

# Design Leveraged

Vol 2: Workplace design has a strong and definable impact on business results.

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# Workplace design has a strong and definable impact on business results

As evidence mounts, this is a topic worth exploring. After all, the workplace is the most immediate, visceral communication of corporate culture. Peter Drucker, the esteemed 20th-century business theorist, observed that strategy is all but meaningless compared to a company's culture, remarking, "Culture eats strategy for breakfast."

For this report, the second in our Design Leveraged series, the International Interior Design Association (IIDA) and the Business + Institutional Furniture Manufacturers Association (BIFMA) commissioned a study from Brandware Research to examine the role of design in the workplace.

The research found that—at statistically significant levels—employees who are more satisfied with their workplace are less likely to quit; are more engaged at work; have higher job satisfaction; make better co-workers; and show more support for corporate goals.

This wasn't a casual survey. By using previously validated models, and holding all other variables constant, the findings carry a greater than 99% probability that they aren't due to coincidence.

Another insight from Brandware: Only about half of U.S. employees are "highly satisfied" with their

workplace. Comparing that group's responses to the other, "less-satisfied" respondents is eye-opening. In this report, we take a close look at where they diverge and how great the divide.

To demonstrate the impact of this research, you'll also find case studies that illustrate how smart enterprises—businesses, educators, hospitals—are rethinking their workplaces. Included are such companies as Boston-based Wistia, which preserves a link to its energetic start-up roots through its workplace design. Harry's, the direct-to-consumer shaving company in New York, finds that its workplace communicates to potential employees that it's far cooler than its commodity product. IBM's Design Center in Austin unleashes creativity and teamwork from a super-flexible workplace. And with Delos, Mayo Clinic is launching a ground-breaking experiment in how workplace, materials, and space affect health and well-being in real time.

The research makes an undeniable business case for good design, which means it's worth taking another look at your company's workplace. How could a redesign impact your organization?

**Read on to find out.**



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## JUST HOW STATISTICALLY SIGNIFICANT ARE THESE RESULTS?

By using previously validated models for survey questions—to ensure the study measures what it intends to—and by holding all other variables constant, the findings carry a greater than 99% probability that they aren't due to coincidence.

“It told us,” says David Krysiek, president of Brandware Research, “that workplace satisfaction actually contributes to overall employee satisfaction and engagement—that it doesn't occur simply as a result of it.”

The survey queried 1,206 respondents employed full-time in the U.S., who spend most of their working time in an office leased or owned by their employer. Respondents were employed at companies of varied size and location with more than half in managerial or professional-level positions, and nearly 70% with college degrees.

But beyond illustrating the importance of workplace design to America's workers, the study also shined a spotlight on how far American businesses have to go to seize this opportunity.

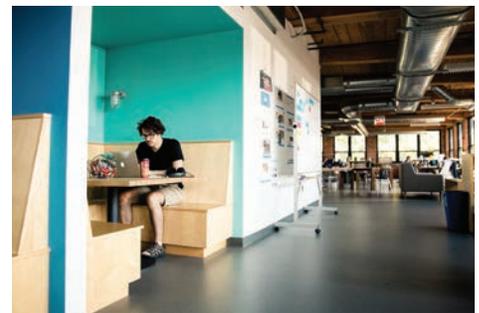
# Methodology: Confirming the link between design and behavior

The goal of the Brandware study, “The Relationship Between Workspace Design and Employee Engagement,” was to understand the statistical relationship between workspace design, employee engagement, and desirable employee behavior. The analysis was conducted by Brandware's director of analytics Tom Gruca, MBA, Ph.D. in Decision and Information Sciences.

The study, a 15-minute online survey of 1,206 full-time office workers, utilized respondent scales validated in academic research regarding satisfaction with personal workspace, employee engagement, and behaviors associated with engagement.

The survey collected data on the design of each respondent's workplace. The survey also posed questions regarding his/her job engagement and organizational engagement, which have been shown in previous academic research to be drivers of organizational performance (Harter, Schmidt and Hayes, *Journal of Applied Psychology*, 2002). It also collected data on employee behaviors, including intention to seek other work, and organizational citizenship behaviors, such as assisting other employees or offering ideas to improve the organization (Saks, *Journal of Managerial Psychology*, 2006).

While holding all other variables constant, and through multiple regression analyses of the data, Brandware found statistically significant links between workplace satisfaction and organizational engagement. It also found significant links between workplace satisfaction and employee behavior.



The study found “a great deal of variability pertaining to workspace satisfaction, suggesting that organizations can use workspace design as a lever to build greater employee satisfaction.”

Responses to survey questions were given on a 1-7 scale, with 7 being the highest. Unless otherwise noted, when this report says that a group of respondents “agreed” with a statement, we are saying they gave a score of 6-7. When we say “strongly agreed,” the response was a 7.