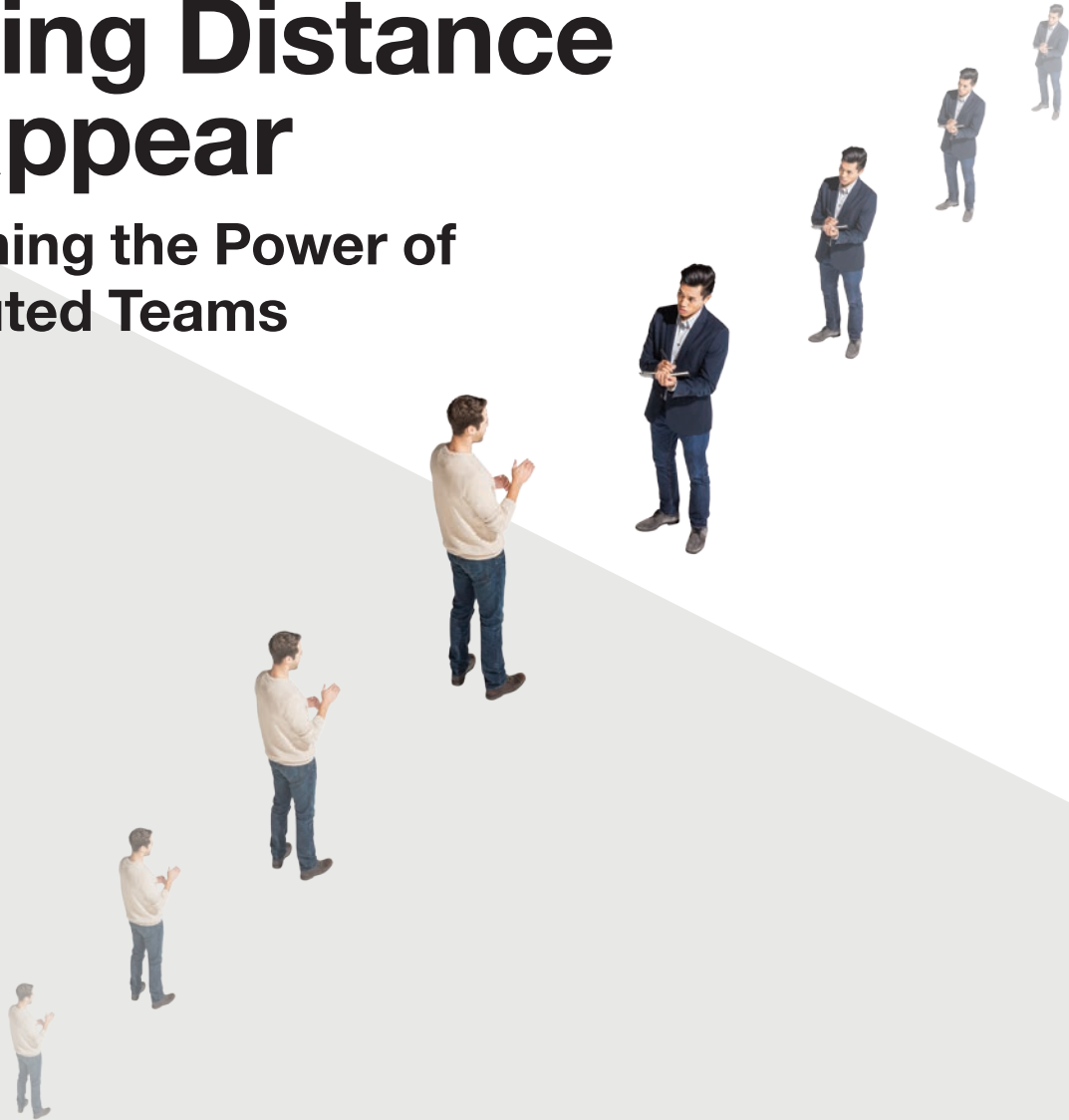


360°

Making Distance Disappear

Unleashing the Power of
Distributed Teams





About this Issue

More than ever, organizations are looking to teams to solve the challenges of doing business in a world that's more interconnected and complicated each day. The stakes keep getting higher, and innovation is no longer the exclusive purview of market leaders. For any business, innovation is essential and it requires teamwork.

To bring in diverse perspectives and speed outcomes, many teams are now made up of people distributed throughout the world. Because seeing each other in real time carries so many advantages, they are turning to video for day-to-day collaboration.

Although it provides a wealth of content compared to other technologies, video can also exacerbate

the tensions of presence disparity—i.e., when the experience of teammates who are participating remotely is disadvantaged compared to those working side-by-side.

Often misunderstood or overlooked, the destructive impact of presence disparity is substantial. It can slow progress, aggravate mistrust and deflate engagement. When that happens, ROI on the technology is overwhelmingly negative.

Through research, Steelcase has gained a deep understanding of presence disparity. We've translated our insights into hardworking workplace solutions that fuse physical and virtual experiences to amplify the performance of individuals, teams and entire enterprises.

Exploring workplace research, insights and trends

steelcase.com/eu-en/360

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26 Q&A with Ray Oldenburg
You’ve heard the term “third place” countless times and probably used third places —coffee shops, libraries and other social spaces outside of home and work— nearly as often. But have you ever heard from the man who defined third places and put them on the cultural map? Ray Oldenburg explains why third places are still very special spaces.

steelcase.com/oldenburg

80 Boosting Culture
Turnstone’s 2014 Small Business Culture Report shows that authentic office culture matters more than ever. Learn how small workplace changes can have a big impact on team morale and loyalty.



360 ON THE IPAD

Search “Steelcase 360 Magazine” on the Newsstand. Compatible with iPad. Requires iOS 3.2 or later.

96 Making Way for Making in Education

The fast-growing maker movement is adding a new twist to concepts about active, hands-on learning.

wmcat.org

usm.edu/thinkcenter



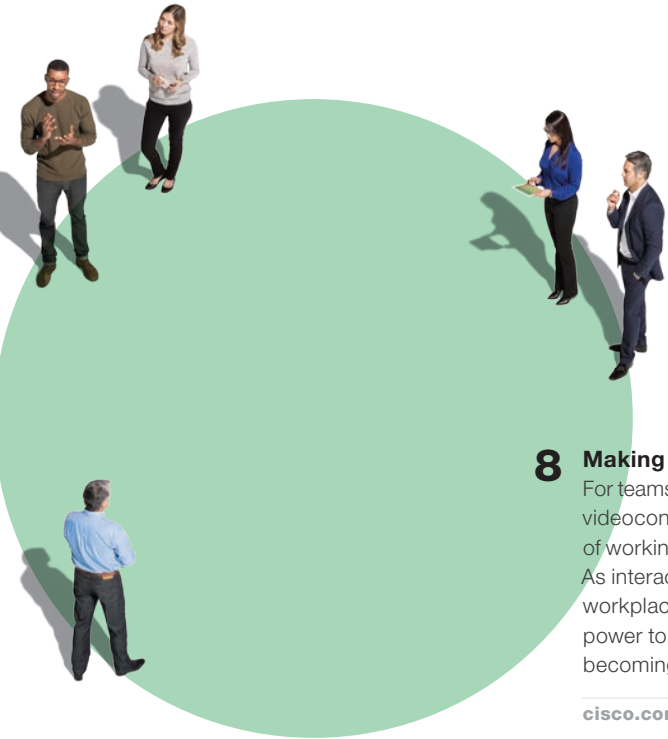
- Departments**
- 4** Perspectives
 - 6** Trends 360
 - 94** A New Learning Curve
 - 106** Sustainability Spotlight

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Features



8 Making Distance Disappear
For teams that collaborate across locations, videoconferencing means new ways of working—and new complexities. As interactions go virtual, how a workplace is designed has unprecedented power to support the journey toward becoming a highly functional team.

cisco.com

steelcase.com/polycom

steelcase.com/fuze

steelcase.com/ibm



30 Real Work
Cool cafés are popping up in corporate environments everywhere. But any office can mimic the cool factor of a coffee shop with Wi-Fi and an espresso machine. Creating a great corporate third place that gives people what they need to do *real work* requires a lot more.

workliffeit.com

steelcase.com/lisawaxman

ideo.com

steelcase.com/workcafe-ideabook

56 Space Odyssey
Leaders worry about how well their organizations are positioned for the new economy, the mobility of work, dramatic changes in technology and recovery from a global recession that sent everyone reeling. Steelcase faced this challenge by using space to help drive culture change in the organization and better align people, culture and work processes for a fast-changing business world.

Perspectives

Meet some of the people who contributed information and ideas to this issue.



CHERIE JOHNSON
Director, Global Design, Steelcase

In leading the interior design effort for Steelcase's global headquarters reinvention, Cherie planned the new spaces to help unify a global enterprise. “The starting point for mobile workers is the WorkCafé. You see leadership, people from other parts of the company, visitors, customers. You meet people face-to-face, so it builds rapport and trust across the organization.” After three years the company has measured significant upticks in internal communication, understanding of company direction and employee engagement. “We provide spaces that reflect the new Steelcase—user-focused, innovative, the product of design thinking—so employees can better understand the direction of the company and more effectively work to make that vision a reality.”



JIM KEANE
President + CEO, Steelcase

Since becoming Steelcase president and CEO in March 2014, Jim says a concern he often hears from other leaders is how to best align a company's strategy, brand and organizational culture. “We know that people don't remember much about the words they hear in mission statements or strategy documents. Instead, they make sense of the company's direction and purpose—and their place in it—by interacting with other employees and reading the cues signaled by the working environment.”

How Steelcase tackled this challenge through its workplace is explored in our feature story, “Space Odyssey” on pg 56.



PATRICIA KAMMER
Researcher, WorkSpace Futures, Steelcase

With a degree in interior design, Patricia conducts primary research and benchmarking as part of Steelcase's WorkSpace Futures team. Her work focuses on understanding new and emerging behaviors and then synthesizing the insights gained into strategic design principles. She is now leading Steelcase's ongoing research into empowering creative work in global enterprises.



DAVID WOOLF
General Manager, Integrated Technologies, Steelcase

Having lived and worked in Portland, Ore., for decades as it became a thriving technology hub, David is well positioned to develop and lead Steelcase's integrated technology team as its general manager. Recruited to Steelcase when he was vice president of marketing and engineering for InFocus, a global leader in visual collaboration technology, David remains based in Portland and leads a team that is distributed among several U.S. locations and Germany.



MICHELLE OSSMANN
Director, Healthcare Environments, Steelcase Health

As a nurse practitioner with 10 years of experience Michelle joined Steelcase this year with a focus on how the physical environment impacts patient outcomes and nursing staff. “I wanted to bridge the gap between clinicians and architects. I am able to look at the design from both perspectives. I can show the architects what our work routines and habits are and explain what our needs are as clinicians. Then I can turn around and look at how a design might help us as clinicians do our jobs more efficiently.”



LEW EPSTEIN
General Manager, Coalesse

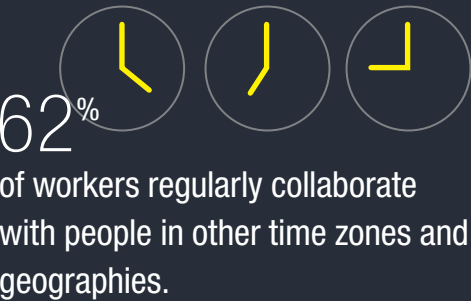
Employees' needs are changing and companies are now being challenged to merge the best of the first and the third place to keep them engaged. “When workers leave the workplace to work, it separates them from their coworkers, organizational resources and culture. Workers who go off-campus to coffee shops meet unforeseen challenges and are now seeing the advantages that only the workplace can provide. We're bringing the comforts of home and community of third places to the workplace to make the office the best place to work. When you do that, it changes the physical character and social experience of the workplace.”

CLOSING THE PRESENCE DISPARITY GAP

In organizations throughout the world, people are working with teammates across multiple locations, meeting face-to-face and virtually to attack challenges, solve problems and innovate together in real time. More and more, these teams are relying on video to connect.

These distributed teams routinely experience “presence disparity,” which means that people participating remotely have a vastly different experience than those who are in the same room. The more distributed that teams become, the more essential it is to close the gap.

DISTRIBUTED WORK IS HERE TO STAY



CISCO VISUAL NETWORKING INDEX



FORRESTER CONSULTING

GLOBAL TEAMS HAVE IT TOUGH

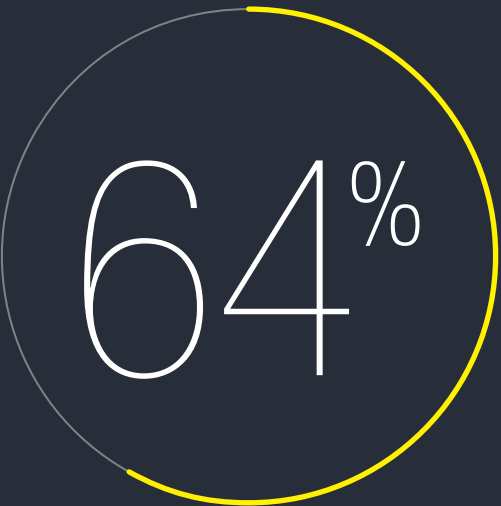


MIT SLOAN MANAGEMENT REVIEW



IBM WORKING BEYOND BORDERS STUDY

VIDEO: THE NEW NORM



64 percent of survey participants believe that face-to-face connections with colleagues help build a relationship.

BLUE JEANS NETWORK STUDY

The benefits of videoconferencing as a communications tool:



94 percent increased efficiency and productivity



88 percent increased impact of decisions



87 percent expedited decision-making



87 percent reduced travel costs

WAINHOUSE RESEARCH / POLYCOM STUDY

TECHNOLOGY ALONE IS NOT ENOUGH



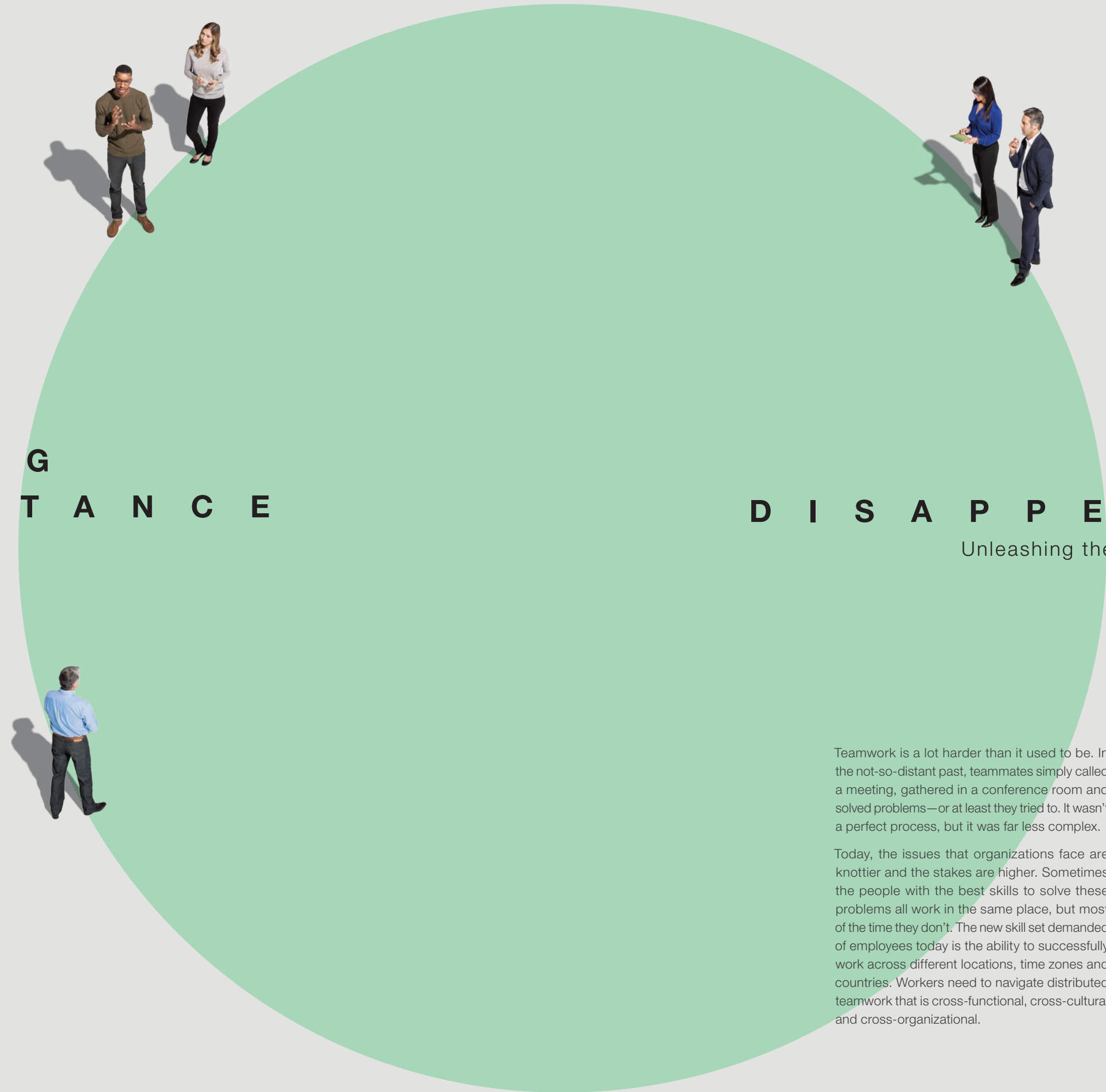
of videoconferencing is still happening in conference rooms

WAINHOUSE RESEARCH / POLYCOM STUDY

...but conference rooms are usually designed for leader-led presentation versus generative collaboration.

Workplace design can address the problems of distance collaboration.

Learn how to create effective environments for distributed teams that makes distance disappear on pg. 8.



M A K I N G D I S T A N C E

D I S A P P E A R

Unleashing the Power of Distributed Teams

AT A GLANCE

Issue

As businesses rush to become faster, smarter and more innovative, talent is more important than ever. Many teams are now distributed, using video to work across locations, time zones and cultures. But a constantly nagging problem they face is presence disparity—i.e., those working remotely have a different experience than those who are side-by-side.

Insight

Presence disparity isn't just a nuisance. It threatens productivity and makes collaboration taxing. Businesses are investing in video as a way to solve the challenges. But what's often missing is an understanding of how to optimize video technology in physical space.

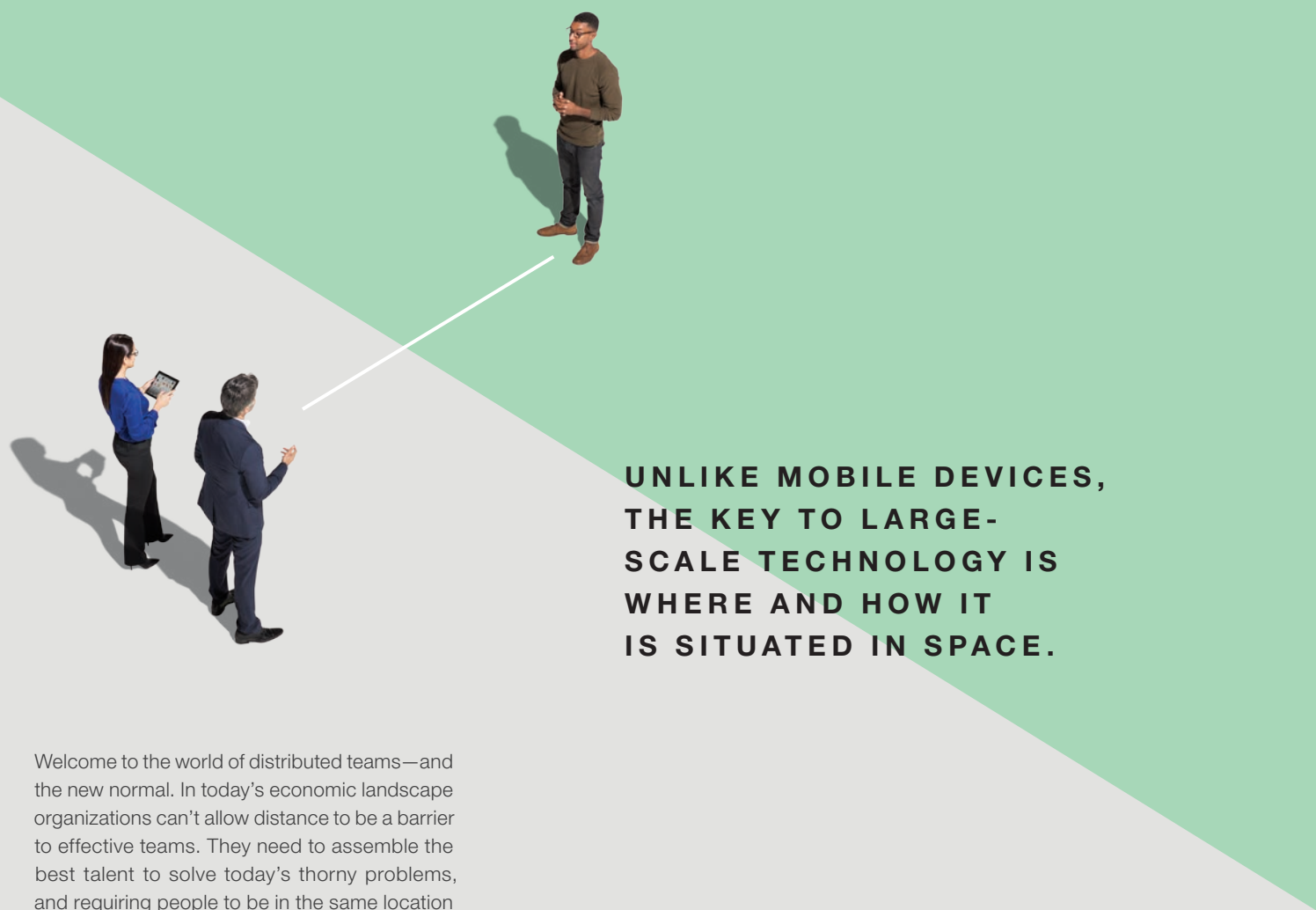
Action

Designing for distributed teams starts with understanding the various ways they work and then creating solutions that minimize presence disparity so distributed teams can rapidly become high-performance teams.

Teamwork is a lot harder than it used to be. In the not-so-distant past, teammates simply called a meeting, gathered in a conference room and solved problems—or at least they tried to. It wasn't a perfect process, but it was far less complex.

Today, the issues that organizations face are knottier and the stakes are higher. Sometimes the people with the best skills to solve these problems all work in the same place, but most of the time they don't. The new skill set demanded of employees today is the ability to successfully work across different locations, time zones and countries. Workers need to navigate distributed teamwork that is cross-functional, cross-cultural and cross-organizational.

Ask anyone on a distributed team and they'll tell you it's tough work. Even for teams collaborating in the same place, the bar is set higher than ever: The basic expectation is to be faster, smarter and more innovative. This is hard enough to do when you're sitting shoulder-to-shoulder alongside teammates with whom you've built some social capital: people you can see, hear and understand, working with content that's within reach. Now try it with people who are working remotely—some of whom you've never met in person, some you can't quite understand and some who are working late at night while you are in the office early and your body still wants to be in bed.



UNLIKE MOBILE DEVICES, THE KEY TO LARGE- SCALE TECHNOLOGY IS WHERE AND HOW IT IS SITUATED IN SPACE.

Welcome to the world of distributed teams—and the new normal. In today’s economic landscape organizations can’t allow distance to be a barrier to effective teams. They need to assemble the best talent to solve today’s thorny problems, and requiring people to be in the same location limits the range of skills and experiences that organizations can bring to bear on a project.

Yet, distributed work is not just a hurdle to be overcome; it’s actually a powerful catalyst for change within an organization. Distributed teams can eliminate redundancies, while expanding an enterprise’s capabilities by establishing satellites in talent-rich locations. Some organizations think about distributed work simply as a way to speed up projects by keeping work moving around the clock; the bigger opportunity is to fully leverage the organization’s scope and scale. And to do that, organizations need to find ways to make distance disappear.



THE PROBLEM OF PRESENCE DISPARITY

As distributed teams become pervasive, the challenges they face become more evident. A study of 70 global teams, conducted by researchers at the business schools of Dartmouth and the University of Maryland and reported in MIT Sloan Management Review, showed that very few globally distributed teams gave their performance high marks. A survey commissioned by Brandman University similarly concluded that, within the 135 large and Fortune 500 companies included in the study, virtual teaming was mostly regarded as a necessary evil versus a value-add. Teams rely on technology for connecting and collaborating day-to-day, but most executives admit that they are struggling to effectively connect their workforce virtually, says IBM’s expansive “Working Beyond Borders” report.

Steelcase researchers have studied distributed teams and found that one of the consistently nagging problems they face is *presence disparity*. It’s a term that few of us have heard, but many have experienced. We all know what it’s like to be physically present at a meeting. But when we work remotely, we don’t have the same experience as the people who are in the room together. Not only is the experience different when we are remote, sometimes it is just plain bad.

YOU’VE EXPERIENCED PRESENCE DISPARITY IF YOU ARE WORKING REMOTELY AND:

- ▶ You’re the only person on the phone and your team forgets that you’re there.
- ▶ The team is brainstorming at a whiteboard, talking about content you can’t see.
- ▶ People in the room talk rapidly and over each other so the conversation sounds like gibberish.

- ▶ The phone or video connections are jerky or repeatedly dropped, breaking the conversation flow.
- ▶ Your teammates schedule meetings at convenient times during their workday, which means you always work late or early.
- ▶ You make a comment when you’re on the phone and everyone in the room goes silent. Are they stunned by your brilliance or are they all rolling their eyes?
- ▶ You can’t shake the feeling that the “real” meeting started after the call with you ended.

CONVERSELY, YOU CAN EXPERIENCE PRESENCE DISPARITY WHEN YOU’RE PART OF THE TEAM GATHERED IN THE ROOM AND:

- ▶ The person on the phone is unaware that you’re all distracted by him eating potato chips during the meeting (or walking through the airport, or listening to his dog bark, or, or, or...).
- ▶ You’re on video and suddenly become aware that the camera is pointed directly up your nose and the lighting just added 10 years to your face.
- ▶ The video screen is so large that the person on the other end looks huge and it feels like “Big Brother” is watching you.
- ▶ You’re trying to use video on your mobile device (the same one you use to chat with family) and have to sit uncomfortably close to your teammates so everyone can be seen on camera.
- ▶ The formal videoconferencing suite in your office feels like a United Nations meeting and you catch yourself sitting very stiffly and worrying if your hair is sticking up.
- ▶ You’ve been drawing on the whiteboard for several minutes and realize that the camera is still pointed at the table and your teammates on the other end have no idea what you’re talking about.

WHY VIDEOCONFERENCE?

80%

of the messages people receive come from body language

57%

multitask during phone calls

4%

multitask during videoconferences

FuzeBox Survey 2014

TOP BENEFITS OF VIDEOCONFERENCING

88%

increased impact of discussions

87%

reduced travel costs

94%

increased efficiency and productivity

87%

expedited decision-making

Wainhouse Research and Polycom Survey

Presence disparity is more than just a nuisance. It can undermine the benefits of having a diverse, distributed team and hurt their productivity. When the reality of presence disparity isn't addressed, the overall collaboration experience can easily become unpleasant and taxing, with participants feeling strained physically, cognitively and emotionally. Meanwhile, as the pace of work has intensified, people often find themselves in a "mixed presence" work mode—they are physically present in one conversation, while being virtually present in one or more synchronous conversations using an array of technologies to text, chat, post, email, etc. Distractions abound, workflow gets bottlenecked and misunderstandings, misinterpretations and conflicts escalate. As chaos and frustration ensue, progress slows or gets totally derailed.

VIDEO TO THE RESCUE?

In a quest to eliminate presence disparity, businesses have recognized the potential of video to solve a myriad of distributed teams' challenges and have dramatically amped up their video use. Cisco predicts that video overall will account for about 80 percent of all Internet Protocol (IP) traffic by 2018 (up from 66 percent in 2013), with continued business adoption driving a substantial portion of that growth.



Some teams are using technologies that originally were designed for personal communications on smart phones, tablets and laptops, which can be helpful for some interactions but can also create their own series of awkward or frustrating moments. The biggest hurdle to remote collaboration is poor audio or video quality, according to a recent study by Polycom, a leading video and voice conferencing provider, and a close second is difficulty with sharing content. Both of these are particular challenges when using smaller-scale or mobile devices.

To help workers connect, several software solutions have been developed for video and content-sharing in a business context. These can work well for some needs, but they're constrained by scale: It's impossible to connect more than just a few participants at once (up to six, for example) and content-sharing is typically limited to just

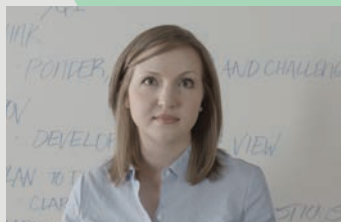
what's on a host computer. Capturing anything on a whiteboard or elsewhere in a room is so awkward and hit-or-miss that it's not really an option.

As needs become larger-scale, organizations are using videoconferencing or telepresence more heavily than ever. Infonetics Research noted that in late 2013 the demand for video capability at the enterprise level was "at an all-time high," yet growth was modest at 5 percent as organizations began adopting these larger-scale solutions in their spaces and weighing the value between large- and small-scale conferencing options. Growth at the large scale is expected to escalate.

Because larger-scale videoconferencing has significant implications for the physical environment, organizations need to understand how to optimize this technology in their space. If not well executed, it can be frustrating and expensive, and the technology won't deliver the desired results.

"Yes, you can stick videoconferencing in some corner of some room and technically it will work," says David Woolf, Steelcase general manager of integrated technologies. "But it's probably not going to have much impact. Unlike mobile devices, the key to large-scale technology is where and how it is situated in space."





T H E P O W E R O F S E E I N G E Y E - T O - E Y E

Video provides a wealth of content compared to other media. As a communication tool, much of its power comes from eye contact. At research centers such as the Center for Brain and Cognitive Development at the University of London, scientists are demonstrating that eye contact is the basis of human connection from a biological as well as cultural standpoint. Studies of the neurocognitive mechanisms involved in perceiving and responding to social cues show that seeing another person activates specific parts of the brain called mirror neurons, which react most strongly during face-to-face contact and a little less during

video contact. Mirror neurons enable us to "read" other people's intentions, which fosters mutual understanding and empathy. Proving that point, a study at Northwestern University showed that eye contact between doctors and patients leads to better patient outcomes. Another study, conducted at Cornell University, showed that even a picture of eyes locking with yours has impact.



As videoconferencing becomes an everyday work behavior, it's essential to create spaces that support it. TeamStudio™ is a full room solution for active distributed teams that mimics the experience of being together.

Having visual connections is especially important when a distributed team comprises people from different countries and cultures. “Although people in Asian cultures have been socialized to avert their eyes more quickly than those in Western cultures, all humans crave eye contact and respond to it in significant ways, which results in richer communication experiences and helps build trust,” says Beatriz Arantes, a Steelcase WorkSpace Futures researcher with an advanced degree in environmental psychology. “We’re adept at picking up subtle signals of what people are thinking that may not even register on a conscious level. Additionally, we know that in some cultures, China, for example, people derive more meaning from unspoken signals than in countries such as the United States, where a direct and explicit approach is considered key.”

Visual cues help break down language barriers among global teams. Different accents, different dialects and differences in semantics can make it difficult to understand certain words or phrases. Being able to see confusion in a person’s eyes gives you an immediate visual cue that you’re not being understood, so you can restate or ask for feedback. As a result, people become better communicators and more sensitive to cultural differences.

But videoconferencing hasn’t solved all of these issues just yet. For example, the growing practice of using videoconferencing for job interviews creates disadvantages for both employers and candidates, according to a recent study published in the Management Decision journal. Job candidates interviewed on video were rated lower and were less likely to be recommended for hiring. Meanwhile, candidates rated their interviewers as less attractive, personable, trustworthy and competent.

How we are perceived on video is also a barrier to its use, as poor lighting and camera angles make some people dread being on camera. Steelcase research found that 58 percent of employees felt they look washed out or tired on video, which is not an issue of vanity but of distraction. A full 72 percent said they notice their appearance on camera, which diverts their attention and causes people to behave less naturally than they do in person, both of which impact their engagement levels.

Human behavior on video can be less natural if the environment is not well designed, according to Steelcase researcher Ritu Bajaj, who studied workers using video for distributed teamwork. “We saw that people tend to behave in a very forced and formal way during telepresence meetings. They sit up very straight, as if they’re TV news anchors, and are reluctant to move,” she explains. Researchers noted that people struggle to make eye contact, because their instinct is to look at the screen rather than the camera. If camera angles aren’t carefully positioned, it creates the appearance that people are always looking past you, not at you. Many videoconferencing room designs have a bias toward seated postures and people can’t move around the room without being off camera, so drawing or note-taking on the whiteboard is less viable.

**FOR DISTRIBUTED TEAMS,
THE DESIGN GOAL
SHOULD ALWAYS BE
TO ELIMINATE THE GAP
OF NOT BEING COLLOCATED.**

VIDEOCONFERENCING: THE BUSINESS CASE

Beyond the pros and cons of videoconferencing on human interactions, there are additional business considerations. Initially, organizations turned to videoconferencing as a way to reduce travel, but other benefits have emerged. A Polycom study shows that the vast majority of people find the top benefit is increased efficiency and productivity (94 percent). Other top-ranked benefits cited are increased impact of discussions (88 percent) and expedited decision-making (87 percent), which now ties with reduced travel costs (also 87 percent). More than half of all respondents predicted that video would be their preferred collaboration tool by 2016, replacing email and audio conference calls.

“Real business needs are driving the growth in videoconferencing,” says John Paul Williams, director of industry solutions at Polycom. He has seen videoconferencing use expand dramatically, especially for product development. Williams notes that companies are using video to share intricate designs, models and structural analyses and conduct design reviews in real time, which means the video quality must be high and of a large enough scale to see details. For these business situations, speed is imperative and there is little room for error so a quick chat on a mobile device is less than ideal.

Research indicates another advantage of videoconferencing is that it’s a remedy for the plague of multitasking. A 2014 survey of more than 2,000 U.S. workers conducted by FuzeBox (now Fuze) showed that only four percent said they multitask during a videoconference compared to 57 percent that confessed to doing it during phone calls.

When organizations find the phone is becoming a handicap to getting work done and videoconferencing an asset, that’s clearly a whole new dynamic.



**IN THE EARLY STAGES
OF VIDEOCONFERENCING,
SEEING AND HEARING
OTHERS WAS THE FOCUS.
NOW, CONTENT IS KING.**

**SHARING CONTENT
IN REAL TIME**

While each new technology offers distinct advantages, simply acquiring any technology without considering its spatial and behavioral impacts is a formula for failure.

Recent Steelcase research has yielded breakthrough insights into how spaces can be intentionally designed to amplify innovation and break down the distance between coworkers on distributed teams. Researchers and designers studied team behaviors, developed product and spatial design concepts and then built pilot spaces to test their ideas in real conditions. Called behavioral prototypes, these spaces ultimately led to design solutions that were implemented in Steelcase's recently opened Innovation Center as well as other locations.

They found that the demands on video today are much higher than when the technology first came on the scene. In the early stages of videoconferencing, seeing and hearing others was the focus. Now, content is king. Distributed teams need to share and interact with a variety of digital and analog content. In fact, in distributed collaboration environments, content sharing is at least 50 percent of an effective videoconferencing experience, says Williams at Polycom.

Steelcase experts concur. "The questions we're exploring are bigger than just helping people be seen and heard," notes Woolf. "How can distributed coworkers become part of each other's content in real time? How can we replicate being together in real time? What will it mean to democratize the experience?"

"Teams that share a physical space can achieve remarkable productivity improvements in terms of creative problem-solving, task coordination, evaluation and learning," says Patricia Kammer, a Steelcase researcher studying global teams. "Collocated teams are able to get to know each other quickly and interact spontaneously. And they can live in their content—it's persistent within the space. For distributed teams, the design goal should always be to eliminate the gap of not being collocated. This means minimizing presence disparity and fusing the physical and virtual experiences as much as possible so that people can achieve the same level of high performance even when they aren't physically together in the same room."

Where videoconferencing can fall short is that many organizations don't realize they need to design spaces and video experiences that mimic being collocated. Conference rooms are the most-used environments for videoconferencing (79 percent), according to Polycom. Yet, typical conference rooms with long rectangular tables can be difficult for interactions in person and they are not ideal for video. People are locked into seated postures at a long table that makes it impossible to have everyone on camera. There's typically just one monitor, which makes sharing digital content difficult. Audio pickup is uneven, depending on where people sit. And, because of the camera angle and limited floor space, anytime someone stands or walks around, it's disruptive.



media:scape® collaboration settings at Steelcase's new innovation studio in Portland, Ore., make it easy for the people who work there to stay connected with teammates in other locations around the world.

When teams are distributed, it's important to think about both sides of the experience. Each location should be designed for sharing digital and analog content.



Part of the challenge is realizing that collaboration takes different forms and needs different kinds of spaces. To create the right experience, organizations need to think about three distinct forms of collaboration.

Informative collaboration

is about sharing information and coordinating tasks. It takes place in shorter time increments, such as 30 minutes to an hour, and is really about keeping a team up-to-date. In this form of collaboration, seeing and hearing each other is critical, as is the ability to share content.

Evaluative collaboration

is about considering options and making decisions, which means that being able to review content from multiple sources and having a democratic, robust discussion and debate are essential.

Generative collaboration

is about combining knowledge, problem-solving and innovating. The process can take multiple days or even months. As the most complex form of collaboration, it requires a comprehensive design solution that allows people to easily build trust, interact comfortably, iterate on each other's ideas, move around the room fluidly and stay engaged for long periods of time.

The spaces designed for distributed work that emerged from Steelcase's research support team members before, during and after a collaboration session. They allow people to assemble and array information, and change postures as needed based on the meeting duration. Lighting, camera and microphone placements were honed through extensive trial-and-error testing in the prototype space. A range of media:scape® solutions provides effective configurations for teams of various sizes that are engaged in different types of work. media:scape was developed specifically to make content-sharing easy during videoconferencing or within a collocated team. It allows people to easily connect their devices to monitors with a physical connector or, now, through a virtual app. Digital content can be shared across locations as easily as when people are collaborating side-by-side, a key advantage.

TeamStudio™, for example, is a full room solution specifically designed for distributed teams engaged in generative collaboration. It takes the same size of a typical conference room, but the similarities end there. Instead of one long table, there are two adjacent tables, specially shaped for videoconferencing, that encourage movement and create a “center stage” between them that’s easily accessed by anyone in the room. The cameras are placed for optimally inclusive sightlines and assure remote participants can see teammates and also what’s on the whiteboard. Digital content is easily shared via media:scape from either table.

Another solution: When media:scape is integrated with FrameOne® benching workstations, it creates a collaborative environment for up to eight people in a space-saving footprint. Workers can switch instantly from solo to group work, with the tools and easy access to each other that they need to evaluate information and make decisions quickly. For workers who benefit from frequent and spontaneous exchanges with teammates in another location, this is an ideal setting for a “wormhole”—an always-on video connection that eliminates the need to schedule a conference or make a call. Instead, workers just look up and start talking. Whether the teammate is across the table or across the globe, it's an effortless and natural way to communicate and solve problems throughout the workday.

It's important to keep in mind that teammates don't all collaborate together all the time. Instead, there's a rhythm of coming together, then breaking apart to accomplish subset assignments, then everyone coming back together again, and so forth. This pattern gets repeated throughout the lifecycle of the team. So when a team is distributed, to replicate the experience of being collocated, videoconferencing for one-on-one or two-on-two exchanges is essential. media:scape kiosk™ meets these needs with optimal screen size and camera distance for standing or seated options.

**DISTANCE CAN'T BE
A BARRIER FOR AN
ORGANIZATION THAT
WANTS TO INNOVATE
AND COMPETE
IN BUSINESS TODAY.**



BLENDING REALITIES

Because technology integration plays a critical role in Steelcase product development efforts, Steelcase's newest distributed team space is in Portland, Ore., a flourishing technology hub.

Fourteen people now work in the Portland studio. Although the footprint is relatively small, the choice of settings is broad enough to support a range of activities, including distributed as well as informal side-by-side collaboration. There are two settings for videoconferencing, and most of the people who work in the Portland space are on video most of the day, collaborating with teammates in Germany, Michigan and Georgia. As a distributed team, they are well-equipped to “live and breathe” their content, closely interacting across distances on everything from brainstorming to budgets, says Woolf, who leads the effort and is based in Portland.

“Distance can’t be a barrier for our team or for any organization that wants to innovate and compete in business today,” he says. “This space is a big win for us. In addition to it being a very effective environment for our colocated work, we’re also equipped to collaborate across the globe. We can tap into the very specialized knowledge that exists in each location. So it’s about efficiency of scale and combining expertise. And it’s also about building personal ties and trust across those distances, satisfying the social needs that are so important for really taking off as a team. In a very positive way, the integration of the technology and the space here really forces engagement.”

Working on a distributed team is challenging, no question. Different languages, time zones and cultures often get in the way. What’s more, as much as technology brings people together, it also causes its own set of problems—especially presence disparity, a divisive “us and them” versus “we” dynamic that can quickly derail even the best-intentioned distributed team.

It doesn’t have to be that way, however. Distributed teams can become high-performance teams. But, as surprising as it may be, you can’t address the problems of distance without taking the physical environment into account. Even when teams are interacting virtually, how their workplaces are designed has powerful impact.

“We know that for distributed teams today, success requires the fluid flow of knowledge and ideas,” says Kammer. “In physics, fluidity is about having a continuously transforming configuration under applied stress. Similarly, teams need spaces that help them be resilient and adaptive, allowing them to transform their work as rapidly as the market changes.”



Especially for teams doing generative collaboration, one-on-one videoconferencing with media:scape kiosk supports focused problem-solving between group sessions.



Just as technology alone can’t do the job of bringing distributed teams closer, physical space alone can’t either. But when the two work together—when technology is thoughtfully integrated into workplaces based on a deep understanding of what people need and want—it’s possible to significantly cinch the distance gap.

Nothing can replace the experience of being together in person, at least not in the here and now of today. However, when the right technologies are brought into a workplace in the right ways, the stage is set for distributed teams to succeed by building trust, transferring knowledge, combining ideas and generating the kind of breakthrough solutions that are so essential to so many organizations today. ○

Go Deeper

If you want to learn more about the interesting, insightful work being done by thought leaders referenced in our article, here is a menu of resources to choose from:

[cisco.com](#) ➤

[steelcase.com/polycom](#) ➤

[steelcase.com/fuze](#) ➤

IBM Report: Working Beyond Borders
[steelcase.com/ibm](#) ➤

SIX THINGS
TO CONSIDER
WHEN DESIGNING
FOR DISTRIBUTED
TEAMS



Understanding the tensions of being a distributed team leads to an understanding of the design opportunities. Among the insights derived from Steelcase’s research into distributed teams are these concepts for consideration:

- 1

Consider camera and microphone placements carefully. Develop a layout that allows all users to be on camera and clearly audible. Include multiple screens so participants can see each other and their content at the same time, making sure people can move and stay on-camera without disrupting the flow of interaction.
- 2

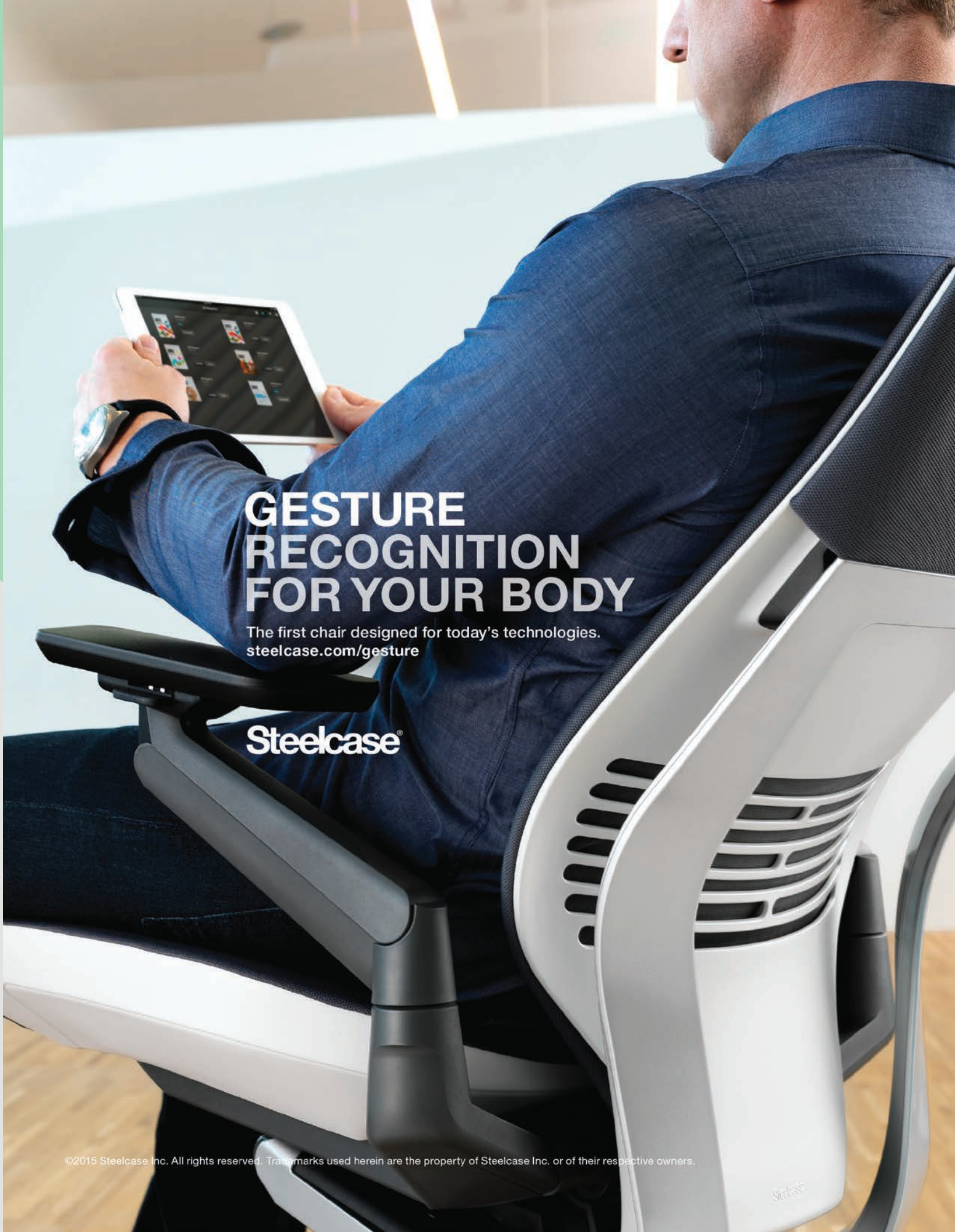
Create zones that allow people to move fluidly between group work and privacy. People in collaborative teams make quick switches between these modes throughout the day. Glass walls within the room can create acoustical separation while supporting continued visual access. Enclaves immediately adjacent to the team space allow team members to get away without going away.
- 3

Design the environment to encourage movement and a range of postures so that participants can stay energized and engaged. Stool-height tables encourage standing up and staying on camera, or make it easy to transition off and back into the conference. A lounge setting with videoconferencing is another effective way to encourage movement and informality.
- 4

Think about both sides of the experience. Provide similar environments in all locations, equipped with the same level of tools and technology controls. Incorporate abundant display surfaces, both analog and digital, to help distributed teams develop a shared mind.
- 5

Consider how the space can help build trust. For instance, just outside the team room, a “wormhole”—a continuously open, real-time video connection that acts like an open window between two locations—can help promote social exchanges as people come and go.
- 6

Plan for a range of team sizes and videoconferencing exchanges. One-on-one interactions, paired work and collaboration among subsets are as important as full team sessions. Distribute as many choices as possible—videoconferencing kiosks adjacent to the team space, nooks within it and even mobile solutions—to leverage real estate and encourage use of the technology.



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Q

& A

With
**Ray
Oldenburg**

**360 Magazine talks with
the sociologist who defined
“Third Places.”**

The idea of a public, social place outside of home and work has been around for centuries, but it didn’t enter the lexicon as a “third place” until the phenomenon was thoroughly explored by sociologist Ray Oldenburg in his 1989 book, “The Great Good Place.” It hasn’t left the stage since.

The concept of third places is frequently cited in professional discussions of topics ranging from community and social connections to the importance of place. The book has never gone out of print. Starbucks even asked Oldenburg at one time to endorse their coffee shops. (He declined.)

Separate from first place (home) and second place (work), third places have taken on a new luster in recent years as companies discover the value of third places inside the office: cafés and casual spaces where employees can sip coffee, tea or even a beer, and connect with colleagues in a relaxed, informal environment.

A professor emeritus of sociology at the University of West Florida in Pensacola, Oldenburg says his book, eight years in the making, was inspired by a move to a Florida subdivision.

How did moving to Pensacola inspire “The Great Good Place”?

Our first house was in a new neighborhood with a lot of young people and we all got together regularly. We didn’t let it get to be the sort of private, exclusive neighborhood that’s so common in subdivisions now. Our second and current home is in a subdivision and it’s got privacy built into it like you can’t believe. I thought, why do we even have sidewalks? There’s never anybody on them.

The mayor of Charleston used to say that Americans don’t know how to build cities. A livable city should have the daily necessities within walking distance, and we’ve moved so far from that. We have to get in the car for everything.

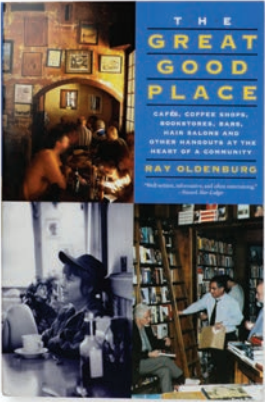
So what did you do?

I converted our two-car garage into a bar, created my own third place. I lucked onto a genuine mahogany cabinet and stocked it with liquor. The refrigerator is full of beer, there’s a little wine fridge, and so on. I don’t like to drink that much anymore but I like to think I’m a decent host. We have regular hours, Wednesday and Sunday. All sorts of people come over: the library staff at the university, a brother-in-law, a retired physician and many others.

What’s surprised you most about third places in the last 25 years?

The biggest surprise is that the business world picked up on them. Corporations used to believe that the longer they could keep each employee at the desk, the more productive they’d be. That’s just been shot to pieces. Managers found out that if they let people work where they want and when they want, productivity went up. The marketplace is highly competitive and it’s important to be first with new innovations. If you get people sitting together, talking together, innovation comes quicker. And I think that’s going to be the thing for business and industry for a long time.

“Managers found out that if they let people work where they want and when they want, productivity went up.”



Since its debut 25 years ago, Oldenburg’s treatise on third places has never been out of print or any less relevant in matters of people and place.

What are the most important third places today?

Libraries, fellowship halls and churches, remodeled YMCAs and coffee houses that are affordable to anyone. When I traveled I would always get off the main highway 20 to 30 minutes before I intended to stop because that would bring me into a place where things were real and local. And you sometimes regretted the food you got, but mainly you were glad it was there.

Is social media a new form of third place?

Third places are face-to-face phenomena. The idea that electronic communication permits a virtual third place is misleading. “Virtual” means that something is like something else in both essence and effect, and that’s not true in this instance. When you go to a third place you essentially open yourself up to whoever is there. And they may be very different from you. If you don’t know your neighbors, you will be suspicious. And if you are suspicious, you will act accordingly. You don’t get neighborly on that basis. If you spend time with people you’re not going to hate them, it’s just that simple.

Do you think businesses should do more to encourage more third places?

I would think that that would have some part in holding on to good people. Making sure they get what makes them happy and so on. And I think it should make a difference for the company, that people have that opportunity. It’s a step toward increasing diversity and interaction within that diverse world. And by diversity I mean a lot of things:

race, religion, ethnicity, what part of the country you came from, the socio-economic differences, so many things that make people different from one another, and interesting to one another.

How beneficial are internal third places located inside workplaces?

Does the coffee bring people together? You bet it does. But people still need to get away sometimes. A lot of friendships and good relationships can be had at work, but I don’t think you can limit yourself to that. Third places out in the public realm have diverse occupants, and that’s better for the development of the individual. They provide places where diversity can be far more comfortably experienced. Human beings are social animals, and happy individuals exist amidst other happy individuals. If you have a third place you have more friends. You live longer the more friends you have. Companies would do well to encourage third places in their neighborhoods. Making sure employees have an opportunity to get away can help them hold on to good people. ➡

Go Deeper
steelcase.com /oldenburg ➡

10 Functions of Third Places

Ray Oldenburg has identified 10 important functions of great, good places. As more company work environments include what might be called internal third places (on-site cafés, coffee and juice bars, other gathering places), we wonder: Do they provide some of the same functions as external third places? We’ve starred the ones we think apply.

What’s your take? Let us know on
@Steelcase facebook.com/steelcase

1 Promoting Democracy
As John Dewey once put it, “The heart and final guarantee of democracy is in the free gatherings of neighbors on the street corners to discuss back and forth and converse freely with one another.”

2 Neighborhood Unity
Local gathering places allow people to get to know others in the neighborhood. Bonds are formed. People learn who can be counted on for what. Suspicion of neighbors is eliminated.

3 Multiple Friendships
The only way one can have many friends and meet them often is to have a neutral-ground gathering place nearby. The more friends people have, the longer they live.

4 Spiritual Tonic
Joie de vivre or *la dolce vita* cultures derive from frequent sociability in the public realm. These are most easily identified by an abundance of sidewalk cafés in their cities.

5 Staging Area
When Hurricane Andrew hit Florida, many people, eager to help, didn’t know where to go as there were no gathering places in the neighborhoods. In times of disaster, unofficial aid comes well before official aid and is often of greater importance. Third places, in this context, allow people to help one another.

6 Generation of Social Capital
People with diverse skills and interests come to know and trust one another. This has a positive effect on the economy. In the Old South, regions that permitted taverns were better off economically than regions that did not permit them.

7 Lower Cost of Living
Third places typically bring together diverse occupations, talents and skills. What a person needs help with is one of the first topics of conversation in the group, and if one or more members of the group can lend a helping hand, tool or advice, they will. Most of the people one meets in a third place may be categorized as “weak ties,” and in many ways they are more helpful than close friends, for example, in finding a job.

8 Enhanced Retirement
The need to “get out of the house” after retirement can be met daily if there is a nearby third place.

9 Development of the Individual
The location of the home and the nature of the workplace keep us in regular contact with people who are similar to us. Third places bring together people of different occupations, backgrounds, socio-economic standing and viewpoints. From these people we learn about the world we live in and how to get along better in it.

10 Intellectual Forum
The issues of the day and many other matters are discussed regularly and informally, but not chaotically. Participants learn to think well before it’s their turn to speak, and ill-considered judgments typically illicit a chorus of disapproval.

REAL WORK

Recently, Google opened its own coffee shop on its campus in Mountainview, Calif. Branded the Coffee Lab, its décor is reminiscent of a Starbucks, with warm wood paneling, plush upholstered seating and chalkboards that advertise daily specials and upcoming live music. This action is not headline news—especially when you consider how many corporate campuses have coffee shops on location. But it’s a signal that the landscape of workplaces is changing.

The Coffee Lab is evidence of how organizations are trying to provide employees with access to environments that offer some of the relaxed amenities of home, dubbed the “first place” by sociologist Ray Oldenburg, and the energy of a corner coffee shop—an example of a “third place.” Leading organizations are blending these concepts at work, the “second place.”

“Google’s solution provides workers with the vibe they are craving from the workplace,” says Frank Graziano, manager of advanced applications at Steelcase, who recently visited the new café at Google. “The Coffee Lab becomes a third place on campus, literally. This kind of place is a neutral territory. If you want to meet with outside vendors or partners, it’s like a front porch to the campus.”

More than just a workplace fad, the merger of first- and third-place attributes signals a long-term change in the way work is happening around the world. During the last few years, work has become dramatically more intense. Business tasks today are more varied and more challenging, and in some countries workers are increasingly mobile and distributed. Some organizations embrace the idea of employees working in a coffee shop or other third place for a variety of reasons. Employees may need places where they can relax or work undisturbed. Or organizations may simply want to manage their real estate costs by having fewer bodies in the office. Other organizations feel strongly that people need to be together in the workplace in order to innovate and do their best work. And in many countries, the culture or the availability of “third places” simply does not support a mass exodus from the primary workplace. Regardless, employees in every organization are working longer and harder, and they need a physical environment that not only supports them, but also re-energizes and inspires them.

But is mimicking the local coffee shop at work enough? Is it giving workers what they really need? Is it possible that a third place in the office could provide an even better experience than the places employees find outside of work and create a place where *real work* can happen?

AT A GLANCE

Issue

To make their workplaces more appealing to employees who are working harder and longer than ever, a growing number of organizations are creating on-site environments that offer the relaxed amenities of a coffee shop, café or other “third place.”

Insight

Although they offer a trendy vibe and always-available refreshments, most third places don’t support work processes well. There’s limited space to array materials, Wi-Fi and power access is iffy, there’s little privacy or security and chairs quickly get uncomfortable.

Action

To improve attraction, retention and engagement, provide third places that foster interaction, inspire creativity and allow employees to rejuvenate as needed. When creating corporate third places, it’s important to mimic the appealing ambiance of off-site destinations and also embed functionality throughout the space.

Technology integration, welcoming design attributes and helpful hosting services are three hallmarks of hardworking and appealing on-site third places that fully support holistic worker wellbeing and a range of real work activities.



People may seek out a third place because of its inherent good qualities—the ability to work without colleagues stopping by, lounge furniture with a home-like feel, the energizing buzz of people, access to good food, an attractive ambience.

**The History of
Third Places**

Third places—essentially, public places that help people get through the day or allow them to gather—have been inspiring innovation and stirring conversations throughout Western civilization. In the 16th century, the Protestant Reformation started at a tavern called the White Horse Inn in Cambridge, England. In the 17th and 18th centuries, news and gossip would fly from coffee shop to coffee shop in Europe, so much so that a journalist for The Economist dubbed them “the internet of the Enlightenment era.”

Today, we can thank Starbucks and other coffee shops for the modern-era third place, which has disrupted the work experience and caused its own revolution in the workplace. As Oldenburg noted in his seminal “The Great Good Place,” most third places revolve around beverages. While fast-food chains grow at a rate of only 2 percent per year, coffee shop chains grow more than 10 percent annually, one study found. There is something about a coffee shop that brings people in and keeps them there.

According to workplace consultants Flex + Strategy, 31 percent of full-time employees in the United States do most of their work away from their employers’ locations. The draw to third places and the addition of third-place attributes to the office is strong and getting stronger in places such as North America and The Netherlands, though it’s not as prevalent in other locations around the globe. But that doesn’t mean that employees worldwide don’t desire similar things.

In Asia Pacific, limited real estate often doesn’t allow for full-size Coffee Lab-type office additions. Yet companies everywhere realize

the benefits of the third place and are looking for ways to add elements of that experience in smaller footprints. In many European countries, workers don’t usually go off-site to work, but they highly value social connections and benefit from environments that support them in the office.

“When workers leave the workplace to work, it separates them from their coworkers, organizational resources and culture,” says Lew Epstein, general manager, Coalesse. He suggests that workers who tried going off-campus to coffee shops met challenges beyond their control and are now seeing the advantages that only a workplace can provide. “We’re bringing the comforts of home and community of third place to the workplace to make the office the best place to work,” he says. “When you do that, it changes the physical character and social experience of the workplace. It fosters a shift in work culture.” Even in countries where work and personal life have been distinctly separate, workers are either choosing or acquiescing to have more of their work life and non-work life better integrated. These changing attitudes, coupled with the intensity of work today, are causing organizations to radically rethink their workplaces, and merge the best of the first and the third place to foster higher levels of employee engagement.



Corporate third places that accommodate real work must provide great technology solutions. Spaces with integrated technology are the most heavily used. Displays for sharing and reviewing information, both digital and analog, help teams gain understanding and alignment.

Creating a highly effective corporate third place involves more than access to good coffee and Wi-Fi—it's about integrating work and life. Provide a range of spaces from which employees can choose to work, based on their mood and task.



**Espresso
Is Not Enough**

People may seek out a third place because of its inherent good qualities—the ability to work without colleagues stopping by, lounge furniture with a home-like feel, the energizing buzz of people, access to good food, an attractive ambience. But there are also inherent downsides. Comfy furniture might not be so comfortable when you have to sit in it all day. It doesn't always properly support technology devices or allow workers to spread out reference materials. That energetic buzz means a certain level of distraction and a lack of privacy. Phone conversations are almost impossible to conduct and meetings for more than two people are not very productive because it's difficult to share or visually display content. Plus, everyone knows the feeling of struggling to connect to Wi-Fi in a public place, not to mention the lack of power outlets. Many devices run out of power before work is completed, interrupting workflow. And there's the very practical issue: What do you do with your stuff if you just need to use the bathroom or walk around a bit? Are your personal belongings secure?

“We’re seeing that all this mobility is hitting a wall and that people will want to return to the office as firms get smarter and have amenities that coffee shops don’t have,” says Cherie Johnson, design director, Steelcase Inc. “Creating a highly effective corporate third place involves more than access to good coffee and Wi-Fi—it’s about integrating work and life. It’s about creating an environment that supports the wellbeing of people physically, cognitively and emotionally.

“For organizations there’s an opportunity to provide something so much better than the local coffee shop. There’s a rich opportunity to provide destinations on campus that, yes, have a cool vibe, great coffee and nourishing food, but are also highly functional places to do one’s best work.”



**Ambiance of a
Third Place**

- ▶ cleanliness
- ▶ aroma
- ▶ adequate lighting
- ▶ comfortable furniture
- ▶ a view outside

Lisa Waxman, Professor, Faculty of Interior Design, Florida State University



**Benefits of The
Third Place**

What is it about that third place, anyway? What gives it its mojo? Lisa Waxman, a professor of interior design in Florida, found that people desire cleanliness, aroma, adequate lighting, comfortable furniture and a view outside in their coffee shop. These characteristics build emotional attachment and describe that nebulous concept, “ambiance.” Steelcase has found that 49 percent of employees say that they don’t have a place with ambiance where they can recharge, reenergize, as well as work—something essential for employees who work longer and longer days and fight burnout. While ambiance is needed, it’s useless without additional functionality for workers.

In addition to ambiance, employees want the ability and the decision-making power to match their work activity with the right work environment. “The idea of having some sort of opportunity to move during the day is important,” says Julie Barnhart-Hoffman, a design principal with Steelcase’s WorkSpace Futures Group.

“It’s important to offer employees a place where they can take a break from their usual workspace, choose from spaces ranging from individual to large group settings, and maintain close connections with colleagues and the organization. It resets your mind and gets you reengaged. Having spaces that are appropriately designed for the activity that’s going on makes that activity much more productive.”

“The third place on campus is really beneficial because you have those affordances of more casual work and being in the buzz and feeling connected to others. But because it’s on campus, you also feel that there’s an inherent level of privacy that you don’t have in a public domain. You can have important conversations and not worry about people seeing your screen or overhearing you,” says Barnhart-Hoffman.



While ambiance is critical to the success of a corporate third place, it’s useless without additional functionality for workers. The ability to choose and control where and how they work is essential.



Testing Theories

The WorkCafé's finds its earliest origins, though, 11 years back when Steelcase acquired a German furniture company and needed to align the cultures of the different organizations. Enlarging a cafeteria with a future-forward interior design scheme was the right answer. Playing to the third-place buzz, it quickly became a popular place for employees to connect. "It became the hub of our communication, because it was the point where people met," says Klaus Pronath, team leader for new business.

In 2009 Steelcase identified that its 20,000 square-foot cafeteria at headquarters in Grand Rapids, Mich., was an untapped opportunity to optimize its real estate and change its culture at the same time. The cafeteria was only being used during lunch or break hours—and sat empty the rest of the day (see pg. 56 for more information on Steelcase's real estate transformation project, Connect 12). It was on the lowest floor and only accessible down a long hallway. And the subdued lighting and circa 1983 burgundy color scheme were hardly inspirational.

A team renovated the space into what is now known as the WorkCafé and transformed the underutilized real estate by creating an on-site third place where people can meet, work, network, socialize and reenergize. Unlike a typical corporate cafeteria, a WorkCafé provides a combination of working and dining environments. In addition to creative, healthy food and beverage options, it offers workers a variety of work environments that accommodate individual work, as well as small and large group work where people can engage in a wide variety of activities.

"In the WorkCafé or other corporate third places, people can be more productive and efficient because they have the tools they need," says Barnhart-Hoffman. "There's no uncomfortable seating, there's the right technology. But it's the vibe that's the pull. It connects people with colleagues, their work and the organization."

Third places are important crossroads for people throughout the organization to come together and feel a sense of belonging. The space not only encourages social interaction which is vital for employee engagement, but also makes it easier for people to meet and collaborate while still enjoying the vibrant buzz of the environment.



An on-site third place offers food and beverages, not only during meal times but also during early and late work sessions.





Design elements create the
ambience of a corporate
third place and influence
worker reaction. The space
should feel welcoming
and give people a sense of
belonging.

Elements of A Successful Corporate Third Place

Creating a corporate third place is not only the domain of office furniture companies or design firms. And it’s not an option only for organizations with lots of extra space. The concept can be implemented in companies of all types, and it’s scalable for large and small footprints. The key is to approach a third-place project with a tested, successful strategy.

The Steelcase Advanced Applications team identifies three key elements: technology integration, design attributes and hosting characteristics.

Technology Integration

More than anything, highly effective corporate third places that accommodate real work must provide great technology solutions. Users come to the corporate third place for refreshment and with the expectation that the place will provide what they need for effective performance, so technology needs to be immediately available and convenient. Every mobile worker is familiar with the frustration of unreliable Wi-Fi or limited outlets. Technology must be seamlessly integrated to support effective use of the third place, which in turn facilitates high performance for every user.

Spaces should include technology that supports information sharing, content creation and effective collaboration for local and distributed workers. All spaces should have access to power—even outdoor spaces. Scheduling technology that’s integrated into shared spaces assists workers, both on-site and remote, in selecting the best place for their work processes and work styles.

Design Attributes

Design elements create the ambience of a corporate third place and, to a great extent, influence worker reaction. Finishes, lighting, music, scent, inspiring artifacts, artwork—these all work together to attract users by creating a sense of welcome. They also tell users how to behave in a space. “If you go into Starbucks, their brand and the design of that experience communicates to customers what is allowed,” says Johnson. “It’s OK to talk in a Starbucks versus if you go into a traditional library, where the space tells you that silence rules.”

“If you look at the WorkCafé, there’s a café and nourishment bar where you can access food all day long,” Johnson says, explaining how Steelcase encourages workers to use the space throughout the workday. If companies want to provide places of refreshment but don’t want employees to linger, they can provide fewer seating options.

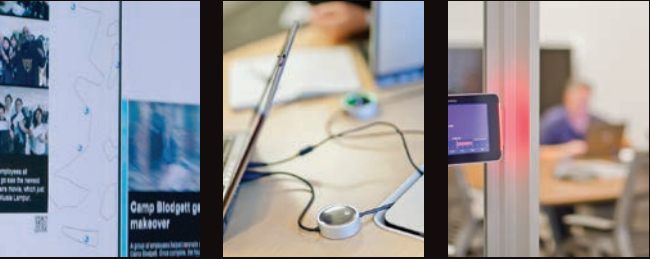
Just as coffee shops offer newspapers, magazines and community bulletin boards, in corporate third places a media wall that presents company news can help employees feel connected to the organization and their colleagues.

Hosting Characteristics

Hosting is ultimately about making employees feel connected to the organization and to each other. The way employees are welcomed and supported lets them know they are valued and demonstrates that the organization recognizes the challenges of work/life integration in a 24/7 global environment. The space should offer services, both self-serve and facilitated, supporting both the individual and work.

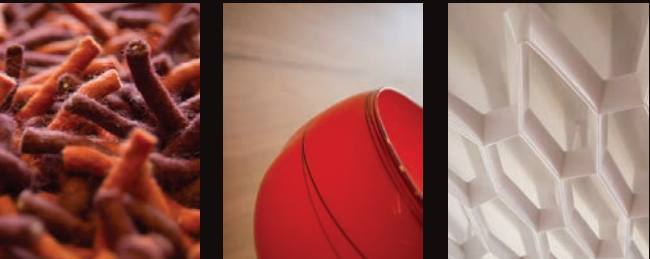
Like any environment where people come and go, a corporate third place requires upkeep. “When everybody is using the space, who is taking care of it?” Johnson asks. “Who makes sure the markers and Post-Its are stocked?” At corporate third places, a work concierge can support people while they’re working, just as a hotel concierge supports guests.

Technology Integration



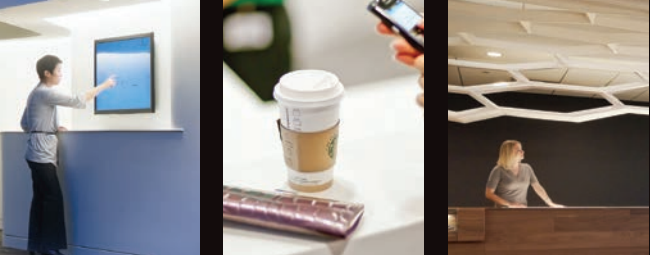
Services for workers such as access to power, Wi-Fi, presentation support, electronic scheduling systems and content sharing tools are essential.

Design Attributes



Architectural elements, lighting, artwork, artifacts, sound and other elements of the overall design create a vibrant, welcoming ambience.

Hosting Characteristics



Whether self-service or facilitated, hosting services can include printing support, tech support, office supplies, access to food and beverage and an on-site concierge.

**Where Should You Locate
a Third Place?**

The corporate cafeteria is an obvious place where a company can create a corporate third place and better leverage under-utilized real estate. It isn't the only answer, though. A company might need more locations to hold meetings, for example. Johnson notes that some project groups often go off-site to hotels for meetings: "A floor of meeting spaces creates a destination where people can go for longer meetings, but that doesn't mean they have to sacrifice time for travel," she says.

Johnson also advises companies to "look at where the social exchanges are already happening."

The third place on campus doesn't have to be a large space. Each department could have a kitchen table, for example, or a big cafeteria could be designed on a more human scale to make people feel at home. "It just has to be a space about nurturing social interactions on-site," says Johnson.

Exterior spaces can be designed for rejuvenation, and also for serious work. Courtyards, patios, and roof decks that are adjacent to the inside workspace can provide power, Wi-Fi and furnishings to support both individual and team work. "People naturally seek nearby outdoor spaces that afford more choices and control

for working," Epstein says. Such outdoor areas become social magnets and restful places to thrive, but also can be highly productive. "When you walk outdoors to have a meeting, you can see a look of refreshment come over people's faces, even when they have a lot of work to accomplish," Epstein says.

A third place doesn't have to be just one company-wide space. Businesses should be thinking about corporate third places at the "business level, neighborhood level and project level," adds Graziano. It can be designed to support the entire company or campus, but at a smaller scale companies can offer a departmental getaway or zones where teams can shift between intense collaboration and relaxation.

Highly-effective corporate third places that accommodate real work must provide great technology solutions. Spaces should include technology that supports information sharing, content creation and effective collaboration for local and distributed workers.



The outdoors are social magnets and provide the affordances of more casual work. People naturally seek these spaces since they are restful but can also be highly productive.

Transform under-utilized real estate by creating an on-site third place where people can meet, work, network and reenergize. Among the best places to create one is where social exchanges are already happening, such as a cafeteria.





Large-scale displays such as this media wall are an effective way to share what's happening around the company and help people feel more connected.

Resilient Real Estate

To keep an organization's investment in real estate resilient, it's important that it be flexible. Also needed is a consistent feedback loop to make sure the company can learn from and adapt the space over time. Steelcase routinely does utilization studies to see how employees are using the campus real estate to understand what's working and what could be better. Steelcase found that enclosed, individual spaces in the WorkCafé were so heavily used that they needed to add more, distributing them through other work areas and buildings. The company initially had the coffee bar open into the evening to support longer work hours, but found that people were either staying in their work neighborhoods or going home to handle evening conference calls. So the coffee bar hours were adjusted to fit the use pattern. An office build-out that truly supports employee engagement and productivity is never really done—lessons are learned and adjustments can be made over time.

Another critical piece to corporate third places is to make sure that leaders show by example that employees can use the spaces with impunity. As Barnhart-Hoffman says, "Once you build these kind of spaces, if the leadership can be seen in them, then it gives everybody permission to use them, too."

**Employee Engagement:
The Biggest Advantage?**

When real estate and finances are limited, organizations might ask if adding a corporate third space to the office is really worth it. Yes, worker productivity, collaboration and worker health are good reasons, but the biggest reason for companies to seriously consider corporate third places is worker engagement.

As Epstein asks: “As the demand for performance continually ratchets up in a competitive marketplace, what do 21st-century workers need and deserve? Something has to give way to create a more humane environment that can sustain the 21st-century workforce. We see physical space as an essential element and our inherent tie to it remains the foundation for where work gets done.”

Ray Oldenburg, the sociologist who defined the concept of third places almost 30 years ago, acknowledges that times have changed since he first did his research. “If you go back 40 years, the thinking in the corporations was: The longer we could keep each employee at the

desk, the more the productivity. And that’s just been shot to pieces,” he says. “I think that a corporate third place would have some part in holding on to good people... making sure they get what makes them happy. It should make a difference for the company.”

Fostering higher quality interactions, allowing employees to rejuvenate and helping them to feel inspired will support employee wellbeing, and ultimately lead to higher attraction, retention and engagement. The neighborhood coffee shop might make a good latte, but it can’t top these outcomes. ●

Go Deeper

Here are some more insights about third-places that we found interesting:

WorkCafé Idea Book:
[steelcase.com/
workcafe-ideabook](https://steelcase.com/workcafe-ideabook) ●

worklifefit.com ●

[steelcase.com/
lisawaxman](https://steelcase.com/lisawaxman) ●

ideo.com ●

SUPPORTING WELLBEING

It’s critical to understand the cognitive, physical and emotional wellbeing needs of workers. Understanding the interdependency of these three allows organizations to create on-site third places that will best support the holistic wellbeing of people at work.

Physical

To help refresh the mind and body, an on-site third place offers food and beverages, not only during meal times but also during early and late work sessions, as well as access to outdoor spaces. It also supports a healthy palette of posture—a range of solutions that encourage people to sit, stand and move throughout the day.

Cognitive

Create a multi-sensory environment where workers can choose the level of stimulation that they want—from bright, high-energy areas to more contemplative spaces—based on their mood and task. The ability to choose and control where and how they work is essential to cognitive wellbeing.

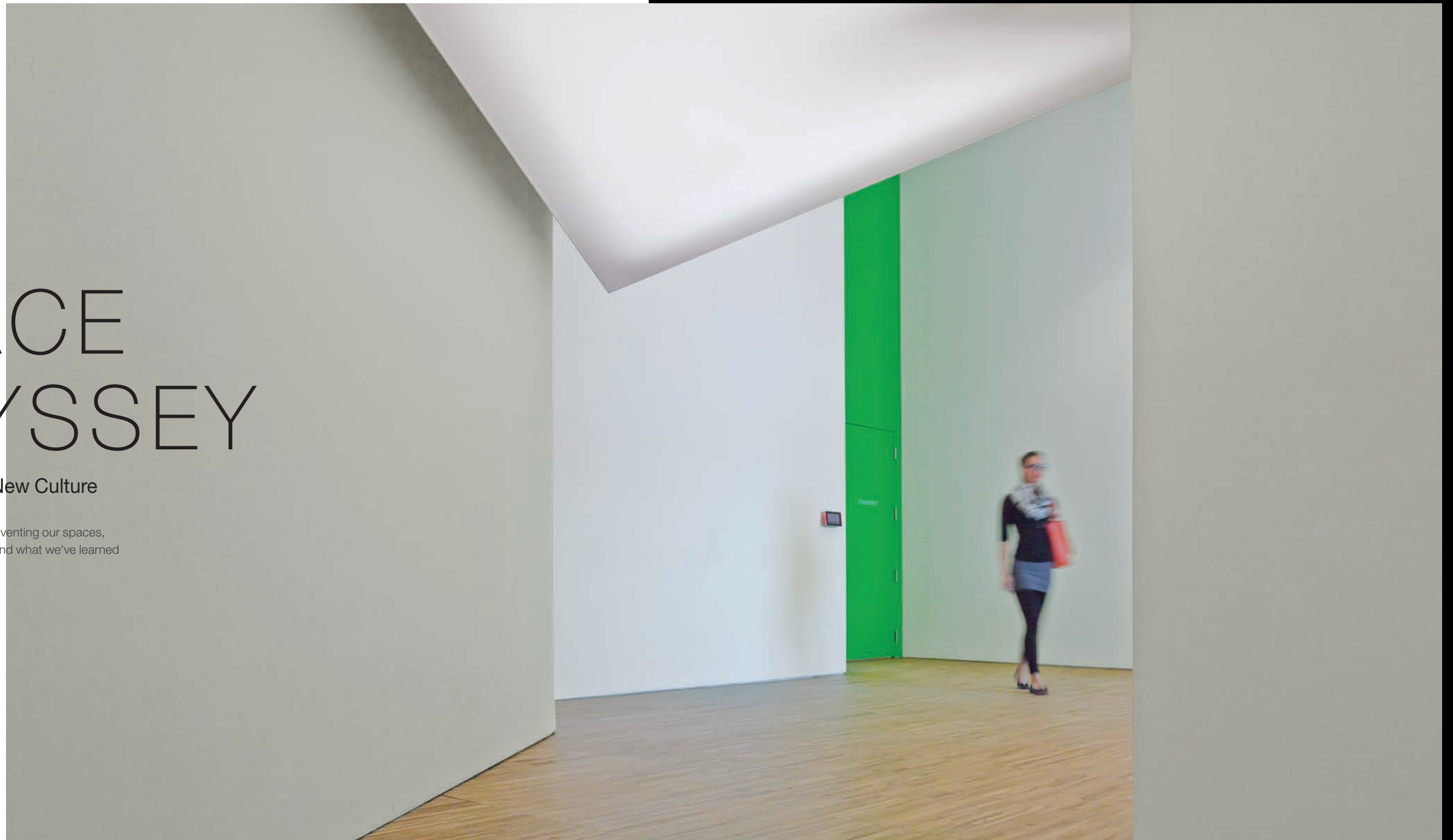
Emotional

Space can encourage social interactions that are important to emotional health by helping people connect over coffee or a meal, making it easier to meet and collaborate in a variety of settings, and offering simple ways for distributed users to connect via well-integrated technology. The space should feel welcoming and give people a sense of belonging.

SPACE ODYSSEY

Our Journey to a New Culture

Two years after we began reinventing our spaces, here's a look at what we did and what we've learned along the way.



AT A GLANCE

Issue

Leaders are concerned that their organization, brand and culture aren't fully aligned, leaving the company less responsive to a global, mobile, fast-changing world.

Insight

Rethinking how a company uses real estate helps maximize return and can drive significant change in employee engagement and performance, brand-strategy alignment and company culture.

Action

Steelcase reinvented its corporate campus to effect measurable change: Our new work environments have changed our organization and our business results.



Jim Keane
President + Chief Executive Officer,
Steelcase Inc.

“This past year Steelcase reported its best year since we began to feel the impact of the economic downturn in 2009. We didn't just survive the global recession—we came out of it healthier, stronger and ready for the future.

It may be tempting to use a recession as a time to hunker down, but instead we reinvented ourselves, accelerated change, and invested in our future. For example, we invested in our brand, globalized our product platforms and worked towards becoming a globally integrated enterprise.

At the same time, we were approaching our 100th anniversary and faced the same dilemma as many other companies: excess real estate. In some parts of the world major organizations took it as far as to ask, ‘If people can work anywhere, do we really need offices anymore?’

We knew the office was changing, but it wasn't going to go away. While we had to free up excess space, we looked at the problem through a different lens. We believe that, more than ever, people need places where they can come together, feel connected and build a strong sense of purpose. We challenged ourselves to use our real estate strategy to do more than just cut costs. We viewed it as an opportunity to optimize our real estate at our Global Headquarters campus in Grand Rapids, Mich., by activating space that was relatively unused before, as well as use our workplace strategy to accelerate the evolution of our culture.

It was a tipping point for our company. When our leadership team reviewed the real estate strategy and presented the financial argument, it was an easy decision on those terms alone. Real estate and costs would be reduced by half. From a numbers perspective, it was an easy call.

But as a leadership team we said we wouldn't do it if it didn't shape the culture of the company. It was the most important reason to do this project then, and it remains the most important one today. Employees are together on one campus where they can easily connect with their colleagues, their work and the organization. There is a buzz that just wasn't there a couple of years ago. It's undeniable.

Our new work environments have changed us as an organization. It's obvious to everyone, including visitors to our spaces who tell us they can sense the essence of our culture and brand through the space. And they are just as interested in learning more about that as they are in our furniture.

This is how we did it...”

Our Story

In the face of an economic crisis, the first thing business leaders think about is rarely their offices. Unless, of course, it's on a list of things that can be cut to save money. Which is what a lot of companies were doing in 2009 just after they watched well-established organizations collapse around them. There was a lot of uncertainty everywhere, and Steelcase, which serves many Fortune 500 companies, had a front-row seat to the chaos.

It was with that backdrop that we made a tough decision. Rather than simply cut excess real estate as a survival tactic, the company was looking further ahead. “We had our sights set on a major change, a paradigm shift. Not only in space, but also in technology, work process and culture,” says John Hughes, principal of applied research & consulting, our workplace consulting practice at Steelcase. “The struggle to effectively align strategy, brand and culture is a concern we hear about regularly from company executives around the world. We were like so many other organizations and we chose to invest our resources toward that mission, rather than wait out the recession.”

This was the driving force behind our reinvention project, dubbed *Connect 12* internally, a multi-year odyssey to reinvent the headquarters campus and help employees from around the globe to be physically and virtually more connected. We chose our 100th anniversary in 2012 as a rallying point for change. The project would reinvent existing



The new Innovation Center is a place for project teams to focus on generating new ideas and exemplifies how places can help bring distributed teams together to innovate.

buildings on our main campus, including former manufacturing facilities, plus off-load unused real estate and create an interconnected global network of spaces. These spaces would challenge the purpose of the workplace and test new ways of working. “We set out specifically to use the work environment to improve employee engagement and retention, to boost internal communication and renew our company culture,” says Hughes.

“To help us develop a workplace strategy that could help the company achieve its goals, we used our user-centered research, design and development process. By surveying people from all levels of the company, conducting workshops, capturing insights and data from ethnography and sensor technology, as well as spending countless hours just observing people, we were able to gauge what was working and what wasn’t.”

The insights gathered from these activities were used to build behavioral prototype spaces to test the new work environments and help employees understand the impact of the changes. Some groups were asked to live in the prototype spaces to help validate the design direction.



Environments incorporating media:scape technology allow employees from around the world to be physically and virtually more connected.

The Best Place to Work

The strategy was quickly boiled down to a catchphrase that captured its essence: “best place.” It encapsulated the plan to create a campus environment with an ecosystem of spaces that support diverse activities and work style preferences. The new spaces would not only support employees in more mobile work styles, they would actually attract them. “The ‘best place’ is where you want to work because you have a choice about when and where and how you work,” says Cherie Johnson, director of global design for Steelcase. “Our goal was to democratize the space so that anyone could work anywhere.”

At its essence, the “best place” concept is about supporting the wellbeing of employees in a holistic way, considering emotional and cognitive needs as much as physical ones. There is a range of spaces that support focused work, collaboration, learning, socializing and rejuvenation. For example, if employees have a task that requires deep focus and concentration, they can perform better cognitively if the space supports that mode of work. Routine tasks don’t create the same cognitive load and can be done in areas where there is more stimulation and interaction. People are also free to choose the



The “best place” strategy creates a campus environment with an ecosystem of spaces that support focused work, collaboration, learning, socializing and rejuvenation.



kind of space in which they want to work based on their emotional frame of mind. Sometimes people crave interaction and want to be in the middle of activity and other times they need more solitude. Physically, people need to move throughout their day and change postures—not just to sit or stand, but also to lounge or perch. Movement is essential to maintaining energy levels and stamina. And all three aspects of wellbeing—physical, cognitive and emotional—are essential to building a high level of employee engagement.

The global network of spaces includes areas for individual work and group work, some of which are “owned” by the individual or team if needed, and many that are shared. There is a blend of open spaces, along with spaces that are enclosed or shielded, so people can choose the degree of interaction they want. The Connect 12 project team understood that people need both privacy and interaction throughout their day, in varying degrees.

Where Do You Begin?

The cornerstone of the “best place” strategy and the first area to be introduced was a repurposed space. Previously an under-utilized cafeteria used only for morning coffee, lunch and afternoon break, the new WorkCafé is an on-site third place, as sociologist Ray Oldenburg would call it, with an informality and diverse user group. (See the 360 conversation with Oldenburg on pg. 26 and Third Place Story on pg. 32). This is the “hub” for the campus and testing ground for several new concepts and applications.

WorkCafé combines open and enclosed spaces for small and large groups, individual workspaces, a cafeteria and coffee bar. It offers the functionality of a well-planned office with the vibe of a neighborhood pub. Here people meet, work, network, socialize and reenergize. “This space exemplifies what we mean when we talk about democratizing the space,” says Johnson. “It’s not a place where people reside; they’re hosted here. You can be comfortable, productive or social for a while, switch between work and respite, collaboration and private time.”

Food and beverages are available throughout the day in WorkCafé, but what makes the space popular is the diverse choice of spaces available for focus and collaborative work, as well as spaces that support social interaction and respite. A 7,30m x 1,50m media wall offers continually updated news from around the company and

around the world. This concept was implemented not just at headquarters but in all our spaces, so workers in the U.S., for example, can learn about what’s going on in Malaysia or Moscow, and vice versa. media:scape® collaborative settings help people share digital content more effectively, and access to power and Wi-Fi is ubiquitous.

Introducing the new workplace strategy with a space like the WorkCafé was unusual, compared to the more conventional approach of focusing on individual workspaces first, but it clearly worked.

“It’s no exaggeration to say that at Steelcase, everyone comes to WorkCafé,” says Johnson. “It’s a central, welcoming, multi-use space with a great buzz. You see leadership, people from other parts of the company, visitors, customers. You meet people face-to-face instead of over the phone or email, so it builds rapport and trust across the company. People said the space made them feel proud and that it demonstrated how much the organization really valued them as employees.

“We recommend to every company interested in culture change to build a WorkCafé and to build it first,” continues Johnson. “It set the tone for the rest of our campus reinvention by giving everyone the opportunity to experience what democratizing the space means, in a collective way, before anyone had their own personal spaces changed. It reflects the culture and behaviors we want people to adopt.”



WorkCafé offers the functionality of a well-planned office with the vibe of a neighborhood pub.



Outdoor spaces allow for rejuvenation and socialization, as well as real work.

A New Office, Every Day

Before the campus reinvention, 95 percent of residents in our global headquarters had assigned desks. But given the mobile nature of work today, not all employees needed or wanted an assigned workstation. The assigned workstations that sat empty much of the time were not allowing that real estate to be fully leveraged and also impacted the outlook of employees – sitting among empty cubicles feels isolating and drains people’s energy without them even realizing it. Yet some people’s jobs required them to be at their desks most of the time, and they needed their own workspaces. To help identify which employees should shift to mobile work, we asked for volunteers. “It was important that employees felt like they had a voice in the decision, and that their voice was heard,” said Johnson. Not surprisingly half of the employees chose to give up their dedicated desks, knowing they would have greater flexibility.

Spaces that had previously been used for dedicated workstations could now be used for different types of work environments to support both focus and collaborative work, as well as the social needs of people. This change enabled the company to bring employees together in less space and, at the same time, give them more choice and control over where and how they work.



New work environments offer workers more choice and control over where and how they work.



Spaces that had previously been used for dedicated work stations are now used for different types of work environments that support both focus and collaborative work.

This was a very different way of working and it required managers and employees to better understand what this meant. “We used a series of engagements and online resources to help managers learn to lead differently, to set objectives and measure performance instead of counting heads and measuring seat time,” says Steve Wolfe, director of corporate human resources.

A pilot group of 80 employees received laptops, smartphones and training for a mobile workstyle. Later the group helped other employees prepare for the change of going mobile. “It wasn’t management telling employees how things would work, it wasn’t HR, it was their peers,” noted Wolfe. “People responded very positively to that.”

New work environments support a range of postures. Movement is physically energizing and mentally stimulating. Support for varied postures, along with more natural light in workplace interiors, an outdoor patio and other connections with nature, are some of the ways Steelcase leverages real estate to support employee wellbeing.

For example, a 24,000 square-foot (2,230 square-meter) wing of the headquarters building that originally housed only one department was gutted and rebuilt for three groups: finance, procurement and quality. Another wing was similarly reinvented for sales support staff, bringing together teams that had never been able to be colocated before. It also incorporated videoconferencing spaces that allowed people to work informally with remote teammates on a daily basis. Both floors can serve more people now that employees can choose from workspaces anywhere on campus.



The Nourishment Bar and its surrounding work areas help people reenergize and shift between different modes of work.

Global Connection

Another newly repurposed place on our headquarters campus is the Innovation Center which, like all of our spaces, is a prototype to test new ways of working. It was driven by the organization's need to thrive in a fiercely competitive global economy. "We wanted to confirm our belief that ideas get even better when we have a team that is not only diverse professionally or ethnically, but also geographically. People who come to the innovation process immersed in the sights and sounds of other cultures bring a deeper layer of insight to the problem at hand," says Johnson.

The Innovation Center serves almost 300 local employees and distributed colleagues around the world. Since three-quarters of our product development projects are global and we have design studios on three continents, the center exemplifies how places can shape a global, integrated enterprise.

"Innovation is a physical activity. It depends on human interaction, exploration and experimentation," says James Ludwig, Steelcase vice president of global design. Project team members, no matter where they are, "feel like they're in the same room. Good interactions remove friction in the creative process and increase the likelihood that people will reach out to each other to solve problems. Innovation is rarely one, big 'aha! moment.' It's nearly always an iterative process where people build on each other's information and ideas." (For more ideas about supporting distributed teams, see Making Distance Disappear, pg. 8.)



The Innovation Center is a prototype to test new ways of working and was driven by Steelcase's need to connect their globally distributed product development teams.



Project studios in the Innovation Center connect distributed team members around the world.



Group spaces rule here. Project rooms occupy 40 percent of the footprint, while "front porches" and "back alleys" support a variety of small group work activities.

Team members, including designers, researchers, product marketers, engineers and other staffers, keep in touch daily via telepresence. To avoid the typically formal and often awkward videoconference, employees can choose from a variety of configurations for their project rooms with café tables, lounge chairs and other furniture so participants can stand, sit, perch or walk around. Close-ups and one-on-one exchanges make gestures

and facial expressions clear and help improve understanding. Plus, each project room also has space where people can break away from active collaboration but stay nearby to rejoin as needed. It all makes for videoconferences that are informal, collaborative and productive.

The center also includes R&D labs, a prototype studio, guest interaction rooms, mobile neighborhoods, enclaves and a café. "It gives people the variety of spaces and tools they need, yet the floor plate is simple and designed for evolution. We allow the campus spaces to 'learn' with the people who use them, and that makes for more resilient real estate," says Johnson.

Feedback Loop

Workspaces ‘learn,’ adapt and better support culture change only if people support it. By benchmarking the company culture at the onset of the project, we can measure how our culture is evolving and adapt spaces as needed.

Arna Banack, a cultural anthropologist who works with us, says workspace affects many aspects of culture. “Space can have a direct impact on communication, collaboration, how employees understand the company’s mission and strategy, how they represent the brand, and much more.”

Positive changes are already apparent. Measurements of how well we make our vision a reality for employees has improved dramatically. Work spaces better reflect the company mission and purpose. “Some of our environments hadn’t been renovated in years, so business changes got ahead of how well some spaces performed and allowed our employees to perform,” says Johnson. “Employees can’t live the brand values if they’re not immersed in them. Our spaces now reflect the new Steelcase: user-focused, innovative, the product of design thinking.”



Engagement, a measure of how well employees feel a sense of shared purpose, has also improved. “It was a strength in 2010 and it’s an even greater one now. That unites the company,” says Banack.

Steelcase leaders see tangible, bottom-line benefits. “Our sales support groups have been able to absorb double-digit growth in our business two years in a row, without increasing staff. It’s not more hours. It’s just easier to get things done now, to connect, collaborate and make decisions more efficiently,” says Eddy Schmitt, senior vice president.

Our feedback loop uncovered that after the first wave of changes we needed more places for people to focus and concentrate. So we added more individual enclaves near collaboration spaces (see above).



Dave Sylvester, chief financial officer, says feedback from his team is “off the charts.” Half of his staff is mobile, choosing shared benching workspaces as their daily home bases, and 62 percent report their workplace helps attract and retain employees.

Fine-tuning—reconfiguring a space here, changing a furniture application there—has helped, too. We learned that people needed more spaces for private conversation and focused work, and those changes have been made. Project teams also needed more spaces they could own for the life of a project, so more “we/owned” spaces were added. No one knows how creative knowledge work will change in the future, so our workplace is intended to be tested, and can evolve as needed.

Making Change Possible

Changing company culture is difficult. The physical environment is not the only influencing factor, and Steelcase leaders recognize there's work to be done on other fronts.

"Changing buildings is not enough, technology alone won't get it done, and inspiring workspaces don't create change on their own," says Ludwig. "But they help make change possible. These spaces make sharing information faster and co-creating better. They help people to connect with the brand, the organizational culture and each other."

Five years after initial planning for the new corporate campus, no one is surprised by the results. "It's changed how we live and work as an organization. It's that simple and that profound," says Ludwig. 🟢



Our new spaces help people connect with the brand, the culture and each other.

Driving Change

By rethinking its real estate strategy, **Steelcase was able to reduce the actual footprint of our corporate headquarters campus by 48%** and our environmental footprint at the same time. But, more important, the results of pre- and post-Workplace Satisfaction Surveys indicate the impact the changes have made on people, processes and culture is far more valuable.

pre-project
post-project
percentage of employees who agree



* The survey results identified the need to balance more private spaces with collaboration settings and Steelcase has since added additional enclaves and other private spaces to the company campus.



BOOSTING CULTURE

It's splashed across media as the secret sauce for injecting workplaces with fun and vitality. Culture, the reigning champ of hip offices everywhere, promises to fuel employee positivity, productivity and loyalty in small businesses—but do we have proof it actually delivers results?

We do now.

To gain insights around workplace culture and its connection to space, turnstone recently conducted a survey with 515 companies employing no more than 100 people each. Specific to culture in the workplace, the survey revealed that nearly 90 percent of small business owners or managers identify culture as foundational to the success of their companies. Furthermore, a whopping 80 percent of those surveyed, regardless of company size or industry, believe their physical environment plays a role in fostering vibrant culture.

So what is it about culture that has professionals across industries consistently cheering? And why are we hearing so much about it now?

The shift toward culture may be gaining prominence as small businesses struggle to compete for talent with larger counterparts in the areas of plump paychecks and generous benefits packages. They're beginning to recognize culture for the trump card it is, particularly with Millennials used to interactive, stimulating environments. But more telling, small businesses realize that space plays an undeniable role in the development of that culture. Without workplaces intentionally designed to support socializing, healthy collaboration and having fun, culture will wither beneath the weight of an underperforming office environment.

Jason Macom, operations manager of Orbea, a Spanish bicycle company with offices in the United States, knows firsthand the impact that culture has had on his team. Not only has it promoted the brand internally, allowing for people to marinate in the company ethos, it's propelled genuine relationships around a passion for cycling.

"Our culture helps us approach our work more passionately, because the entire cycling community is passionate about the sport," says Macom. "We bike to work, we offer showers so people can transition back to their desks comfortably and we allow people to fit training schedules into their workday. If our workplace culture didn't support our dedication to bicycles or the cycling lifestyle, there'd be a lot of turnover, which in the long run would affect our bottom line."

Sentiments like this represent what many small business owners have known to be true, though few had numbers to back it up—until now. Turnstone's Small Business Culture Report reveals that half of survey participants say employee passion about who their company is and what they do is what makes their workplace special.

Orbea teammates find community around highly-specialized bicycles.

“Everything about Orbea is about bicycles,” notes Macom. “We are located inside a concepts store where everything is displayed and we’re surrounded by bikes. There is only one person on our team who is not a bike rider—it’s that important to who we are and what we do.”

The idea that workers can bring their passions into the office points to another turnstone survey finding: Respondents cited authenticity, the freedom to be oneself in the workplace, as second only to employee passion in importance to vibrant culture. Authenticity has also been identified by Steelcase research as one of six dimensions of wellbeing; it is critical to employee satisfaction and fostering a welcoming environment in the workplace.

Steelcase researcher Beatriz Arantes says that “even in Eastern cultures with their legacy of collectiveness versus individualism, the authenticity of self and being able to express that at work is becoming more important.”

In fact, when it comes to culture, 90 percent of those surveyed indicated that culture positively affects their company when it comes to helping employees be productive and creative, attracting and retaining customers and top talent, and growing the company to be more profitable.

This kind of authentic, thriving office culture has been proven a valuable commodity, especially for companies without the means to pad paychecks or offer a laundry list of other benefits. Going beyond written job descriptions and perks sows benefits beyond cultivating fun in the office—it adds depth and meaning to work and offers new connection points for team members.

“We have a coffee bar in our bike shop where we gather around to watch big bike races like the Tour de France,” says Macom. “Just taking time away from work to catch the excitement builds camaraderie and adds that social component that makes us love coming to work. We also have group rides that leave from the bike shop, and our team members lead those rides. It’s a great way for us to integrate into the community and interact with local cyclists.”

But culture like this won’t happen without intentionally planning a space to support it. Leaders must give thought to the values they wish to reinforce, the perks they intend to offer and the ideals that form the personality of their brands. When employees see their leaders modeling these things and when the physical environment provides pathways for acting on those convictions, culture can begin to take root.





Open areas like this one in Orbea's Arkansas concept store fuel collaboration and creativity.





“THE SPACE IS THE
CONTEXT FOR
EVERYTHING. IT’S
YOUR CONSTANT
OUTSIDE INSPIRATION
ON ALL LEVELS.”

Alex Theodore
Fracture, Co-founder

Fracture, a company specializing in printing photos on glass, has seen the impact space can have on the work environment. Alex Theodore, Fracture’s CTO and co-founder, identified this connection soon after opening the doors to their Florida startup. “The space is the context for everything. I mean, it may just be the place you go to do your job, but it’s your constant outside inspiration on all levels.”

Theodore is right. Turnstone’s survey reinforced the notion that physical environment plays an undeniable role in company culture. Having a space that promotes authenticity rather than stifling it, and that celebrates transparency rather than hiding behind closed doors, is the first step on a long journey toward a compelling culture.

Macom has also seen Orbea’s culture evolve positively with the completion of their new space, now just over a year old. He recalls their previous location as being very segregated with high-walled cubicles and long hallways that separated departments, keeping team members at a distance. There were a lot of barriers, he remembers, and, with a few strong personalities dominating the office, people simply stopped communicating; relationships were noticeably curbed.

That’s when they knew things needed to change. Orbea reimagined their space and reaped the benefits of a rejuvenated culture that rose up organically once the walls came down.

“Now with an open office, I’m seeing relationships grow,” says Macom. “You overhear conversations and learn; teams are collaborating instead of operating in silos. Now we know what’s happening. The new space has increased the communication on our team and that has played directly into our success with sales and logistics.”


Steelcase research shows that healthy relationships in the workplace contribute to people feeling a sense of belonging and purpose, which in turn translate into trust and increased collaboration. Orbea intentionally crafts their culture around moments that allow those kinds of relationships to flourish. For example, when the weather is nice, the group bikes together to local restaurants for lunch. Not only does this afford them real opportunities to experience their products, but it gives them ways to interact authentically with others outside the office. These moments are powerful culture-builders.

At just five years old, Fracture is a growing business that understands the connection between space and creativity, innovation and inspiration.

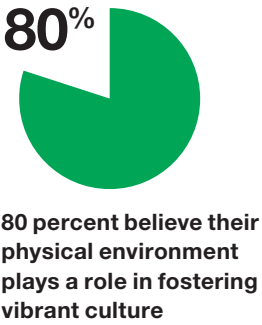
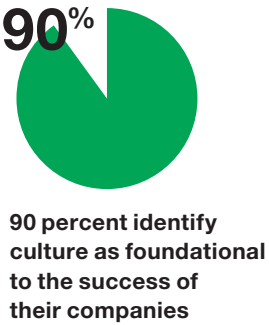
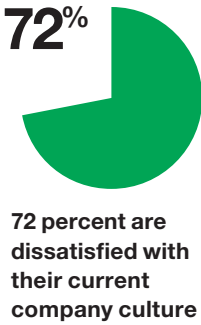
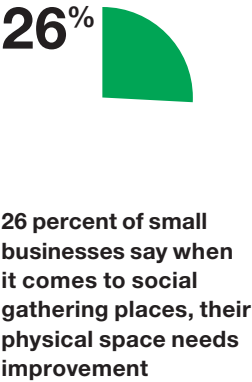
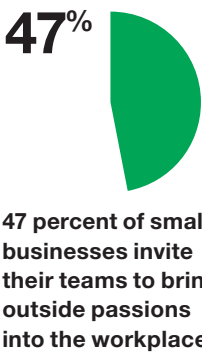


While the team at Fracture doesn't share a common lifestyle like cycling, they intentionally work to build community by incorporating play into their office culture and affirming the inclusion of pets in the workplace. Team members consider these as perks that boost wellbeing, grow relationships and allow for authenticity in the office. At just five years old, Fracture is a growing business that understands the connection between space and creativity, innovation and inspiration.

Unfortunately, companies like Orbea and Fracture are still hard to come by. Turnstone's Small Business Culture Report shows that 72 percent of those surveyed are dissatisfied with their current company culture. This opens the door to low productivity, stunted creativity, a lack of a sense of belonging and overall employee negativity, all of which puts the unity and wellbeing of the team at risk.

Regardless of the size of your organization, you can take actionable measures to turn up the volume on culture and strengthen your team. Whether you're an established company or a fledgling enterprise, small steps will quickly accumulate to make a big difference. 

Turnstone recently conducted a survey with 515 companies employing no more than 100 people each.



HOW TO TURN UP THE VOLUME ON CULTURE

Be a flexibility champion.

While some larger companies have made headlines for requiring employees to return to the office, nearly half of small businesses still offer flexible work arrangements, including the option to telecommute, work part-time or work from home. Go the extra mile for your team by making these accommodations whenever possible. Your willingness to help them balance their busy lives will reap a harvest of dedicated, loyal employees.

Treat your people.

Roughly half of the companies surveyed offer paid time off and other amenities like complimentary snacks and meals. Show your people that rewards don't always come as extra zeroes on a paycheck—they can be wrapped up in a day off, too. Finding new ways to show your appreciation for a job well done is critical to vibrant culture and happy employees.

Offer a palette of place.

The turnstone survey reports that less than one third of businesses offer employees a variety of workplace options. Planning your space to allow for standing desks, private areas, collaborative spaces and lounge settings gives employees choice and control—something that enhances wellbeing and that great culture always supports. While designing for a range of spaces, remember to include areas for your team to socialize. Twenty-six percent of small businesses say that when it comes to social gathering places, their physical space needs improvement. Anchoring your space with a central table for celebrations and team lunches is a great first step.

Give wellbeing a thumbs-up.

Fewer than a quarter of survey respondents said they feel encouraged to walk away from their desks, change postures or explore other work areas during the day. Demonstrate your commitment to wellbeing by offering access to natural light and your nod of approval when team members schedule walking meetings. Furthermore, remember that authenticity is an important component of wellbeing. Join the 47 percent of small businesses that invite their teams to bring outside passions into the workplace.

Promote personal growth.

Forward-thinking companies spend time thinking about and intentionally fostering their employees' career growth and development. Don't be afraid to invest time to help them find answers to their questions and seek ways to continue learning. Communicate trust by empowering employees to make decisions about the processes and environments that affect their work lives.

Be about something bigger than your brand.

Finding opportunities to connect with your local community or to global causes endears your brand to both customers and employees. Identify the things that mean the most to your people and get creative about your involvement. You'll feel the rewards on your bottom line, but you'll see the rewards on the faces of your team. And that is where great culture begins.

Turnstone Paper Tables and Buoys add whimsy and facilitate impromptu meetings in the workplace.



A New Learning Curve

Measuring the Value of the Third Teacher

There's an old Italian saying, “*A tavola non si invecchia*,” which basically means, no one grows old at the table. Surrounded by others we connect, share, and feel energized and alive.

I believe this applies to learning, too. When we sit side by side with others, it's an intimate experience. We listen better and empathize easily. When students sit together at a table (or work in an active learning scenario) and engage with others about a topic, they are more focused, connected and invested in the learning process.

At this point, experienced teachers and designers of educational spaces are smiling; you understand. But you may also be asking, where's the data? Where's the proof that classrooms designed for active learning make a difference in student engagement? It's one thing to experience this anecdotally in a classroom; it's another to try to convince a school board or academic administration that it's real and repeatable.

In recent years, studies have shown that the built environment can indeed affect retention, attention and motivation. The active learning classroom has even been called “the third teacher” for the impact it can have on students. But what we've needed is a reliable post-occupancy evaluation that measures how well a different (i.e., active) classroom design can affect student success. Now the wait is over.

Steelcase Education recently collaborated with academic researchers from Canada to develop a sophisticated tool and used it at four U.S. universities. The Active Learning Post Occupancy Evaluation (AL-POE) tool measures how a classroom affects student engagement, which is widely accepted as a reliable predictor of student success.

Our results offer compelling data:

- 1. Compared to classrooms set up in a traditional fashion (row-by-column seating), classrooms intentionally designed to support active learning increased student engagement in multiple ways.
- 2. A majority (i.e., statistical significance) of students rated the new classroom better than the old classroom for collaboration, focus, in-class feedback and nine other factors.
- 3. A majority of students reported that the new classrooms contributed to higher engagement, the expectation of better grades, more motivation and creativity.

Our data shows that solutions designed to support active learning will create more effective classrooms and higher student engagement.

One of the study participants, Gary Pavlcechko, former director of The Office of Educational Excellence at Ball State University, said the study revealed “a statistical significance in terms of student engagement between our Interactive Learning Space and traditional classroom layouts.”

Many educators and designers have seen how the built environment can make a difference. Now we can show exactly how much of a difference it truly makes. ●



Lennie Scott-Webber, Ph.D., Director of Education Environments for Steelcase Education

I've spent years researching educational environments and have seen the insides of more classrooms than I can count. My passion, and my job, is helping people understand the behaviors that come from different environments, and creating classrooms that truly support new ways of teaching and learning.

Email your ideas, questions or comments to lscottwe@steelcase.com or on Twitter to [@Lennie_SW](https://twitter.com/Lennie_SW).

Go Deeper

If you want to learn more about the Steelcase Education study, here is a menu of resources to choose from:

How Classroom Design Affects Student Engagement
steelcase.com/classroomdesign

Built Environments Impact behaviors
steelcase.com/built



active
passive
public
private
digital
analog
formal
informal
calm
energetic
social
quiet
choice

focused
alone
together
engaged
relaxed
observant
focused
innovative
traditional
brainstorm
contemplative
collaborative

Today's students demand choices, requiring libraries to offer a range of spaces to support the many ways they learn. Steelcase works with the world's leading educational institutions to create multipurpose, high-performance destinations for all of the places learning happens.

Find out more at steelcase.com/libraries

Steelcase
EDUCATION

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making way

for

making

The makers
movement moves
into education.

At the West Michigan Center for Arts and Technology, high schoolers practice creative problem-solving in “maker space” labs designed for hands-on learning.

The maker movement—a confederation of people with a passion for creating things who create communities to share equipment, space and ideas—has become a phenomenon throughout the world. Maker Faires, maker spaces and Make Magazine are visible signs of what some are calling a new “do-ocracy”—a renaissance of hands-on tinkering among groups of people who share resources and support each other’s creativity.

Widespread and fast-growing, the maker movement invites speculation about why it’s occurring and what its enduring impact may be. Most agree that advanced technologies such as 3D printers, still too expensive for most people to buy on their own, have spurred the movement. But there’s also growing opinion that the maker mania may be a cultural reaction against a world that’s become too virtual for comfort. “We need to find our way in a tactile world again. We need to return from head to foot, from brain to fingertip, from iCloud to earth,” as Richard Kearney, a philosophy professor at Boston College, recently stated in The New York Times.

Whatever the drivers, as its influence expands, the maker movement is making inroads into education, especially high schools and universities, where it’s informing new perspectives as well as reinforcing already-trending tenets of active learning.

“The maker movement focuses on collaboration as well as the physical act of making,” explains Andrew Kim, a Steelcase education researcher. “In our research, we have found that, at the same time that technology is reshaping education, the importance of face-to-face learning is also growing, providing new opportunities for hands-on learning instead of all lecture-based.”

Maker spaces in schools are far from traditional “sage on the stage” classrooms. Less predictably, they’re also different than the industrial arts workshops of the past. The machines used to make things are now more sophisticated, of course, but so is the intent behind the curriculum, according to Scott Witthoft and Scott Doorley, co-authors of the book “Make Space” and the designers behind the learning spaces at the Hasso Plattner Institute of Design at Stanford University, more widely known as the Stanford d.school. Doorley puts it this way: “Industrial arts used to be taught almost like a trade school, whereas the maker movement is more about empowerment and getting students to see that they can affect change in the world.”

Within education, maker spaces are emerging within or alongside innovation labs — settings where people engage in collaborative experimentation and problem-solving across a range of disciplines, increasingly using design-thinking methodologies. Whatever is being practiced, it’s an active and collaborative way of thinking and approaching challenges. Although design thinking has its origins in design and engineering, it’s not limited to those fields and the outcome isn’t necessarily a physical object — what Doorley calls “stuff.” Whether people are creating objects, systems or ideas, the maker movement dovetails into pedagogies focused on moving education from primarily a didactic delivery-of-facts mode to a more active, generative mode: “Learning to do as you do to learn,” as Doorley describes the process.

The vision of empowerment through making is foundational for an after-school program at West Michigan Center for Arts and Technology in urban Grand Rapids. In the facility’s arts and tech labs,



teens selected from the city's public high schools have opportunities to flex their creative muscle, working with professional tools and technology as they learn skills in a team environment with professional artists as instructors. The facility includes "maker space" labs for photography, video game design, ceramics, fashion, sculpture, comic + zine, street art, and audio and video production. All are designed for active learning, easily reconfigurable depending on the task. Each year participating students choose a social problem and then apply design-thinking skills to creatively address it by making something. For example, this year they're focusing on the problem of bullying. To address it, those in the photography team are exploring techniques to create portraits that capture the intrinsic beauty of each person.

"It's about the process as well as the product," says Kim Dabbs, executive director. "By reflecting on the creative process and learning skills, students realize that they can make positive change, for themselves and their community. They find their voice."

A Fresh Perspective

The University of Southern Mississippi is another institution that incorporated design thinking when creating its Think Center, an innovative teaching and learning center that offers spaces and services for faculty development and student engagement. Included is an active-learning classroom that any professor can reserve and a variety of drop-in informal settings, equipped with whiteboards, markers, sticky notes and other innovation tools, for students working in teams or alone.

"We encourage students and professors to experiment, look at options, and think critically and creatively about strategies to improve the learning experience — really approaching everything with a fresh eye," says Bonnie Cooper, Think Center coordinator, who was a trainer in the business arena for 15 years before moving into higher education in 2000. "The excitement is what we love to see when people are in this

space. Sometimes a new environment can bring a fresh perspective to a class. Here there's energy. Learning can be fun, and we see that. And I think the more students feel that way, the more enriched they become as learners."


Within and outside of academia, many say it's an approach that is moving education in the right direction.

"We know that in today's job market there's increasing need for people with 21st-century skills, especially the ability to innovate, collaborate and respond to change in creative ways," says Steelcase's Andrew Kim. "It's a higher-order way of thinking that requires practice, not just theory. By teaching students to be collaborative and creative, schools are sharing the same goals as employers."

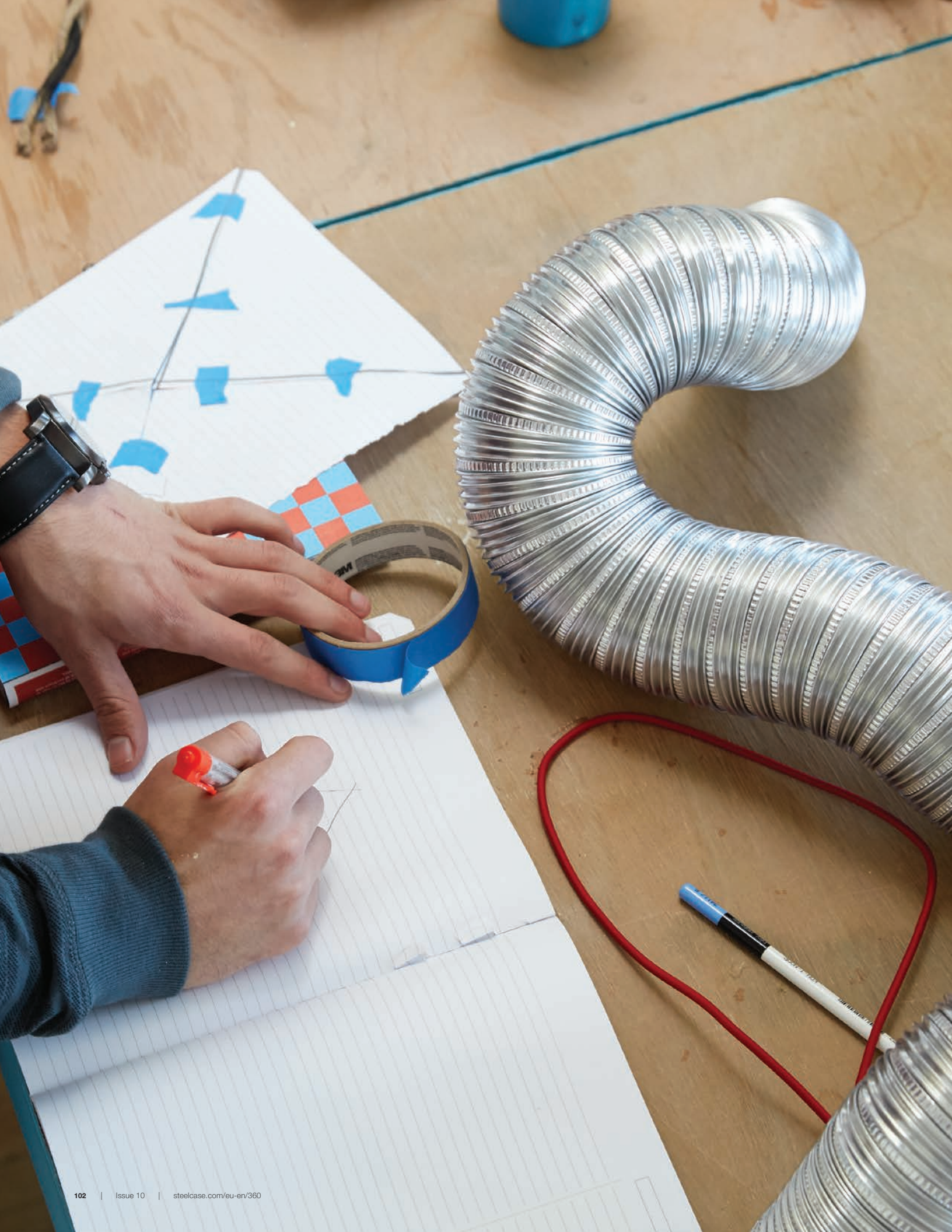
Thinking & Doing

New ways of learning require new kinds of spaces, and some of the most progressive universities are modeling their newest learning environments on corporate innovation spaces. Based on insights derived from more than a decade of research into educational environments, Steelcase provides products and spatial concepts specifically designed to support active learning. One prominent example: A small team of Steelcase researchers and designers collaborated with the d.school on aspects of the space they were creating. It has since become a widely emulated environment for project-based, creative learning.

"Creating spaces for active experimentation starts with intent," says Frank Graziano, a Steelcase researcher who has collaborated with the Stanford d.school and, most recently, the university's school of engineering. "How can space bias you to the action of thinking and doing? How can the space 'grant' a broader set of permissions, activating idea generation and supporting students by creating a means for translating abstract thinking into tangible artifacts?"



We need to find our way in a tactile world again. We need to return from head to foot, from brain to fingertip, from icloud to earth.



Teens selected from Grand Rapids public high schools have opportunities to flex their creative muscle at WMCAT, working with professional tools and technology as they learn skills in a team environment with professional artists as instructors.



Making a Maker Space

Based on research into creative learning spaces as well as the firsthand experience of creating and working in the company's own recently opened innovation center, Steelcase researchers and designers offer these guidelines for maker spaces:

Make it inspiring: Bright colors, comfortable furnishings, daylight and access to the outdoors stimulate engagement. Ambient stimuli can foster creative thinking. Dull surroundings stimulate boredom.

Make it flexible and make-your-own: Allow teachers and learners to configure the space to meet own their needs, recognizing these change from class session to class session and from one phase of the project to another. Mobile furniture is a must for configuring a variety of settings.


Create zones: Making and collaborating tend to be noisy, while contemplation thrives on quiet. Make sure the layout and furnishings are fluid enough to support students who want to work alone between collaboration sessions. Especially if it's a space that houses machines for making prototypes, separate thinking areas from making areas as much as possible.

Be ready for mess: Arraying materials helps teams "think out loud" about ideas and possibilities. Make sure that work surfaces are large enough for teams to gather around, and include adequate storage for materials and work-in-progress.

Leverage vertical displays: Working at a desk or table is private to those around it, but mobile and fixed whiteboards let everyone share ideas in the making and exhibit successes. When it comes to whiteboards and markers, there is no such thing as too many.

Support various postures: Physical postures and body movement can influence the creative process. In groups, standing can encourage interactions and engagement. For individual work, relaxed postures or walking can promote new ways of thinking.

Make digital content-sharing easy: More and more, relevant content exists in digital formats. Choose technologies that allow participants to easily share what's in their devices as well as what's in their minds.

"The maker movement isn't just about making for making's sake," summarizes Andrew Kim. "It's about understanding and practicing innovation. With that at its heart, it deserves the attention it's gaining in education." 

Sustainability Spotlight

Scaling-up Sustainability

Unlocking human promise is a purpose that inspires us and creates an internal imperative to make intentional choices. Fulfilling our purpose requires that we extend ourselves well beyond our four walls to help create the economic, environmental and social conditions that will allow people to reach their full potential.

In our latest Corporate Sustainability Report, we're sharing opportunities we've had this past year to help our customers, suppliers, employees, communities and the environment—and at the same time expand our sphere of positive influence.

Investing in Renewable Energy


We grew our renewable energy investments to an equivalent of 100 percent of our global electricity consumption and migrated from a regional energy strategy to a global one. At the same time, we created a first-of-its-kind program to encourage our suppliers to purchase clean renewable energy. Supplier participants will benefit from Steelcase's negotiated rate. All of this was an effort to recognize our impact by investing in and expanding global demand for renewable energy. That's good for our business, our customers and the communities and environments we all share.

Strengthening Communities

Last year, Steelcase Inc. and our philanthropic arm, The Steelcase Foundation, donated more than \$5.3 million to our charitable partners including the United Way and urban education initiatives. And we set a new record for employee giving with more than \$485,000 in matching gifts. The grassroots-level efforts of our employees are helping to improve local communities, providing vital assistance, collaboration and, most important, promise. In the past three years, volunteer hours of U.S.-based employees have grown by over 30 percent.

Partnering with Customers

In the last year, more world-class companies such as BASF, Lenovo and Verizon have turned to Steelcase to help optimize space, foster collaboration, provide privacy, reinforce brand and culture, and contribute to talent retention across millions of square feet within their worldwide offices. We're working with customers through our innovative end-of-use programs that resell, reuse and recycle used office furnishings—keeping materials out of landfills and extending the useful life of valuable assets.

When it comes to sustainability we will always be able to do more. The ongoing challenge is to scale our impact. When we widen our lens and expand our sphere of influence we create vastly better conditions for people and a whole lot more good in the world. 

We hope the stories included in this year's CSR Report give you a sense of our work and our progress. We also hope you'll inspire us with a few stories of your own.

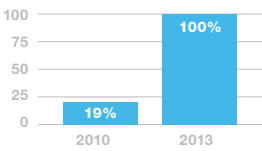
Email us at sustainability@steelcase.com



Go Deeper

Read our newest CSR Report at csr.steelcase.com 

RENEWABLE ENERGY



In three years, we've moved from a 19 percent investment to 100 percent investment globally in wind and hydroelectric renewable energy credits.

COMMUNITY

\$5.3 million

In total funding from the Steelcase Foundation

\$1.2 million

In total funding from Steelcase Inc.

END-OF-USE STRATEGIES

50 million

Pounds diverted from landfill through our North America end-of-use program

26,440

Workstations recycled, donated or resold in Europe

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