

why bother 04.2009 with buildings at all?

Culture, Transformation & Buildings
a perspective on the role of space in organizational change

Space is best seen as both a behavioral tool and a work tool, and is also as an icon of culture for organizations. But historically, it's also a marker of the value of self, a learned and deeply engrained set of assumptions about status and rank. Significant facility projects sometimes surface, but typically don't resolve this powerful tension. However, it is possible to actively use space as a mechanism to leverage organizational change by skillfully embracing the organizational issues a major project reveals.

Doing this successfully requires: defined intentions; a unique approach; and, consistency. Paraphrasing Einstein, if we "do it" the same way, we should not be surprised if we get the same results. It's more a matter of breaking free from the traditional corporate mindset, expectations and constraints surrounding why we have buildings at all. Effectively changing the game must balance the historic emphasis on status and efficiency with a new focus on organizational change, culture, and effectiveness; targeting building on the work, behaviors and the human needs of staff.

It is a deep truth that space and culture are connected. Engaging users in the creation of a building that reflects the future CAN BE an active element in inducing behavioral change, while helping people understand and embrace organizational change. In fact, NOT using the "process of creating the home" in this way leaves much of the value of the building on the table, unused.

**"We can't solve problems
by using the same kind of thinking we used
when we created them."**

Albert Einstein

space and organizational change

Perhaps the most difficult and complex thing for an organization to do is consciously change itself. Literally billions are spent chasing change each year via consultants, training, restructuring, knowledge management, cultural change efforts, communication programs, etc. In the end, getting people to behave in new ways is hard. And organizational leaders know it.

“There is nothing more difficult to take in hand, more perilous to conduct or more uncertain in its success, than to take the lead in the introduction of a new order of things.”

Niccolo Machiavelli (“The Prince”, 1532)

Yet, somewhere in the depths of its instinctual “old brain,” organizational leaders know space matters to staff because it matters to THEM, as people. Space has always been used as a representation of how important “I” am in the firm...the PET principle (politics, egos and turf). But sometimes, there’s even a sense that space might just be useful in making behavioral change happen going forward. This can take many forms, from

conversations about change in culture (a positive) to the frequently disingenuous couching of real estate cost reduction in the language of organizational change (a negative), and even in the design brief for a major project.

Interestingly, we all value space pretty holistically and intuitively in our personal lives. We know where we live has a huge impact on how we live: commute time, schools, pace of life, access to services, neighbors, relationships, after-hours activities, etc. And we actively change spaces over our lives to match this. We'd hardly regard it as ideal to live in the same place or manner during our college years as we would in retirement.

**“First we shape our buildings; thereafter,
our buildings shape our lives.”**

Winston Churchill

Space reflects who we are and what we do... it affects behavior. Space affects companies the same way. In a potentially constructive manner, a substantial space project tends to boil to the surface every organizational dysfunction. This is really quite natural, and very useful if seized as an opportunity. Anything that allows issues to be clear, makes dealing with them easier. Long-term decisions about who we are organizationally, and where and how “we’ll live,” raise questions about who we are, who we’ll become, what we’re worth, how we do what we do, and who matters to whom... these are issues of behavior, culture, legitimacy, and ultimately, of legacy.

But somewhat contradictorily, intentionally modifying physical space to help invent new behaviors and cultures often gets discussed as an adjunct to the “real issues.” This would seem ludicrous in a factory, of course, where physical “layout change” is intimately tied to process change in manufacturing philosophies, such as Lean Production.

In offices, we sometimes seem to come primarily at the space and work relationship from the other end, starting with the mandate to “do a project,” then inoculating the design brief with organizational change verbiage. And even when we do connect them, we tend to think of space as having value only once it’s completed... as an “outcome” or physical “tool,” rather than as an active element in the organizational discovery and change process itself.

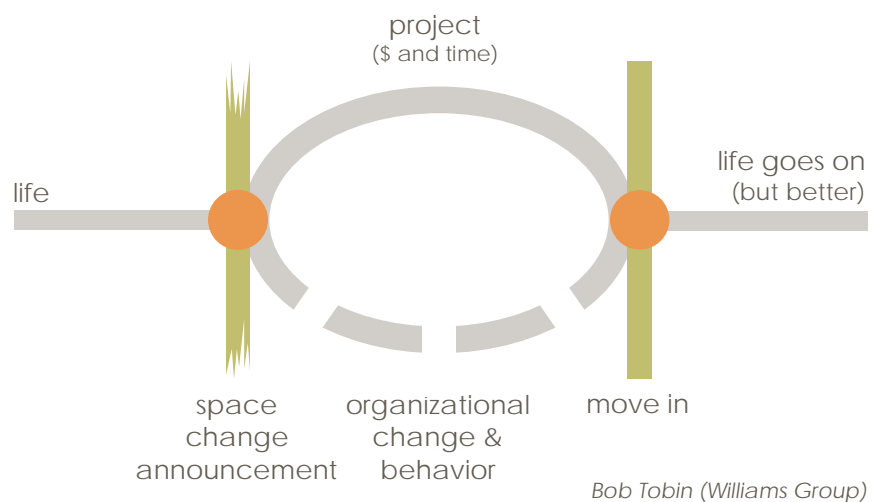
This is not idle word play. As Scott Adams has demonstrated to us in “Dilbert,” there’s obviously energy in space. The REAL question is, how do we convert the negative energy that is typical into positive and forward leaning movement? How do we use the moment of “place making” to do the most good at the highest level?

It is often difficult for the team chartered to “do the project” to hold onto the “why are we doing this anyway?” The focus on brand, culture, learning, concentration, attraction/retention/development, and innovation for example) tend to get lost in the budgets, real estate deals, and construction schedules... the “real work” of the project. Human and behavioral issues slide aside in favor of hitting compressing budgets and time,

as “move-in” looms large. Survey gathered programming data and a furniture mockup in the cafeteria become the surrogates for user involvement. In the end, the language of change may be all that remains of the intent; a prescription for dissatisfaction and failure.

place making process : place

In this scenario, space gradually becomes perceived as something of a nuisance or perhaps even a necessary evil. It creates problems instead of helping to solve them. And, when something is fundamentally bad, the best it can be is LESS bad, so we chase cost reduction, project after project. This has become the predominant mantra; project success is defined as hitting cost and time targets, rather than remembering and measuring why we’re doing the project in the first place ...because we have people doing work to generate value.



One result of focusing on the project's completion rather than a human-centered intent, is that we tend to miss much of the opportunity to use space to help the organization UNDERSTAND and embrace change during the creation process. This is unfortunate, as place making is ALWAYS reflective of social process, culture and intent. Further, if done well, the building invention process can become a simple way of attaching the abstraction of organizational change to the concreteness of buildings, not only creating a better tool, but a more informed and engaged population of inhabitants.

This disconnect occurs mostly because space practitioners haven't finished the work of demonstrating the value of place to something business clients DO care about, this dilemma of supporting intentional and directional organizational change. So, the focus remains on cost.

Actually, for most organizations, space is already CHEAP. Sacrilegious as it might sound in an era of cutting, SPACE IS CHEAP. In comparison with the cost of people, the annual cost of space typically comes in between 8-10% of the total annual cost of a person. Seen differently, the cost of a nice private office over the cost of a nice cube is as little as a daily cup of Starbucks over a ten-year project lifespan. Space cost only FEELS like a huge expense because we don't see the preemptive PROOF that it has any value at all. And, in that case, its natural organizations would just as soon see cost go to zero. Interestingly, we're conditioned and willing to make investments in other domains, like annual salary increases, with very little proof that it changes forward-leaning behavior one whit.

And, in a low change business situation, when the change in the outcome is expected to be low, this may be fine. But when we approach space as a discovery tool for the deeper cognitive processes of the organization—of its ability to turn social and human capital into innovation and learning—when we intend the place as an active tool of cultural evolution—we do things that can feel quite radical to achieve things that are not bought into or even visibly are on the table.

For example, we may open up individual space boundaries or dilute entitlements in favor of group learning or knowledge sharing. If staff have self-discovered and value this need, they are more willing to change things to achieve it. In general, as familiarity with the outcome goes down, the need to engage goes up. The more radical the change, the more we need to involve staff experientially in the “why” of the intent. This not only gains buy-in for tactics of space change, but more powerfully it generates understanding of the strategic behavioral direction of the organization.

So, our research and practice suggests the “value” ratio needs to shift left; toward a user-driven, experiential-discovery process, centered on organizational intent. Ideally, this must target the social and learning network health as an outcome early in the business objective phase of a major project.

“But we do questionnaires now! Isn’t that enough?” The dilemma here is that people can only share so much in a Q&A format. Even under ideal conditions, we simply don’t remember very completely what we do and it’s hard to make it all explicit. And

often we don't take "surveys" seriously enough to adequately plumb even what we DO remember. Asking the boss what staff do further dilutes the accuracy and is a prescription for perpetuating assumptions.

As a powerful step, complementing "asking" with informed "observation," can open up a fire hose of critical tacit information, which can enable deeper hypotheses, as well as follow-on inquiry. But the deepest understanding and highest value often comes from designing experiences that help people discover what they had not previously known at all—uncovering the "new" or "latent" information. Interestingly, practitioners who do this for organizations are seen more as enablers, pilot-builders, storytellers and coaches, rather than "facility cops" enforcing standards based on yesterday's assumptions about what we thought the work was...

	explicit	tacit	latent
ask	●		
observe		●	
make & experience			●

It's particularly critical in this method, to pay attention to the "right" things. At some level, of course, everything is relevant, but not everything is causative. For this, we have found it most instructive to engage using a "lens" to see better. In our research

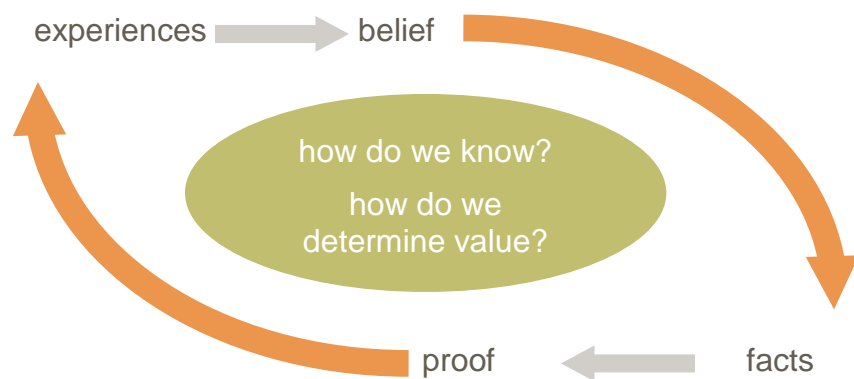
and practice, the three key elements for insight and meaning-finding are social, spatial and informational. So, when understanding an “activity,” look for what is happening socially... What is the dynamic? Who’s involved? What’s the process? Is it generative or informative interaction, for example. Then look at the spatial dimension, physically and virtually, and the informational... what is really happening, how?

Second, once we discover what changes are possible and have begun to see them more completely, how do we know how much value there is in potential changes? How can we measure and prove it so we can act?

Most organizations are consummately left-brained, and constantly searching for quantitative proof often under the rubric “measurement” and safety through “benchmarking.” This is all well and good, but usually backward looking again. If we focus on the usual measures of space (real estate cost, occupant density, or project first cost), we’ll GET the usual outcomes. That being the case, the reality that space is seen reductively, as a “necessary evil” of cost, should not be a shock. To work through this, we have to learn to measure everything that’s important, rather than just what is easy, requested, and in the traditional domain of space.

Unfortunately, the potential positive impacts of space as a tool of behavior and culture are sometimes indirect and not as evident to the left brain as are the costs. So, the positive potential tends to be dismissed, overlooked as “not real numbers,” or not connected to the system of behavior and change.

But the brain also has a right lobe that learns and assesses abstract ideas in a more intuitive manner. The root of our method is to play out this anatomical reality and cognitive tension by creating experiences that become a new way of “knowing;” linking to new ways to measure and create proof.



Consider this; if I believe something, I really don't need proof, or at least as much proof. Conversely, if I fundamentally don't believe something, it is hard to prove it to my satisfaction. The resolution of this conundrum is to create proof and belief in a cycle that creates deeper and more complete understanding. In the end, belief trumps proof, but in the beginning of something radically new, disbelief is often more consistent with all the traditional assumptions and measures.

Thus, in the first lap around our discovery diagram (above), experience won't result in absolute proof, but will perhaps help suspend disbelief and begin building facts. And remember, SPACE IS CHEAP. Since this is true, all we need to do is demonstrate that

we can gain something in the neighborhood of 20 minutes per person per day, through all the possible behavioral effects, and we will have MORE than paid back the investment in space, almost no matter what is spent. Learning experientially is the key to overcoming the inertia of disbelief.

a big idea

In other words, if all the talk about collaboration, concentration, informal interaction, leveraging technology investments, innovation via social networks, learning, cultural change, cost of attracting the right people, sharing across boundaries, etc. is distilled to a “time value,” and it adds up to 20 minutes/day, we’ve done it. And assessing the impacts of these intangible outcomes is, for a good manager, a day-to-day event. It’s that kind of judgment managers get paid to make.

While this general approach can be helpful during a project, it’s situational. Appropriateness to a project depends a lot on where we are; the timeline, the internal audience, etc. It also depends a lot on what we call the “coefficient of radicalness”. If the perceived change isn’t sufficiently radical, don’t bother engaging... if it will feel radical, to the end user, the value may be more in the process than we usually think.

An executive advocate, or “passionate integrator”, is usually needed to help maintain focus, gain access, elevate the discussion, etc., or the “project” often wanders back to the front as the goal, which it really isn’t. For this reason, change pushed solely from the facilities or real estate perspective can be difficult. These groups are simply not accountable for organizational change and can be trapped playing to their historic accountability, in most cases, without passionate executive involvement.

Who is this passionate integrator? Ask yourself, “Who gets an internal win if we’re successful influencing the human issues positively?” That person probably is a line executive outside of the space domain who may NOT think of space as a strategic tool they should be engaging. They are often very good with people and skillful at team building, but may have yet to discover, or actively implement space as an active tool for performance.

However, getting to a valuable conclusion requires more than passion and an experiential method. We need a robust and more complete measurement framework, one which embraces the things that keep executives awake at night. And, what keeps executives awake are usually human process issues. These are probably worth 10 times (maybe even 100 times or greater) the cost saving potential of space, yet we continue to assess space only against metrics of efficiency because that is its historic and direct accountability.

The “experiential learning” model we talked about above can help frame the discussion and begin to put quantitative measures

around the human effectiveness and space relationship. Here's one emerging way.

Organizations are composed of both structures for governance and trust-based networks for learning, deciding, innovating, etc. Today, we use space mostly as a tool to reflect established governance models.

But suppose we could measure the impact of space on the health of the networks? If we could diagnose and put a meter on network health, then apply our understanding of space to enhancing these key processes, we would have a big step. We could again test for health AFTER move in, and have a potent indicator of the impact of space on the big things organizations have trouble changing and which are ultimately the source of long-term success.

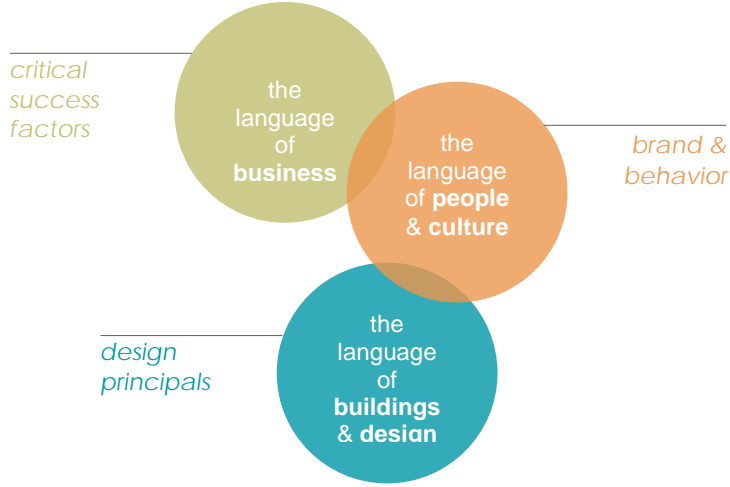
We are just now at the point we can begin to do this, and the early results are both intriguing stunningly impactful. Suppose, for example, that we were able to quantify the health of organizational networks responsible for complex functions such as innovation or learning. If we could demonstrate a 20% change in the health of decision making, judged by the strength of trust bonds in the decision process, we could have a huge lever on performance... a lever on the effectiveness and cost of people.

There are many approaches to using space in this more active way to help companies. Usually, the specifics are quite situational,

but, over time, this effort is building toward a new “simplicity the other side of complexity.” It’s the principles, diagnostic tools, typologies, patterns of space use, and resulting new best practices that gradually make clear a new time/cost/quality relationship in the value organizations ascribe to space.

The biggest impacts may come from thinking of the problem differently. In shorthand this suggests three things:

- 1 Using the language of culture and human factors to bridge the language of business and process TO the language of design and buildings. Often these speak totally different languages and have trouble connecting. People and activities are the unifying element. This is the ground and method to explore to take significant steps forward in using buildings as intentional behavioral tools.



2 Engagement is the mechanism to a better end solution, better people buy-in to the change, and greater alignment with the organization’s vision for where it’s going behaviorally. Use engagement to facilitate experiential learning about what matters and how to achieve it... Said differently, most projects leave the staff at the “kid’s table” at the Thanksgiving dinner, with executives, often older, having the grown up discussion about the business separately. Put the staff, particularly young staff, at the grown-up table. Create a bounded experience that focuses on organizational change issues (not buildings) and let this inform the whole process through the diagram above.



sitting at the kids’ table



3 Most of us naturally try to avoid conflict... but in the process of creating a new “organizational home,” some irritation is perfect.

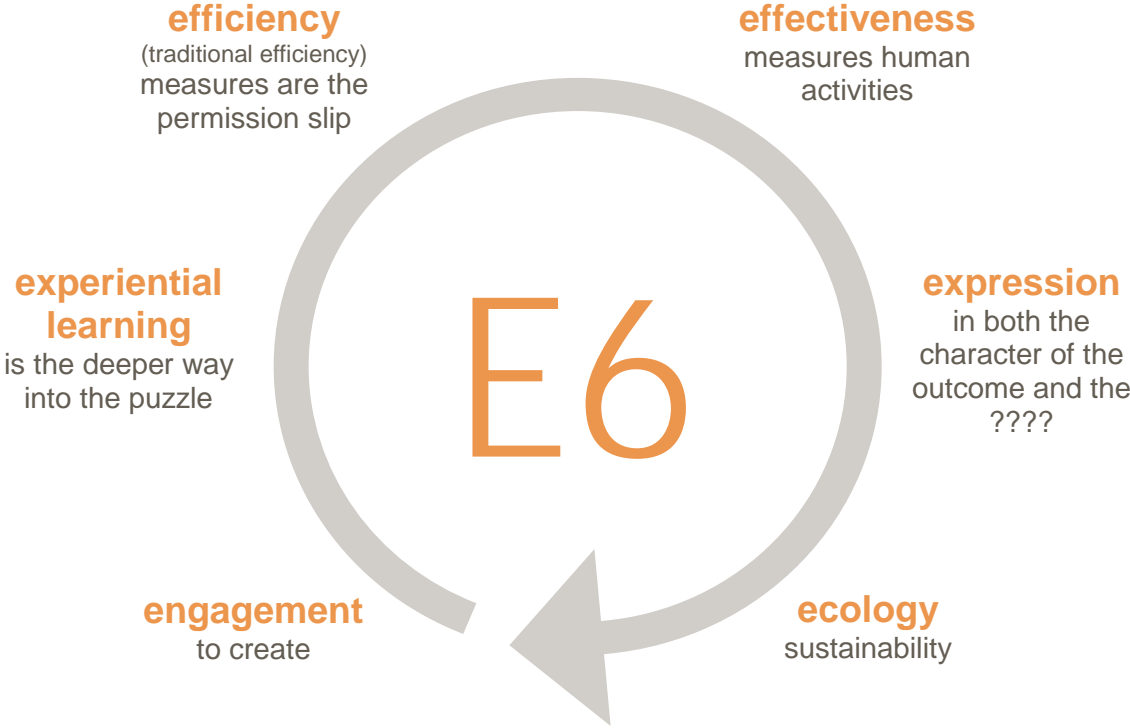
Use the very concrete opportunity of place defining and making to stimulate broad discussion about the abstract and sticky stuff of organizational change. Irritate the oyster strategically in search of the pearl. The pearl that can result is both a better understanding of “what we’re trying to become and why,” and also a building and technology tool box that is aligned with helping us get there, instead of being in the way.



oyster creating a pearl



In the end, we can summarize the overall intent of this more complete thinking model in the simple icon: E6.



questions?

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