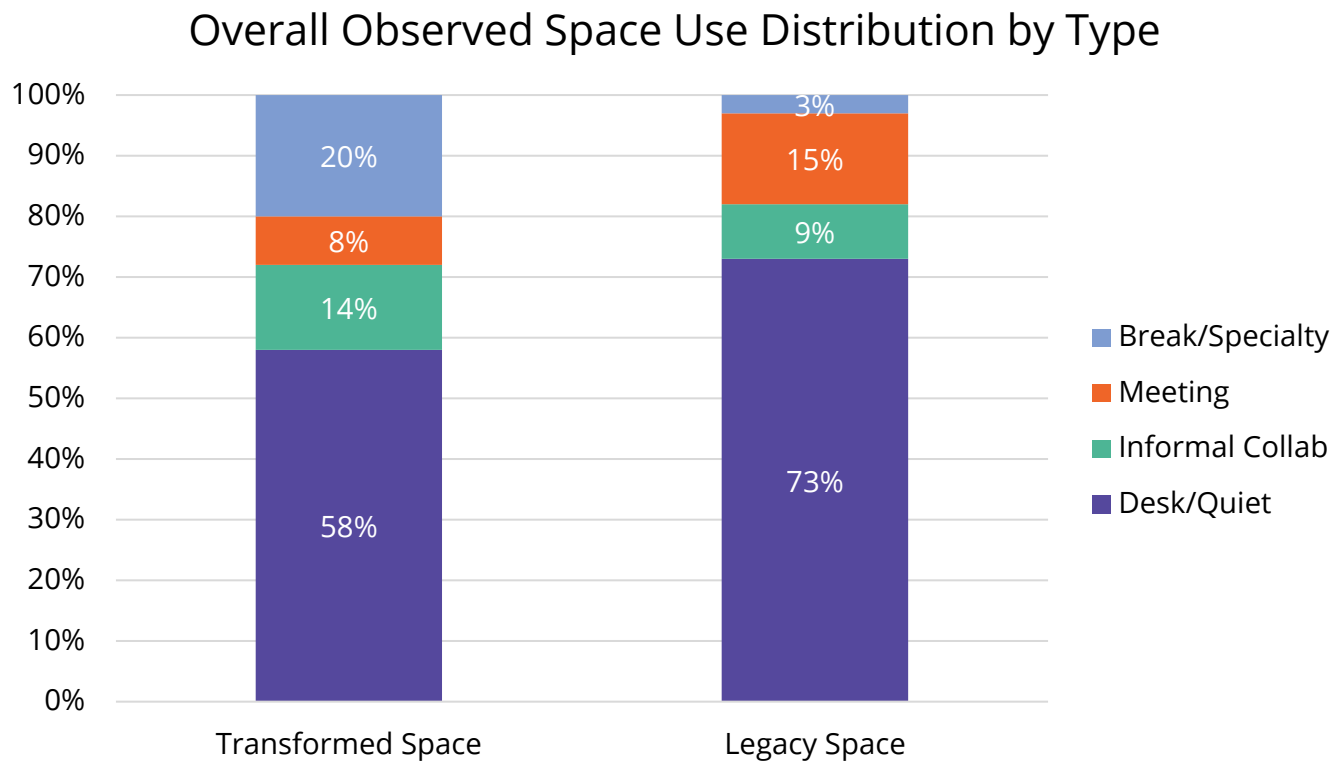
FIGURE 7: IMPORTANT WORK ACTIVITIES (PER LEESMAN SURVEY)



But despite the similarity in work activities, the observed usage pattern of space types was dramatically different across the two floors during our measurement period. At any given time, most employees occupied an individual desk (though, as will be shown below, this percentage varied somewhat depending on the day and time of observation). Even so, employees on the third floor were much more likely to be at a desk than those on the second floor – 73 percent vs. 58 percent (see Figure 8). They were also nearly twice as likely to be in a formal meeting room (and, in particular, the client-facing meeting rooms on the third floor), while those on second floor tended to make greater use of informal collaboration areas and specialty spaces such as the large break/refreshment area. More generally, employees on the second floor tend to distribute themselves more evenly across available settings, while those on the third floor tend to stay mostly at their desks unless a client-oriented meeting draws them to a meeting room.

Review of findings

FIGURE 8: OVERALL DISTRIBUTION OF UTILISED SPACE (OBSERVED)



We can conclude from this observation that the presence of individual work areas is vital even for people in highly collaborative roles (such as our own employees). There is ample outside research to support this. For example, a Stanford University study conducted in 2020 found that as many as 35 percent of workers in the United States lack a reliable broadband internet connection at home that is capable of supporting video conferencing tools.[1] Additionally, Leesman's overall research has demonstrated that many employees do not have access to a dedicated room that can serve as a home office. For these workers, their H-Lmi is significantly lower than their Lmi at the corporate office. [2] Thus, while the home provides an excellent environment for focus work to some workers, it fails to do so for many others. For these workers, individual space at the office is crucial.

But even workers who are able to focus at home need desk space at the office. Almost no one's role involves collaboration for an entire workday. Furthermore, it would be a mistake to assume that everyone sitting at an individual desk is engaged in "focus" work. In fact, desks very often support collaborative work, including everything from video conferencing with remote colleagues to brief one-on-one conversations that occur at one worker's desk.

[1] https://news.stanford.edu/2020/06/29/snapshot-new-working-home-economy/

[2] https://www.leesmanindex.com/your-workplace-of-the-future/

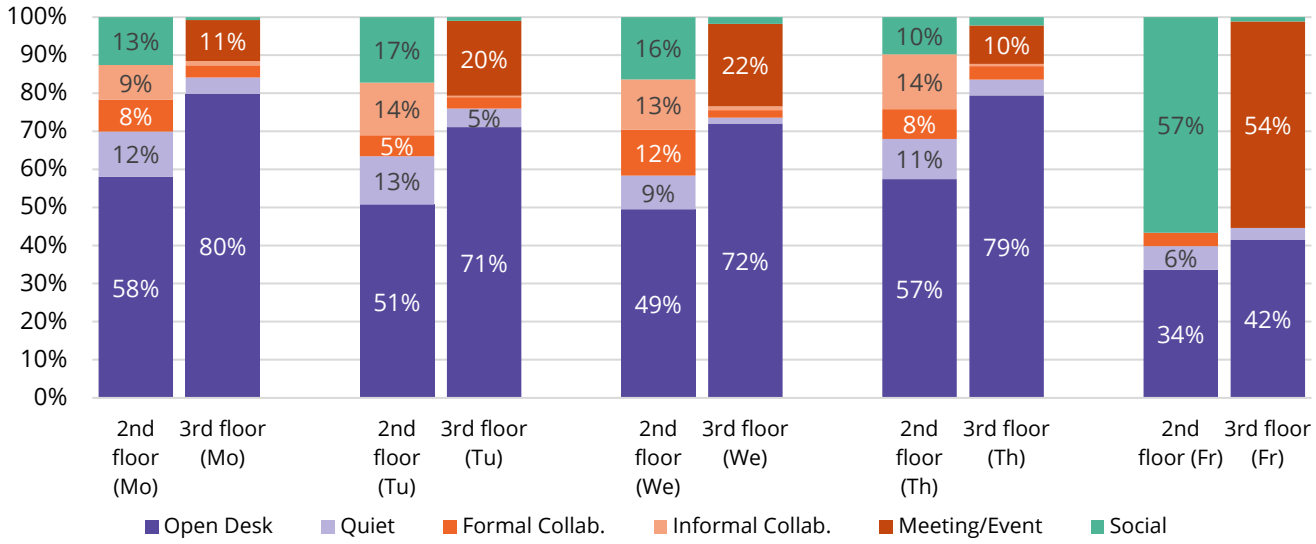
Review of findings

A more detailed analysis of the use of various work settings across days and floors shows what specific settings employees tended to choose in the office. We have already seen the tendency to use more collaborative settings when attendance is relatively higher – as, in our case, it is on Tuesdays and Wednesdays. This is true across both floors. On those days, at least 20 percent of employees present were typically working in a meeting room, about twice the proportion on Mondays and Thursdays (see Figure 9). A correspondingly smaller proportion were at an individual desk.

Observations of the second floor reveal a similar, but more fluid, pattern. On the busier days, the proportion of individuals at a desk dropped 7-8 percent as employees sought collaboration. But with more available collaborative settings, they distributed themselves more variably across various formal, informal, and even social settings in order to work with colleagues. Furthermore, some of them chose to stay in designated quiet areas to continue focused work.

(As noted above, the presence of guests from other offices accounts for the different pattern observed on Friday).

FIGURE 9: DETAILED SPACE USE BY DAY AND FLOOR



Overall, we observed a slight positive correlation between attendance and individual desk use across the office: The more people in the office, the more were seated at desks. However, there was a somewhat stronger correlation between attendance and all other space types on the second floor, including both quiet and collaborative settings. On the third floor, higher attendance was associated more strongly with desk use, with some increased use of formal meeting spaces.

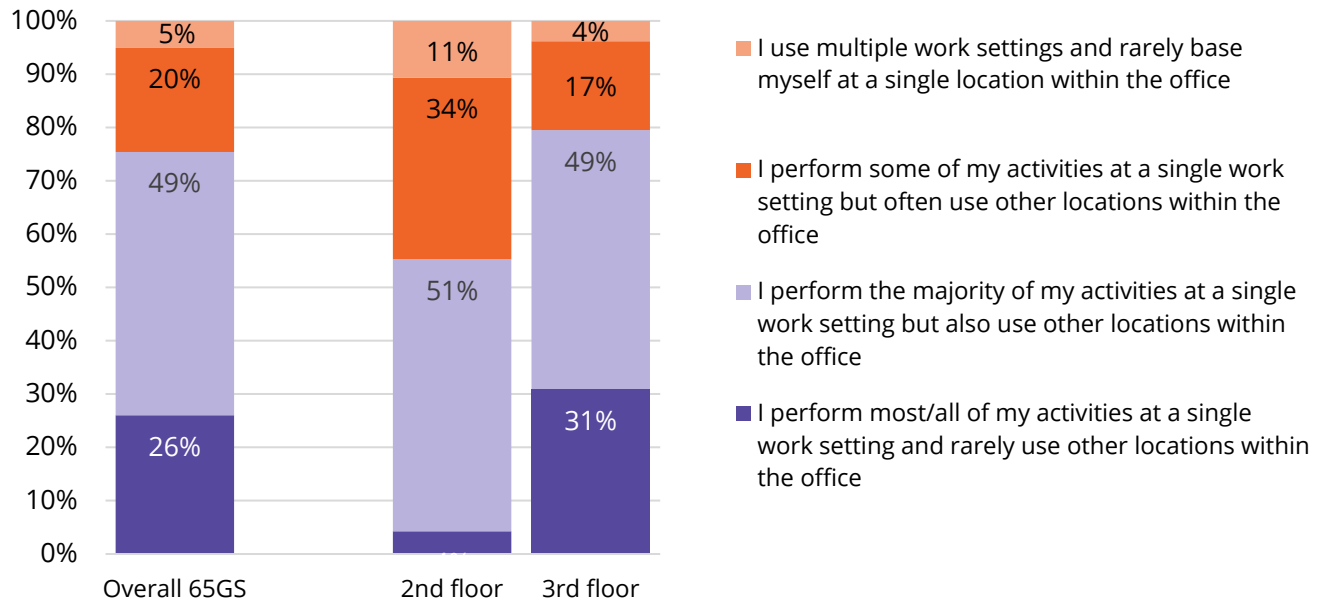
In addition to the importance of individual desks noted above, we may draw a second conclusion from this data: Given a variety of options, people will choose to use the one that supports them best at any given moment.

The second floor offers more variety of choice to employees than the third, and that choice itself appears to influence behaviour. This accounts for greater relative usage of informal collaboration and social areas, which are not as prevalent on the third floor. If anything, the low density of the office underscores this point, since the lack of crowds serves to increase options for those in attendance. It should be noted that, just as sitting at a desk does not necessarily equate to "focus" work, neither does using an on-demand collaboration area necessarily imply "collaborative" work. Some employees may find these areas more comfortable and conducive to focus, at least for a time.

Review of findings

Exercising this choice can be thought of as agile working. Employees working mostly on the second floor clearly perceive themselves as working in a more agile way (that is, using a wider variety of space types) than their counterparts on the third floor (see Figure 10). Our observations demonstrate the accuracy of this perception.

FIGURE 10: AGILE WORKING (PER LEESMAN SURVEY)



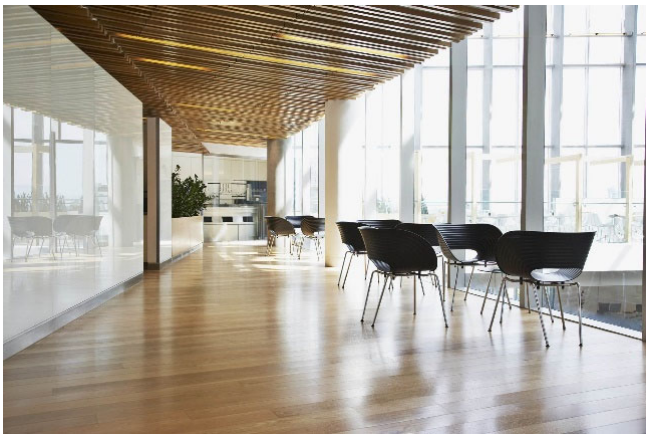
Observing where employees choose to work in the office underscores the importance of providing multiple settings, not least of which is ample individual desk space. However, while it is hard to draw firm conclusions given the low level attendance caused by the pandemic, this does not necessarily mean providing a dedicated desk for every employee. Workers on both the second and third floors identified a similar set of priorities for their roles yet fulfilled them in different ways based on the options available to them. The implication is that, if employees are properly supported with appropriate settings at the office, they need not plan attendance based on how they want to work. Instead, they can work effectively whether they choose to be onsite or remote.

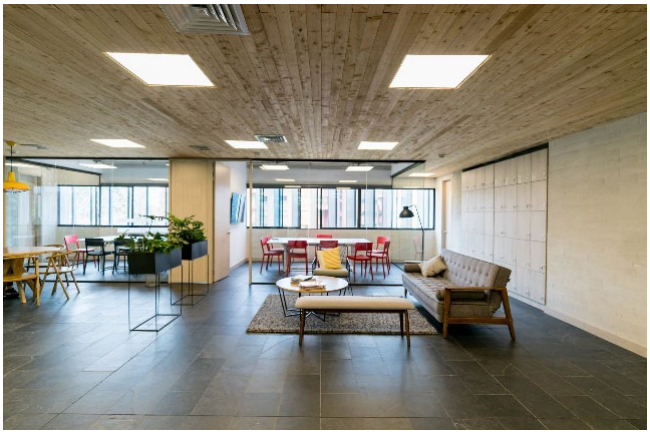
Review of findings

III. Air quality

One of the benefits of real-time IAQ monitoring is that it allows the opportunity for both fast and long-term remediation. The sensors showed that some areas quickly (within about 45 minutes) experience degraded air quality when in use by groups of people. In the short term, alerting offered us a reminder to “clear the air” in a literal sense. It also identified areas where better ventilation is needed as a long-term solution.

But more broadly, IAQ monitoring can help us understand why employees might choose to utilise one particular area or setting more frequently than another. If a space might otherwise be suitable for a particular type of work but is otherwise uncomfortable due to low temperature or poor lighting, then fixing those problems must be prerequisite to altering the space further. The sensors deployed throughout the Gresham Street office have revealed numerous opportunities. The discussion below focuses on three of them.





Review of findings

Alerts for Poor Air Quality

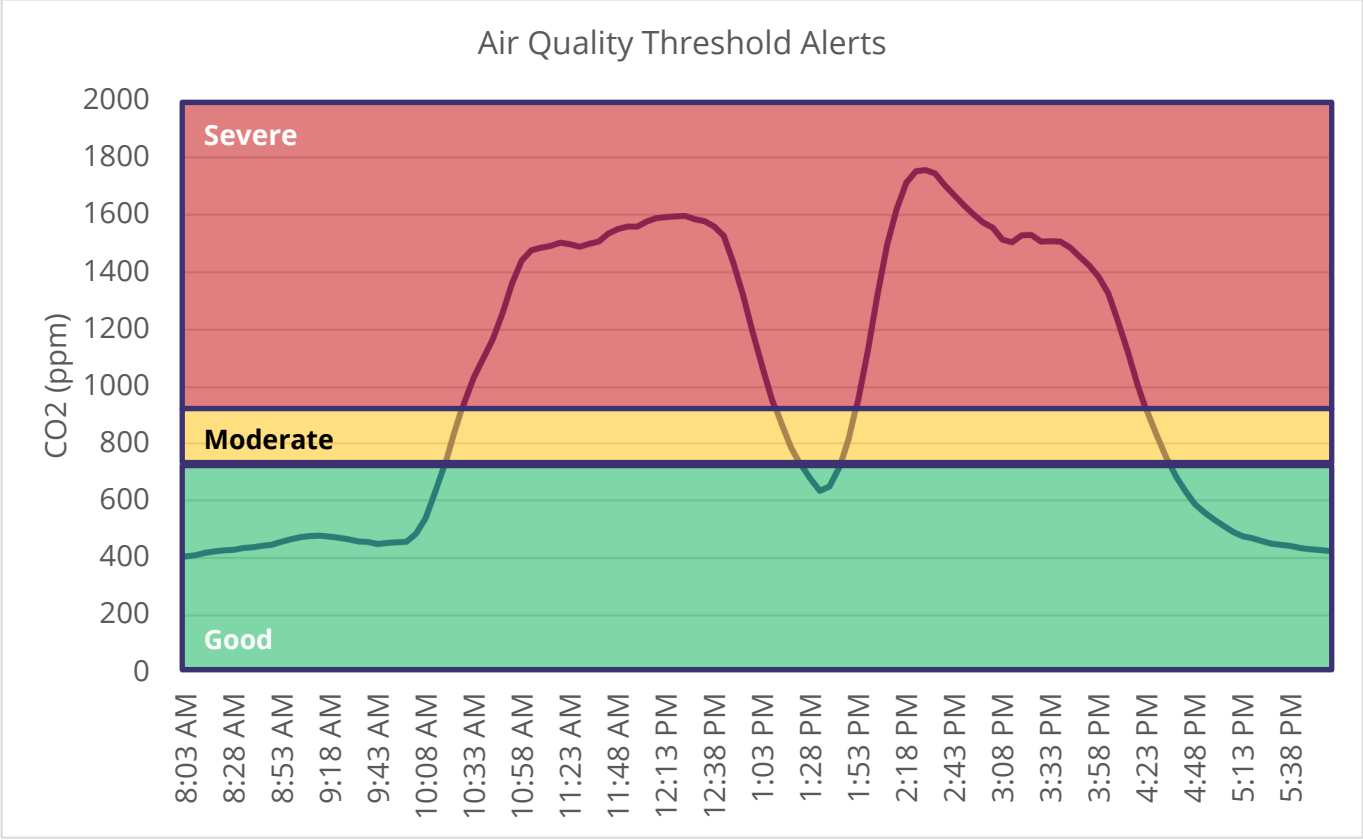
One tactical use of air quality monitors is automated alerting when air quality is poor. For example, when CO2 exceeds 1,000 ppm. As noted above, the Gresham Street office hosted colleagues from other locations on Friday, November 26. This group convened in the Hall conference room on the third floor for much of the day, from 10:00 am to 4:00 pm.

In fact, we observed utilisation at twice its stated capacity (40 people vs. 20 people) over the course of several hours. As Figure 11 shows, the CO2 level in the room quickly reached severe levels in excess of 1,000 parts per million (ppm). When the group took a break around 12:30 (presumably for lunch), the air quality returned to normal within an hour. But then it deteriorated again in the afternoon. The sensor was configured to send an alert when the CO2 concentration exceeded 800 ppm for more than 30 minutes. This happened twice (once about 35 minutes after the meeting began, the second about the same amount of time after the group returned from lunch).

The ability to measure IAQ in real time allows us to consider ameliorating measures, such as:

- Limiting usage of a room to stated capacity to reduce the strain placed on IAQ by additional people;
- Automated reminders to suggest that occupants take a break approximately every 60 minutes, leaving the room to allow ventilation to clean the air;
- Placing in-room devices to relay IAQ alerts to occupants instantly;
- Longer term, investment in improved ventilation to increase the frequency of air changes in enclosed areas.

FIGURE 11: CO2 IN "HALL" MEETING ROOM, 26 NOVEMBER 2021



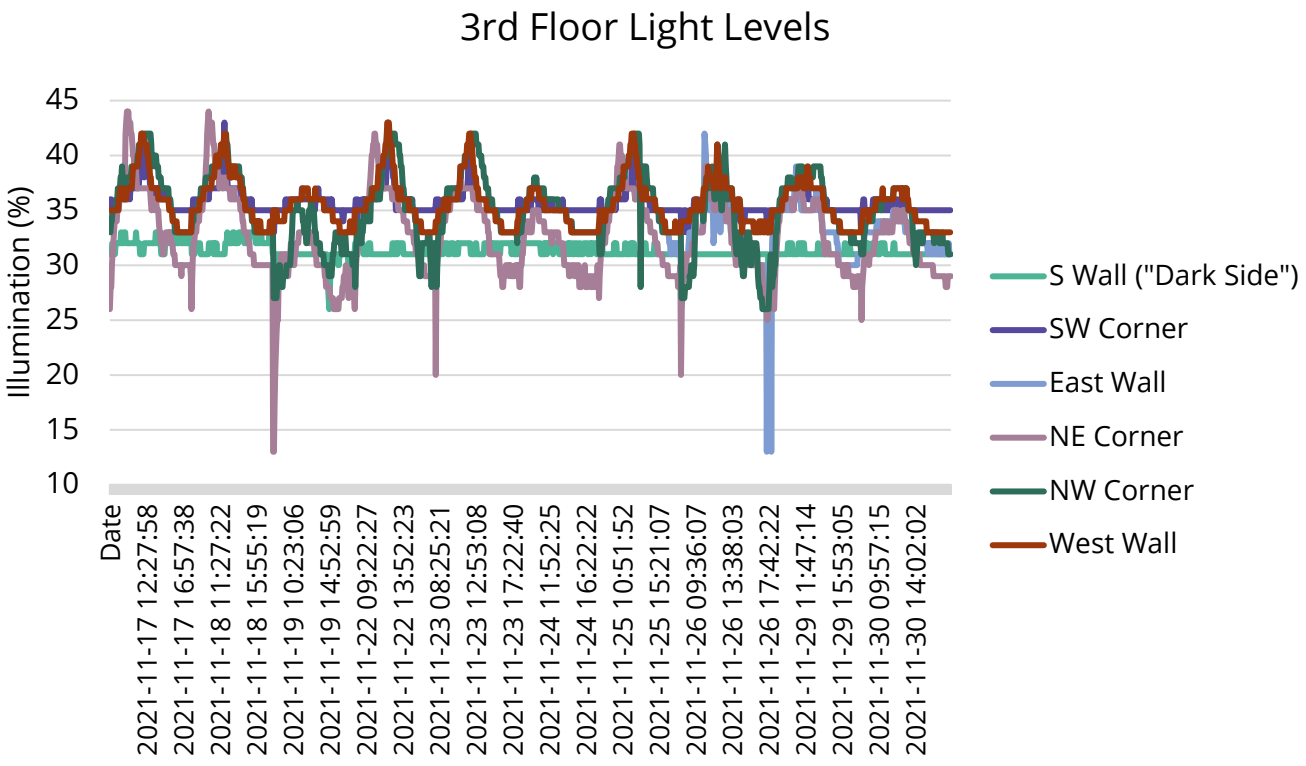
Review of findings

The "Dark Side"

The area along the south wall on the third floor has earned the affectionately derisive moniker "The Dark Side" from employees whose desks are assigned within the area. This is in part due to its lack of direct sun, which is exacerbated in winter. Placing sensors allowed us to quantify the perception that it is darker than other areas.

Comparing to other areas during our observation period, we saw that its average light level is only 31 percent; for most other areas, the average was near 35 percent. But the average is not the entire picture. The Dark Side's peak lighting level during our observation period was only 33 percent, compared to 42-44 percent in other areas. To address this imbalance, we are installing new lighting along the south wall in March 2022. And while we believe this is a necessary and appropriate step, it should also be noted more generally that unassigned seating (such as now exists on the second floor) allows employees the option to sit in areas with a different character of light (including natural sunlight) at different times of the day.

FIGURE 12: LIGHT LEVELS OF 3RD FLOOR DESK AREAS



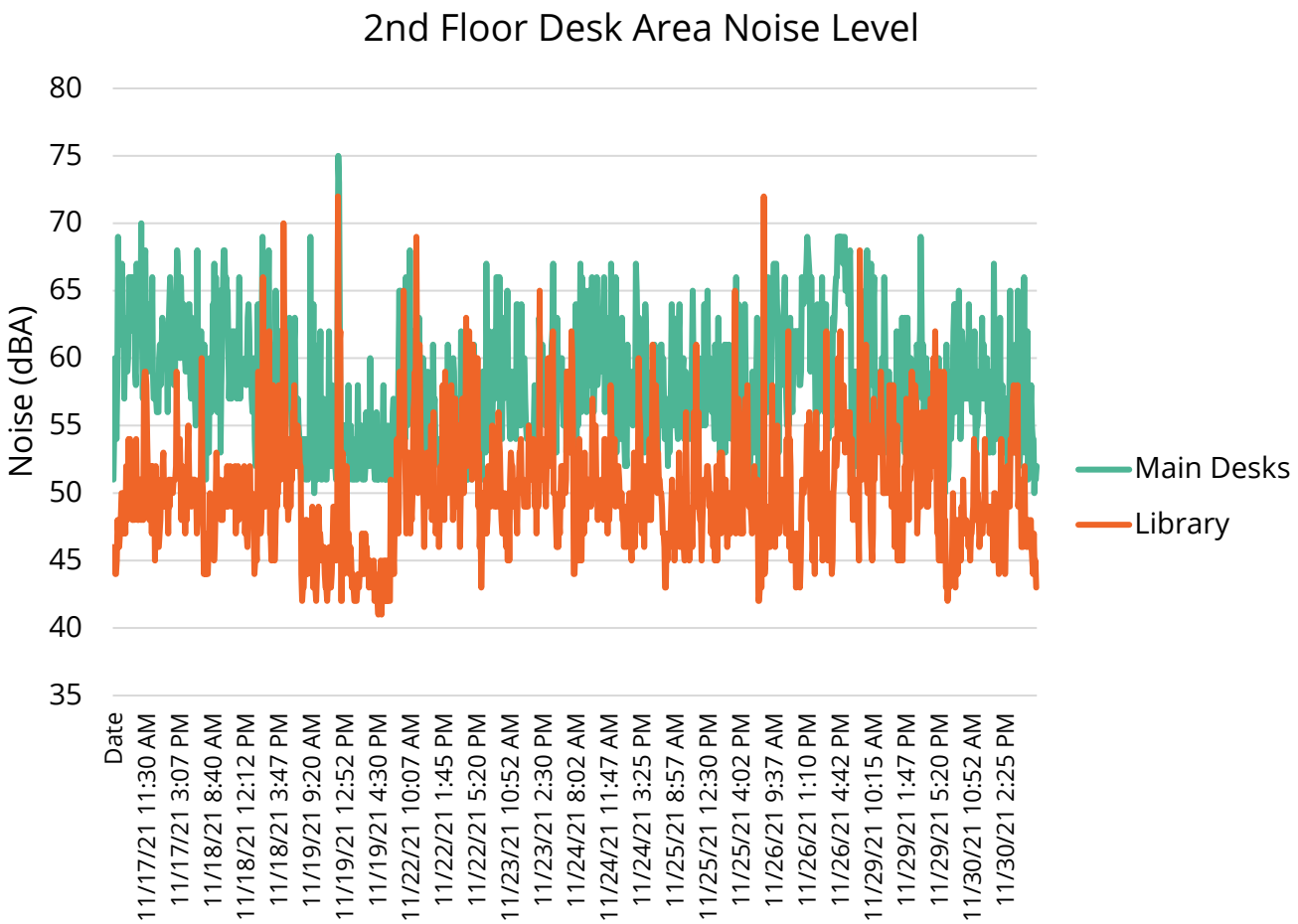
Review of findings

Quiet but Cool

A final opportunity shows that there remains work to be done even on the higher-performing second floor. During our visual observation period, we noticed that the main desk area on the 2nd floor had an average utilisation of 23 percent. At the same time, a second, smaller desk area, designated for quiet work and dubbed the library, averaged only 16 percent.

Why might this be? Did the space deliver on its promise to be a quieter place to work? In short, yes. As Figure 13 shows, noise was consistently and noticeably lower around the library desks. On average, it was only 50 dBA, 8 dBA lower than the main area. For reference, an actual library tends to be around 40 dBA, which is also the threshold for "silent" kitchen appliances. Normal conversation tends to be approximately 60 dBA.

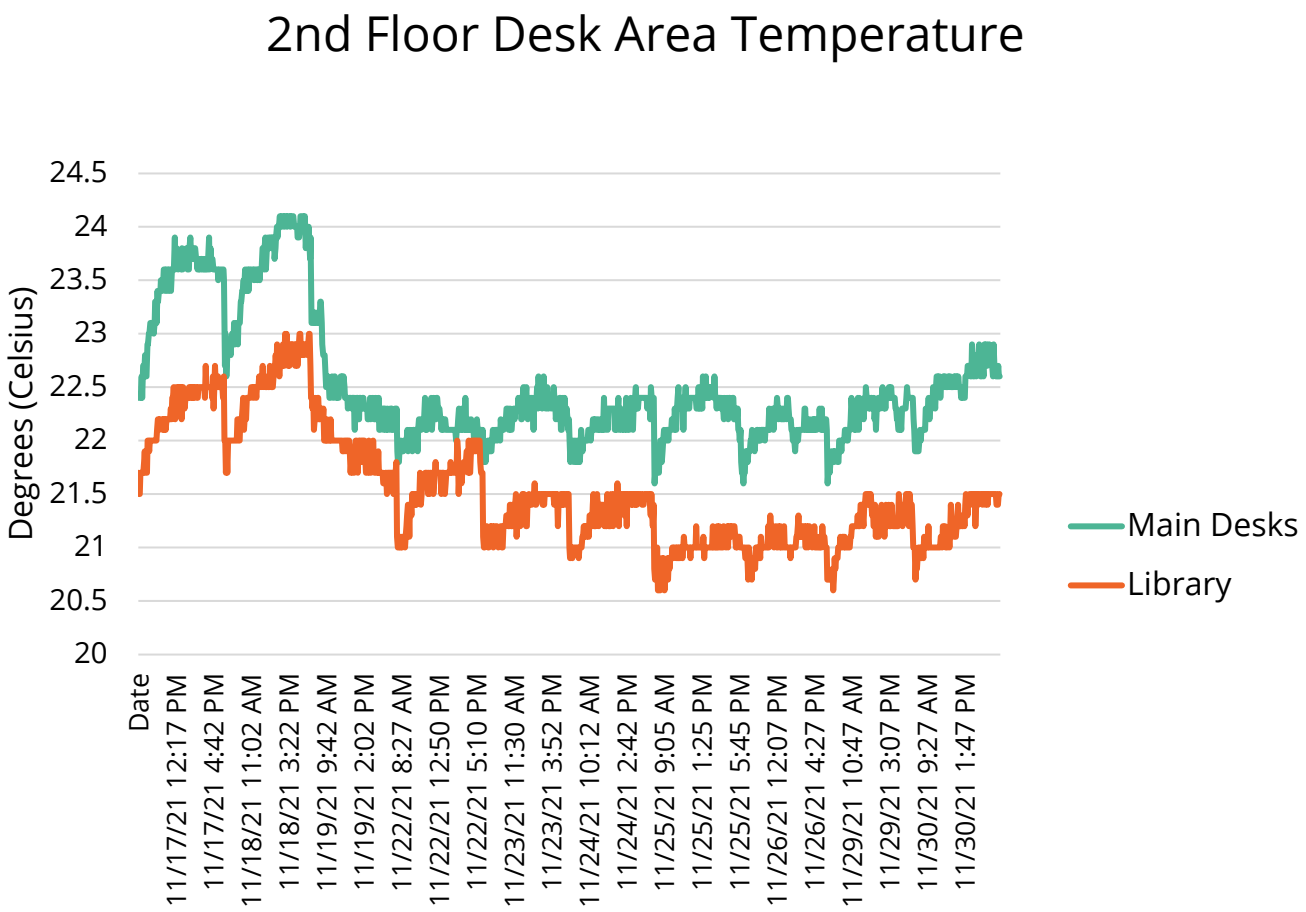
FIGURE 13: NOISE COMPARISON OF 2ND FLOOR DESK AREAS



Review of findings

But if the space is quieter, it is also cooler. According to the sensors, the library averaged a full degree cooler over the course of the observation period (21.5 degrees vs. 22.5 degrees). Though the temperature fluctuated in both locations, the difference remained remarkably consistent (see Figure 14). Improved HVAC zoning and more insulated glass could help address such a temperature difference. But a faster and less expensive experiment would be to designate a new quiet space in a different area of the floor. This approach would provide data to understand the demand for quiet desk space. Once this is understood, a more informed decision about addressing temperature disparities is possible.

FIGURE 14: TEMPERATURE COMPARISON OF 2ND FLOOR DESK AREAS



Limitations and Areas for Further Study

With any study, it is important to understand limitations and unanswered questions that could be addressed in future research. In our case, both the circumstances and selected methodologies limit our findings, as well as their general applicability. Some of these limitations, along with our plans to address them, include:

1. First of all, attendance was (and has remained) well below the capacity of the space. This was helpful in granting employees broad optionality in work location and setting; however, it has not yet been possible to measure the efficiency of the space. Instead, we have focused on the frequency of usage as a measure of employee preference. Future analysis, whether via manual or automated observation (for example, via occupancy sensors), can address the question of improving efficiency of use.
2. We have also not been able to determine the impact of a "full" office on air quality, noise levels, or sentiment. For example, we hypothesize that people will enjoy collaborating more when more of their colleagues are present. On the other hand, they may not enjoy a louder, fuller space that cannot maximally accommodate their preferences at all times.
3. Our manual observation method provided good insight on the relative usage of various spaces across different time periods; however, it was not precise enough to offer a "true" picture of utilisation. (For example: How long do people tend to remain in an informal collaboration booth as opposed to a meeting room? What group sizes most frequently use a given space, regardless of its capacity? What activities do employees perform in a given setting, and how do those differ? Etc.)
4. Observing behaviour in a low-occupancy environment can reveal some about what employees are choosing to do, but not much about why they choose to do it. We are planning a series of in-depth focus groups that address motivations based on demographic and workstyle preferences to investigate this.

Should you wish to discuss any details please get in touch

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