

MAKING THE BUSINESS CASE FOR WELLBEING

THE 2014 WELLBEING AT WORK STUDY

Morgan Lovell

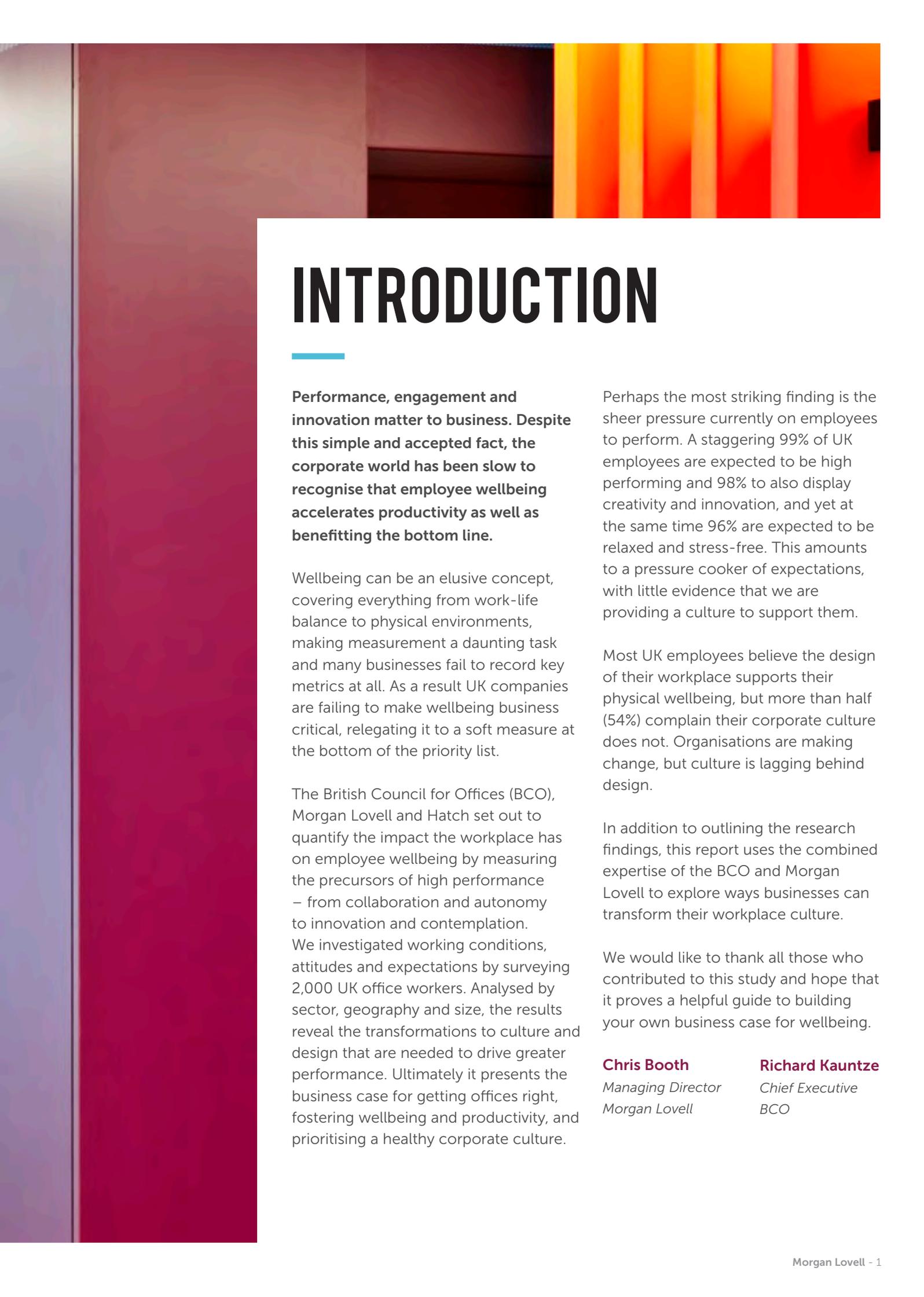
HATCH





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INTRODUCTION

Performance, engagement and innovation matter to business. Despite this simple and accepted fact, the corporate world has been slow to recognise that employee wellbeing accelerates productivity as well as benefitting the bottom line.

Wellbeing can be an elusive concept, covering everything from work-life balance to physical environments, making measurement a daunting task and many businesses fail to record key metrics at all. As a result UK companies are failing to make wellbeing business critical, relegating it to a soft measure at the bottom of the priority list.

The British Council for Offices (BCO), Morgan Lovell and Hatch set out to quantify the impact the workplace has on employee wellbeing by measuring the precursors of high performance – from collaboration and autonomy to innovation and contemplation. We investigated working conditions, attitudes and expectations by surveying 2,000 UK office workers. Analysed by sector, geography and size, the results reveal the transformations to culture and design that are needed to drive greater performance. Ultimately it presents the business case for getting offices right, fostering wellbeing and productivity, and prioritising a healthy corporate culture.

Perhaps the most striking finding is the sheer pressure currently on employees to perform. A staggering 99% of UK employees are expected to be high performing and 98% to also display creativity and innovation, and yet at the same time 96% are expected to be relaxed and stress-free. This amounts to a pressure cooker of expectations, with little evidence that we are providing a culture to support them.

Most UK employees believe the design of their workplace supports their physical wellbeing, but more than half (54%) complain their corporate culture does not. Organisations are making change, but culture is lagging behind design.

In addition to outlining the research findings, this report uses the combined expertise of the BCO and Morgan Lovell to explore ways businesses can transform their workplace culture.

We would like to thank all those who contributed to this study and hope that it proves a helpful guide to building your own business case for wellbeing.

Chris Booth
Managing Director
Morgan Lovell

Richard Kauntze
Chief Executive
BCO

THE WAY WE WORK

The world of work has undergone a remarkable change in recent years. The combination of advances in design, technology and the expectations of younger generations of employees has fundamentally altered how we work.

Despite the move towards agile working, we are still firmly in the era of open plan. Assigned open plan seating is the most common type of working environment, making up over half (54%) of UK employees, with private offices used by a further quarter (26%). Hot desking is also popular; with unassigned open plan desks now accounting for 15% of workplaces. Interestingly, only 2% of UK office workers now work in cubicles, less than the 4% who work at home or in specially-designed flexible working environments.

The data supports the continued importance of the office as the place we do business. For those that are yet to embrace a truly agile way of working that means the working day is still bookended by a commute and almost half (45%) of UK office workers complain that they endure an unpleasant and stressful trip to work. Almost three-quarters (74%) of unhappy train commuters and nine in ten (92%) tube passengers name overcrowded journeys as their chief grievance.

Career pressures are taking their toll and more than a third (36%) of UK office workers feel their work-life

balance is poor. The top three threats to this are general stress levels (64%), an always-on working culture (63%) and a lack of rest and relaxation opportunities (60%). More worryingly, over half (54%) do not believe their company does enough to encourage wellbeing. Almost two-fifths (39%) claim their organisation's culture does not support wellbeing and more than a third (35%) accuse their employer of not valuing their wellbeing at all.

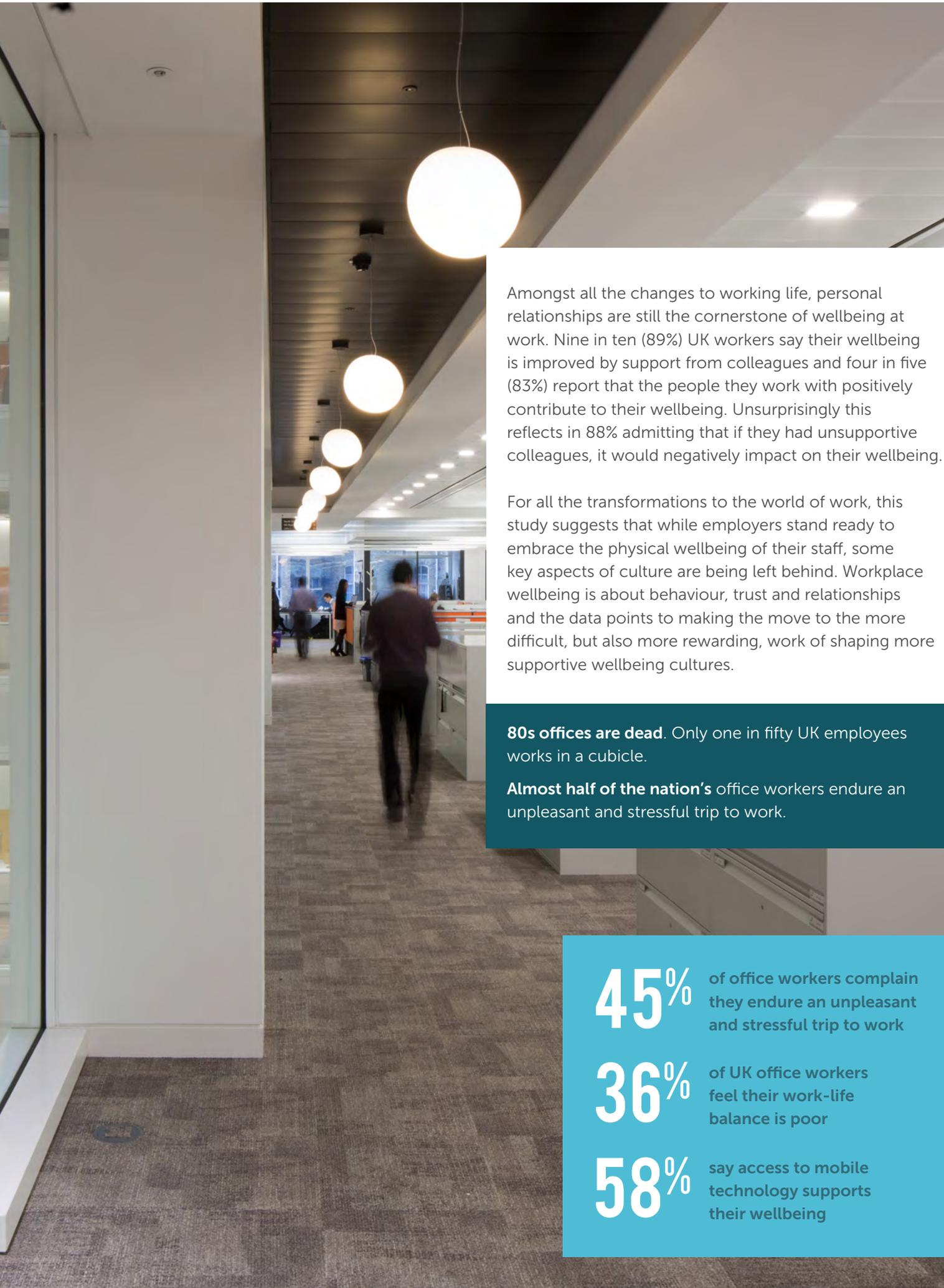
Outdoor space and the need for reflective areas ranks high in people's priorities, with almost all UK office workers viewing natural light (98%) and access to outdoor spaces (96%) as key factors to their wellbeing. While nine in ten (90%) say they have access to natural light, a quarter (28%) have no access to suitable outdoor space. A third (32%) of employees also find their social and break spaces lacking and more than two-thirds (69%) of these people would like to see the introduction of relaxation or meditation areas.

A THIRD OF UK EMPLOYEES

accuse their employer of not valuing their wellbeing at all.

Much has been made of the negative impact of virtual connectivity on wellbeing but the study found that a level of virtual connectivity can actually contribute to a sense of wellbeing, with 58% saying it actively supports it.





Amongst all the changes to working life, personal relationships are still the cornerstone of wellbeing at work. Nine in ten (89%) UK workers say their wellbeing is improved by support from colleagues and four in five (83%) report that the people they work with positively contribute to their wellbeing. Unsurprisingly this reflects in 88% admitting that if they had unsupportive colleagues, it would negatively impact on their wellbeing.

For all the transformations to the world of work, this study suggests that while employers stand ready to embrace the physical wellbeing of their staff, some key aspects of culture are being left behind. Workplace wellbeing is about behaviour, trust and relationships and the data points to making the move to the more difficult, but also more rewarding, work of shaping more supportive wellbeing cultures.

80s offices are dead. Only one in fifty UK employees works in a cubicle.

Almost half of the nation's office workers endure an unpleasant and stressful trip to work.

45% of office workers complain they endure an unpleasant and stressful trip to work

36% of UK office workers feel their work-life balance is poor

58% say access to mobile technology supports their wellbeing

CASE STUDY

PwC

Transforming a dated office building
into a 'business hotel'

PricewaterhouseCoopers (PwC) took the brave decision to transform and refurbish its dated office building of 25 years above Charing Cross station into a sustainable and flexible workspace. The inefficient offices were revitalised to create a modern flexible workplace reflecting PwC's market leading position and providing a vibrant environment for both clients and staff to mix.

Great value and a sense of theatre has been added by opening up the atria – allowing natural light to flood throughout the floors – and by adding in a new accommodation stair and scenic lifts, encouraging interaction within the businesses. On the floors, there are centralized refreshment hubs adjoining open meeting areas and private booths with built-in AV, re-enforcing the need for collaborative space. Opening up the space inspires connectivity, openness and opportunities for serendipity.

Agile based working was provided via 3,150 workstations for 4,500 staff, operated through a 'hoteling' system. This 'business hotel' approach means the workspace is able to meet the needs of PwC for approximately another 20+ years.

One of PwC's objectives for this project was to reflect a core brand value of sustainable practices and outcomes while tackling the impact of old building stock is one of the major challenges in a transition to a low carbon economy. PwC engaged an energy-modelling specialist to develop options that would achieve a minimum BREEAM rating of 'Excellent', while aspiring to 'Outstanding' status. In 2013, One Embankment Place achieved the highest BREEAM 'Outstanding' rating recorded worldwide. The company believes the experience proves the business case for re-use of an old building as well as the associated benefits for employees and the local community.





AVOIDING BAD DESIGN

Almost three-quarters (74%) of UK employees believe that their work environment supports their physical wellbeing. While this is an encouraging statistic, that leaves more than one in four UK office workers languishing in unhealthy environments. The Wellbeing at Work Study paid particular attention to the concerns of those who are unhappy with their workplace to reveal the biggest pitfalls to avoid.

For those who deem their relationships with colleagues to be bad for their wellbeing, two-thirds (65%) blame this on a lack of open and honest communication and half (52%) complain of a lack of buzz in the office. Of those who do not feel accepted as an individual, nine in ten (88%) want to be more valued and encouraged in their work, and over half (57%) want greater autonomy.

From a design point of view over a quarter (26%) of UK employees find the acoustics of their office unpleasant & three-quarters (77%) of those blamed it on a noisy open plan environment. A further quarter (27%) are frustrated by a lack of privacy. Of the quarter (23%) who state their office does not encourage them to move around three-quarters (72%) blame the awkward design of their workplace. Chief gripes regarding office design come from lack of colour (80%), greenery (64%) and art (61%).



While this study chiefly points to the cultural changes that are needed to improve wellbeing, there are some useful insights for office design. In particular, the results show the impact that small changes can have on employee wellbeing and the boost that can be received from a splash of colour or the introduction of some greenery.

Organisations should think about how design works with the culture they are trying to create and match aesthetics with practicality.



Shaun Baker

Head of Design, Morgan Lovell

Bugbears and main irritants



THE THREE Cs OF A HEALTHY WORKING CULTURE

Building a culture of wellbeing is a long-term project, but this study suggests some of the key starting points for transformation. We have characterised these as the three Cs of culture: control, care and collaboration.

CONTROL

The research highlights office workers' overwhelming desire for autonomy with nine in ten (87%) claiming that their wellbeing diminishes if they do not have control over their day-to-day activities.

The study also found people want to mix collaboration with quiet moments. Employees value doing quality work, indeed according to 92% working 'in the zone' helps wellbeing, so trust them to work in the way that they feel is most beneficial and reap the rewards in performance as well as happiness.

Respond by offering a choice of how and where employees work. This involves taking advantage of what new technology can offer and building flexibility into workplace culture.

87%

claim their wellbeing diminishes if they don't have control over day-to-day activities

CARE

Nine in ten (94%) UK employees believe that the more meaning their job has, the more likely they are to feel a sense of wellbeing. This shows the importance of communicating the impact individuals have on customers or colleagues.

Organisations need to show employees they are working in an exciting field, at the cutting edge of their industry, that the work they do is important to the end-user and that what they do personally makes a difference to the company.

Appeal to people's desire for authenticity and communicate what you do and why, openly and regularly.

89%

of UK employees say support from colleagues improves their wellbeing

COLLABORATION

Personal relationships will always be the backbone of business, and with 89% of UK employees agreeing that support from colleagues improves their wellbeing, organisations need to evolve to encourage positive collaboration between staff.

Building a collaborative culture means embracing connectivity of all types, so ensure your employees have the tools to work, discuss and innovate together regardless of where they are. Working from home or from the coffee shop no longer means you aren't connected to others.

MORE THAN NINE IN TEN UK EMPLOYEES

believe the more meaning their job has, the more likely they are to feel a sense of wellbeing

CASE STUDY

New Broadcasting House

Bringing the BBC together
under one roof

In June 2013 the Queen opened the BBC's New Broadcasting House off Oxford Circus in London. This marked the end of a 12-year redevelopment project that has provided the BBC with a suitable home for the world's most famous broadcasting corporation.

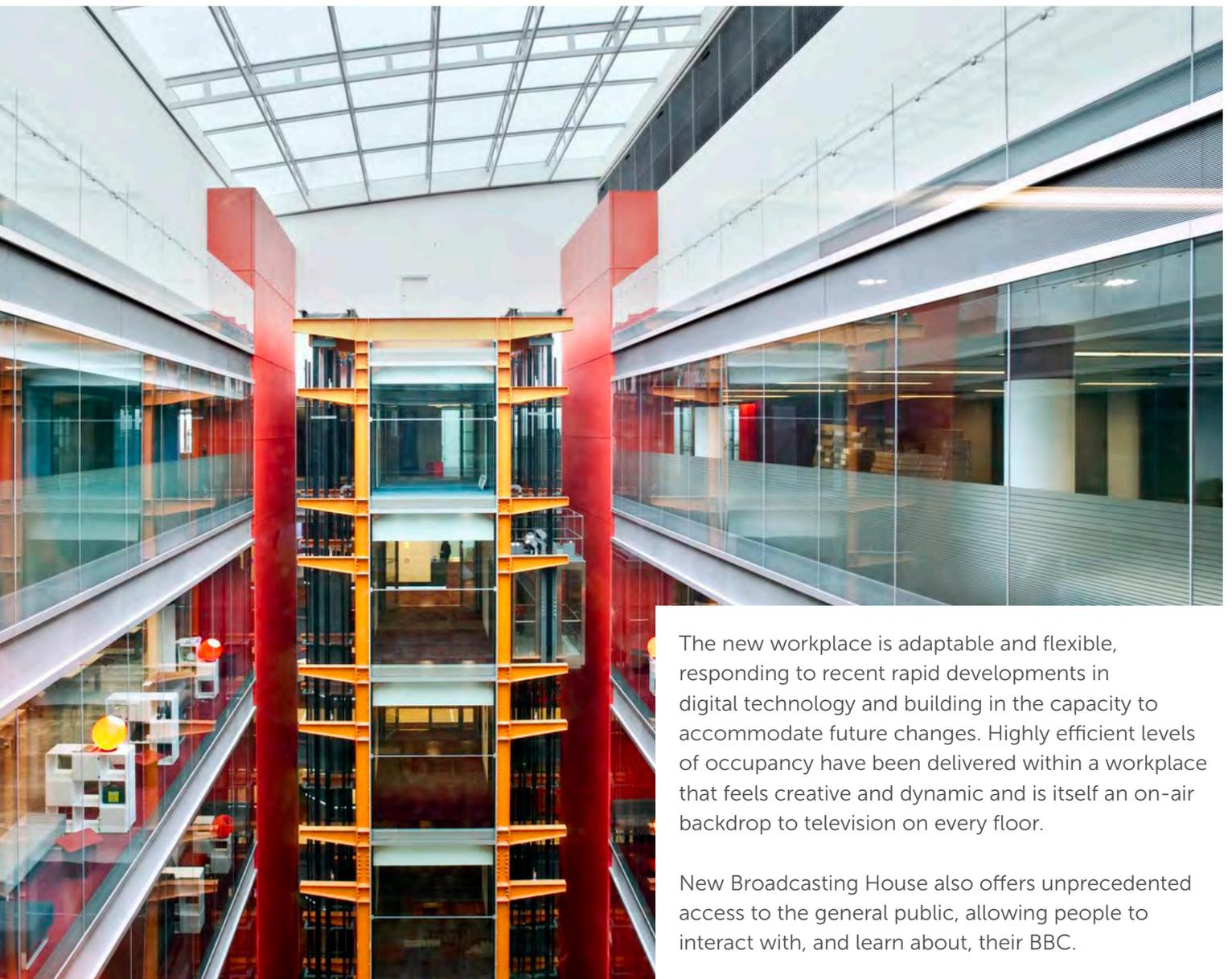
Developed over two phases, the redevelopment encompassed the refurbishment of the original 1932 Broadcasting House, the construction of the new Peel Wing and finally, the construction of New Broadcasting House which is becoming a landmark in Central London and a familiar sight to viewers around the world. It is a key project in the BBC's strategy to rationalise its property portfolio by 2020.

Bringing the BBC's live news, radio and World Service broadcasting together in one integrated state-of-the-art media centre created unprecedented opportunities to drive collaboration, knowledge sharing and creativity between BBC programmes and departments.

The project posed enormous logistical and aesthetic problems. Portland Place is a city centre site with all the associated constraints this implies. The original Broadcasting House is Grade II listed and the whole site stands in one of the most architecturally sensitive areas of London. To add to the problems, two Tube lines run directly underneath and national radio networks, based at the Broadcasting House site, had to be kept on air throughout the redevelopment.

Working collaboratively, the project team met all challenges with innovative design and construction technologies. The New Broadcasting House has been designed to harmonise peacefully with its historic neighbours, and, as part of the redevelopment, significant new public space has been created at the approach to New Broadcasting House.





The new workplace is adaptable and flexible, responding to recent rapid developments in digital technology and building in the capacity to accommodate future changes. Highly efficient levels of occupancy have been delivered within a workplace that feels creative and dynamic and is itself an on-air backdrop to television on every floor.

New Broadcasting House also offers unprecedented access to the general public, allowing people to interact with, and learn about, their BBC.

CASE STUDY

Nuffield Health

A people-centric place with an emphasis on health and wellbeing

Nuffield Health wanted a new headquarters that would reflect the values of the organisation, creating a people-centric place with an emphasis on health and wellbeing.

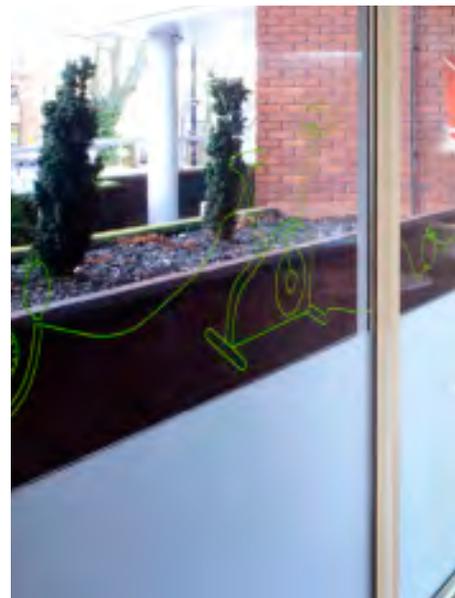
Nuffield Health's new office fit out came directly from a consultancy process with Morgan Lovell. The UK's largest not-for-profit organisation wanted a narrative workplace; one that tells the story of Nuffield Health. To that end, the new space was designed with a rustic and homey feeling, with exposed and informal surfaces, to create an atmosphere of comfort and wellbeing. The fully equipped gym was placed in perfect view of anyone coming through the door.

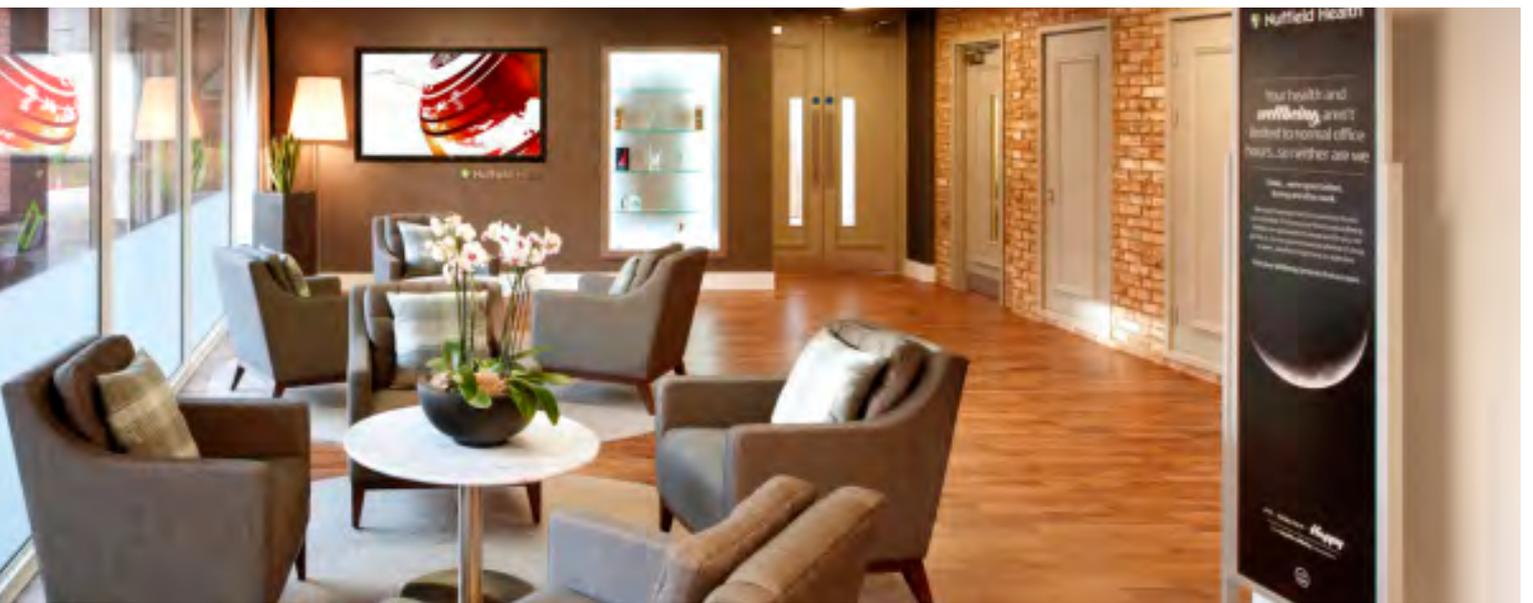
Nuffield Health also wanted a space which reflected new ways of working. Now there's an emphasis on hot-desking and an increased use of dynamic spaces, as well as a new focus on activity-based working for its 450 staff members. Morgan Lovell identified that the organisation wasn't really making use of its ten-person meeting rooms and really needed smaller rooms.

There are now learning centres for lectures and seminars, a fully equipped 'tech bar' and a large staff café complete with a 'community wall' of eight 55-inch screens connecting HQ to the community.

Contemplation spaces were really important to the staff members so the courtyard area was refurbished for both contemplation and outside working, adding a pergola and plants to encourage staff usage.

The result is a workplace which encapsulates Nuffield Health's people and wellbeing-focused philosophies whilst also reflecting its willingness to embrace new technologies and new ways of working.





PREPARING FOR THE WORK PLACE REVOLUTION

Wellbeing is intuitive. We all know what it is, most of us know how to support it and managers know how important it is to business success. And yet, all too often, UK businesses are still taking wellbeing at face value and getting it wrong.

This research has crucial implications for business leaders, showing the power of evidence-based design that proactively improves office culture. Everything about a business should support the culture its leaders and staff want to create, including its physical environment.

There are some real surprises in the data about virtual connectivity being a facilitator to wellbeing and insights like this shed light on where organisations need to concentrate their energy. It's all too easy to demonise smartphones as harmful to wellbeing. We could in fact be looking at an evolution of virtual connectivity from being an intrusion into healthy working lives, to being an enabler. Organisations that embrace the connected world, be it through bring your own device policies or social media, will be valued by their employees.

We are seeing a shift in what the workplace is for, and this study shows huge number of workers seeking more relaxation or meditation areas at work. Perhaps this is unsurprising given we are working more hours than ever in the UK.

These contemplation spaces are also important for driving innovation. People need quiet and privacy to have their "Eureka" moments, and a balance of contemplation and collaboration is much more effective than ceaseless collaboration. By bringing these alternative physical spaces into the workplace, and giving people the mental space, time and empowerment to use them, businesses can arm their staff for better performance.

This study also highlights just how important it is for workers to care about what they do. While we can't all save the world, employers can show people that what they do matters. Rewarding employees for their work and clearly communicating a goal for them to line up behind is a powerful way to boost wellbeing and unlock the extra effort that can deliver real competitive advantage.

These insights show how crucial it is for businesses to integrate behavioural data into how workspaces are designed. A comfortable physical environment helps, but here in the UK at least, the data shows most of us already have the basics. To deliver a greater impact, and with it return on investment, workplaces need to be aligned with a culture of wellbeing that is uniquely suited to the business and the people on which it depends.

We have seen a workplace evolution over the last few years; more and more companies are embracing flexible working and new consumer technologies. But this is just the start, the rapid pace of change means that a workplace revolution is on the horizon. It's now possible to make evidence-based decisions on how your company operates and to build your own case to put cultural change firmly on the boardroom table.

**UK BUSINESSES
ARE STILL TAKING
WELLBEING AT FACE VALUE
AND GETTING
IT WRONG.**

EFFECTIVE WORKPLACES

We put a big emphasis on staff engagement to understand how our people are currently working and design new workplaces that support the changing needs of our clients and business operations. Our aim is to provide the 'best place to work'.

In 2012 when we decided to move our Norwich office to a new development close to the City Centre that enabled us to introduce new features to support flexible working arrangements, including Wi-Fi throughout and more collaborative spaces. It was important for us to bring staff together on one floor to encourage greater interaction between teams. The aim was to create a flexible vibrant open space within which our people are empowered to decide how they work, where they work and whom they work alongside.

At our HQ at One Embankment Place in London we transformed our home of 25 years from a dated office building into a 21st century 'business hotel' – a sustainable, flexible, collaborative and intelligent workspace. It is now a brand new workplace with a real vibrancy as clients and staff mix in a variety of workspaces providing a stimulating environment for everyone.

These two examples illustrate the importance of the three C's to assist staff wellbeing and productivity.

It is important that our offices deliver an effective workplace that enables greater collaboration and provides the appropriate facilities and services that assists productivity. Because when they do we thrive as a business.

Chris Richmond

**Chairman of the BCO's Occupier Group
& Head of Real Estate at PwC.**

About The 2014 Wellbeing at Work Study

The BCO, Morgan Lovell and Hatch Wellbeing at Work Study uses Hatch's customisable system to capture the state of wellbeing in UK offices. The findings are based on responses from 1,917 UK office workers across businesses of different sizes, sectors and geographies.

Analysis was carried out by Morgan Lovell.

About Morgan Lovell

For the last 37 years, Morgan Lovell has helped many of the world's largest companies to Define, Design and Deliver® workplaces that empower staff and grow businesses.

The firm's three-stage process ensures that every office it creates fits their clients' business strategy. Clients include large corporate firms like LinkedIn, Nuffield Health and IHG Intercontinental Hotels Group as well as SMEs across the UK.

Morgan Lovell is part of the construction and regeneration group Morgan Sindall Group plc

About Hatch

Hatch is a simple online customisable survey that can be used as a global benchmarking tool. The tool uses a predictive behaviour algorithm to determine staff likes and dislikes as well as collecting cultural clues to make informed decisions about the workplace.

Hatch can help any group learn how to change behaviour and work together better.

About the BCO

The British Council for Offices (BCO) is the UK's leading forum for the discussion and debate of issues affecting the office sector. Established in 1990, its membership base comprises organisations involved in creating, acquiring or occupying office space, including architects, lawyers, surveyors, financial institutions and public agencies.

The BCO recognises that offices don't just house companies, they hold people and so what goes on inside them is paramount to workplace wellbeing.

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