

Butlr Research

# The Science of High-Performance Workplaces

Creating Vibrant Offices for Employees to Thrive

**butlr**



# Creating Vibrant Workspaces for Employees to Thrive



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# 00

## Introduction

The best offices have a buzz vibrating through the space. You can tell people genuinely enjoy being there and that real problems are getting solved. It's intangible, but simultaneously, something you instantly recognize when walking through those logoed doors. However, this underlying pulse of vibrancy can't happen if people don't want to be in the office and workplaces sit half-empty.

After two years and multiple iterations of return-to-office strategies, most companies still struggle to curate commute-worthy workplace experiences. **Both policies that demand attendance and perks designed to entice people back into the office seem to be equally failing at their jobs.** The weekly average for office occupancy in the US is still hovering at 49.5 percent as of January 2023, barely breaking 2022's record high of 49 percent.<sup>1</sup>

<sup>1</sup> [Kastle, Kastle Return to Work Barometer, Jan 2023](#)





Incentive-focused strategies revolve around programming and perks<sup>2</sup> that managers think will entice people back into the office, from catered meals and commuter discounts to entertainment and wellness classes. However, there’s no way to tell if these “analogue” methods are actually driving people back into the office. On the opposite side of the spectrum, stern policies demanding three or four days in the office from companies even with the most notable office experiences – Google and Apple, for example – aren’t winning over employees either.<sup>3</sup>

Instead of a reliance on bribery or punishment, the companies with the most success in attracting – rather than dragging – people back to the office on a regular basis are forced on the mechanics of the office itself. Their investments in redefining the purpose of the workplace ensure that **spaces and amenities are best suited for employees’ evolving expectations of the office.**

Because if workplaces can’t give what people need in order to have productive, fulfilling days at work, the decision to work from home will always be an easy one.

<sup>2</sup> Envoy, New Survey Reveals How to Get Hybrid Employees to Choose the Workplace, Apr 2023

<sup>3</sup> Forbes, Google and Apple’s Return to Work Policies Promote Myth of Losing Social Capital in Hybrid Work, Nov 2022



# 01

## Greater Expectation of The Office

Companies are overcomplicating why people want to go to the office – it’s about getting their work done, whether that’s doing heads-down work, collaborating with their teams, or helping customers.

The initial push to get people back to the office was driven by a loss of connection and cohesion among individual teams and entire organizations. While this does rank as one of the top five reasons that people and their employers want to go back to the office, it’s not the only one. Access to a quiet, professional environment also ranked as a top return-to-office motivator for people in nine of 10 countries surveyed across North America, Europe, and Asia.<sup>4</sup>

Yet, most companies are cutting desk spaces and areas designed for focused work in favor of meeting and collaboration spaces. According to 2022 research by JLL, 73 percent of companies are shifting offices to be entirely “open and collaborative, with no dedicated desk spaces.”<sup>5</sup> While this may be the right decision for some companies, investing in such a drastic change without actual data about how people are using their offices today may hinder rather than help the evolution of the workplace.

Consider this: For employees heading to the office to focus on their work, bang out a day of client calls, or even ideate about a big problem they’re trying to solve, a work environment with the singular purpose of socialization may not meet their needs. This mismatch between what people expect they can do at the office in comparison to what the physical workplace enables them to do hinders the performance of space. That ultimately has the most direct impact on occupancy. <sup>τ</sup>

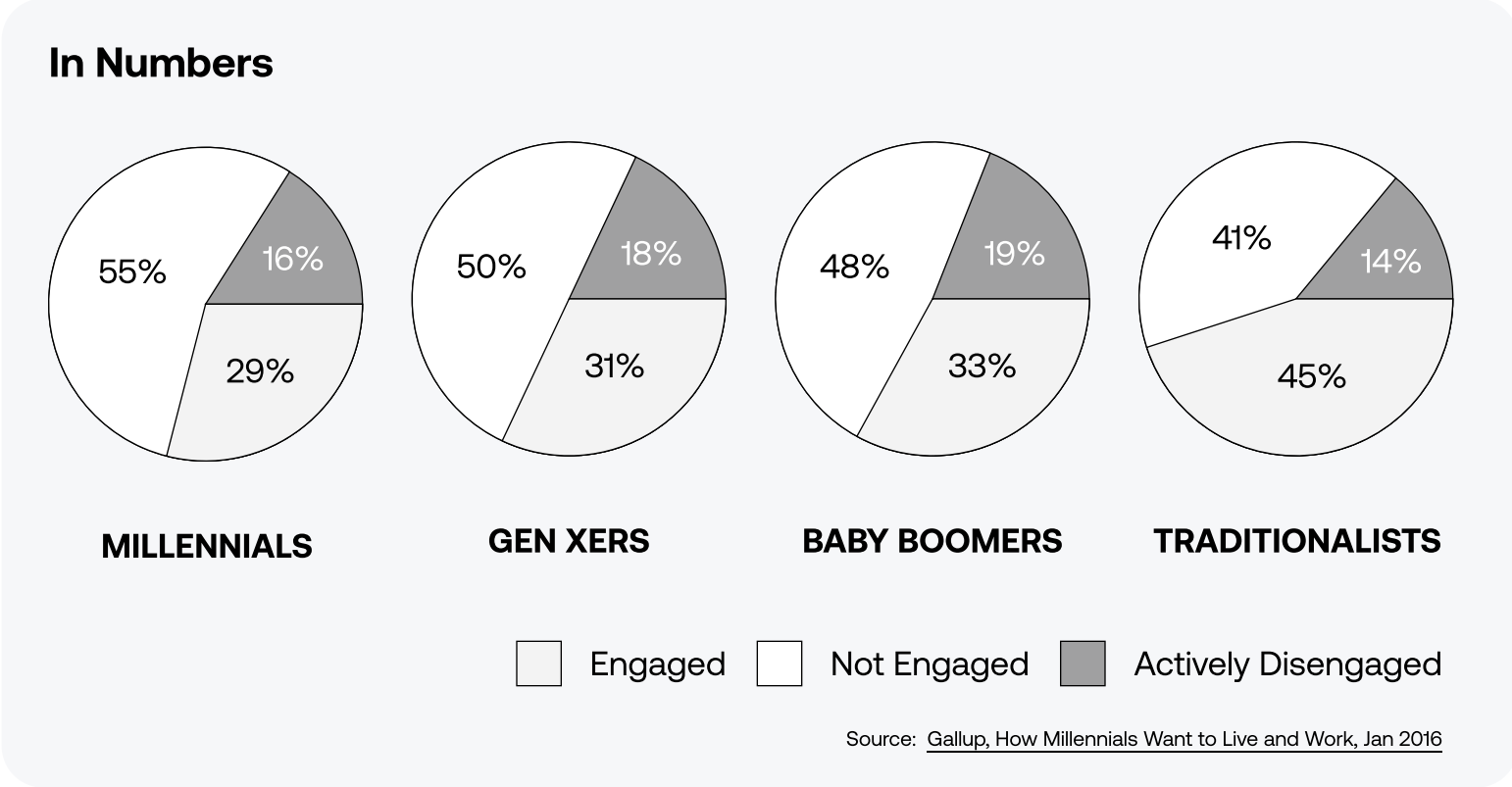
People with high-performing workplaces want to be there more often, according to Gensler’s Workplace Performance Index, which measures the office’s ability to support work.<sup>6</sup> People with top-performing workplaces are willing to go to the office one day more per week, whether they are doing solo work like sending emails or participating in team strategy sessions. A quarter of those surveyed by Gensler would shift to being back in the office full-time if their employer provided the ideal work experience.

Most offices still need to support different styles and modes of work for their employees. This goes beyond a debate about the number of desks vs. conference rooms, pushing companies to more deeply understand how their teams work best based on their purpose, work style, and contribution to the company.

4 [Steelcase, Changing Expectations and the Future of Work, Jan 2021](#)  
5 [JLL, The Future of Work Survey, Aug 2022](#)  
6 [Gensler Research Institute, Returning to the Office, Oct 2022](#)

## The Millennial Factor

Millennials, who make up 38 percent of the workforce today,<sup>7</sup> are particularly important consumers of the workplace. In a few years, they will make up the majority of the workforce, leading companies and changing the world as we know it. Most want to be in the office at least three days per week if that space can provide what they need to have productive, fulfilling days.<sup>8</sup> However, **more than half of this generation isn’t engaged at work**. According to Gallup, this “lack of engagement costs the U.S. economy \$284 to \$469 billion each year in lost productivity.”<sup>9</sup>



7 [Gallup, How Millennials Want to Live and Work, Jan 2016](#)  
8 [Gensler Research Institute, Returning to the Office, Oct 2022](#)  
9 [Gallup, How Millennials Want to Live and Work, Jan 2016](#)



# The Power of Control

**People want just as much control of their work environment in the office as they do when they’re working from home.** From what type of furniture they sit on to the level of noise in the background, giving employees more autonomy over their workspace sets companies up for the best chance of having successful workplaces.

“Employees and leaders want workplaces to support individual focus work as well as collaboration. Creative work, solving complex problems, and innovation all require an ebb and flow between ‘me’ and ‘we’ work, which means the workplace has to provide spaces for both that make it easy to transition between the different work modes.”<sup>10</sup>

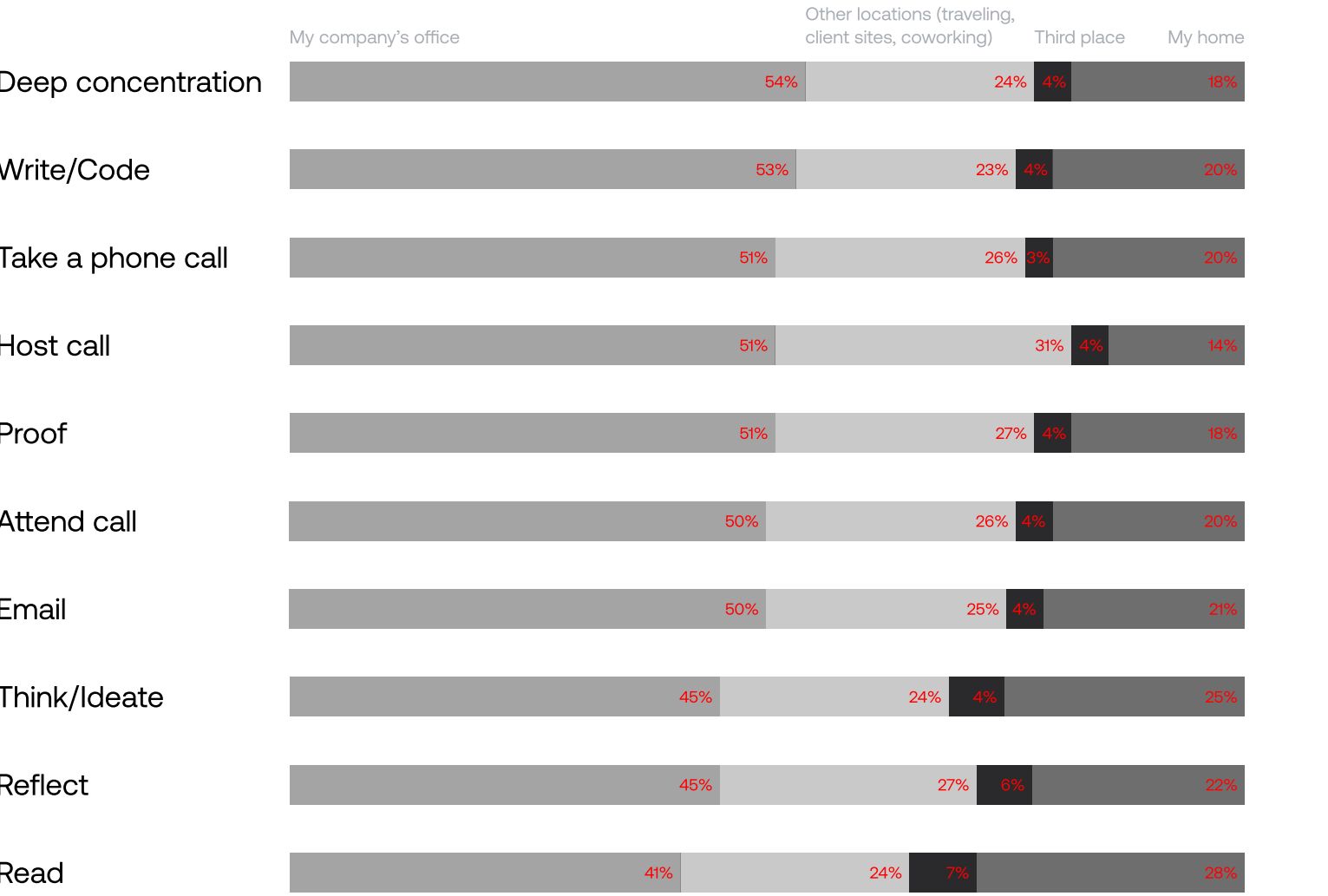
Steelcase,  
Changing Expectations and the Future of Work Report

This also reduces the pressure on employers to make one type of workplace experience perfect and they can instead focus on space experimentation and the power of choice. Think coffee shop-inspired environments designed for informal conversation and casual work and amenity-driven hospitality experiences, complemented with defined, structured spaces for concentrated work and formal meetings. In short, **workplaces need to be multi-use, multimodal, and movable.**<sup>11</sup>



## Employees with high-performing workplaces prefer to work in the office.

Where is your preferred location for each activity? (Reflects only respondents working in high-performing workplaces, as defined by Gensler’s WPI score.)



Source: Gensler Research Institute, Returning to the Office, Oct 2022

<sup>10</sup> Steelcase, Changing Expectations and the Future of Work, Jan 2021

<sup>11</sup> Ibid



# The Context That Can’t Be Ignored: Local Culture

At large companies, decision-making about how to evolve the office is typically centralized to a core, corporate real estate or workplace team. While that may be efficient, it's important not to dilute or ignore **local preferences about the workplace that vary from country to country or even city to city.**

Collaboration, access to tools, and the ability to focus are the top three elements workers in the US want from their offices moving forward. In comparison, those in Germany, France, and Spain rank collaboration, socialization, and access to tools as their shared top three wishlist elements. A sense of team belonging topped for those in the UK, Australia, and Canada while learning opportunities ranked first for people in Mexico and India.<sup>12</sup>

People around the world – and even within regions in the US – have varied expectations for when they should be in the office. People in the UK and Europe anticipate going to the office most often, while those in India and Mexico expect to spend most of their week at home. Those in Australia, Canada, and the US fell somewhere in between these poles.<sup>13</sup>

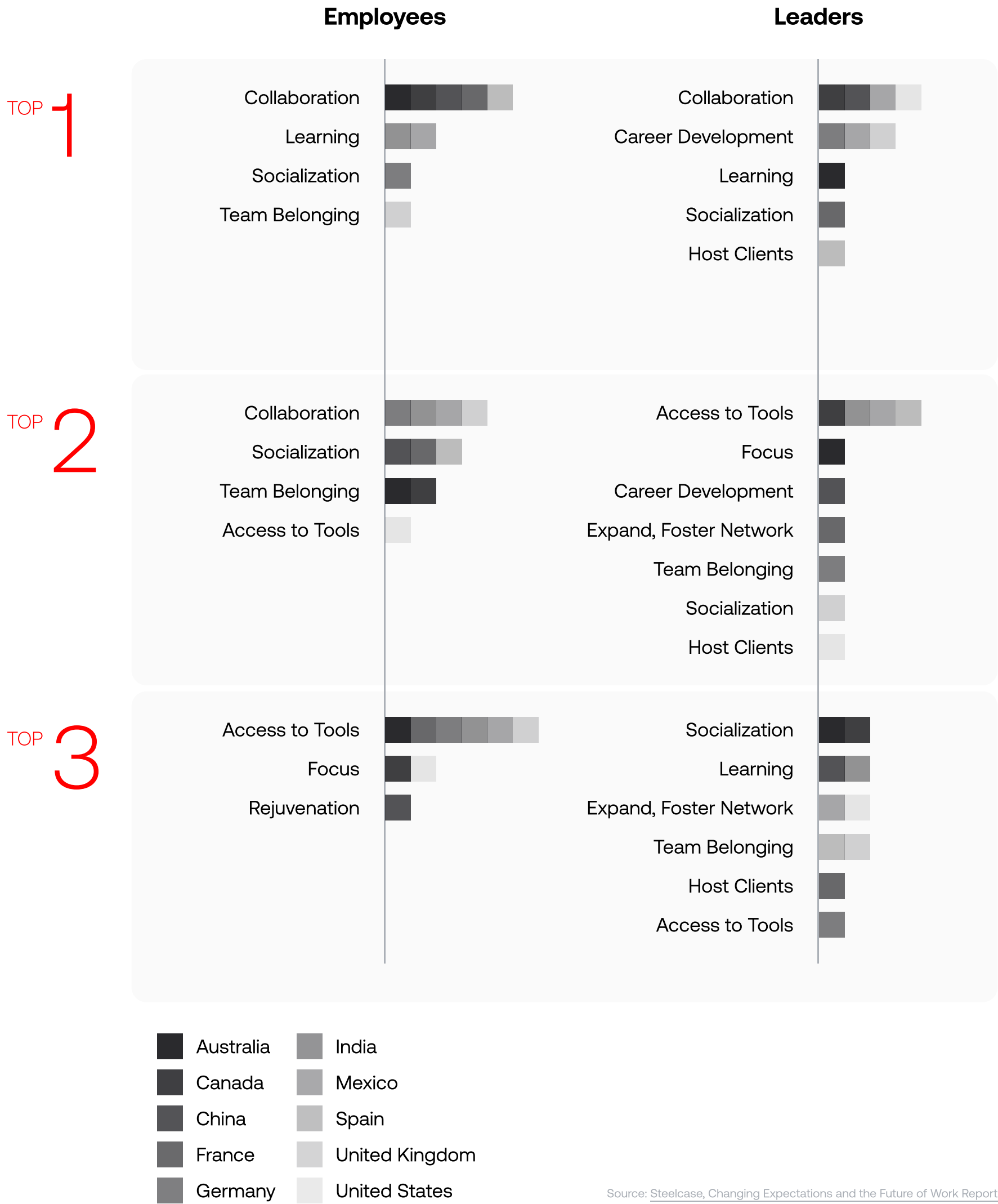
<sup>12</sup> Steelcase, [Changing Expectations and the Future of Work](#), Jan 2021

<sup>13</sup> Ibid

Beyond the locality of culture, workplaces should also reflect the teams that work there. Giving workplace or community managers insights about how local teams are interacting with their home offices – beyond global trends about the company’s office culture – ultimately gives those managers the strongest opportunity to tailor local office culture and the physical workplace.

For example, if most of a software company’s development team works out of offices in California and its customer-facing functions are centered in Austin and Chicago, the design of those workplaces should differ. Perhaps the development teams are using their local offices for ideation and collaboration more than heads-down work, tipping the ratio of collaboration space vs. assigned desks, while those offices in Austin and Chicago need more phone booths and rooms for formal client meetings.

## What People Want Most in Their Office Going Forward



Source: [Steelcase, Changing Expectations and the Future of Work Report](#)



# 02

## Ideal Conditions for Collaboration and Innovation

The legendary Thomas Watson, who ushered in a new era of innovation at IBM, once said that “Good design is good business.”<sup>14</sup> That’s particularly true for workplaces that set the stage for innovation and creativity. However, not all workplaces can do this. Yet, one of the main reasons why the office still exists on a pedestal towering over remote work is the deeply rooted belief that the best ideas are most likely to come when their employees are together, whether that’s a marathon session in a conference room or a moment of spontaneous collaboration. The assumption that forcing everyone back into workplaces stuck in March 2020 will instantly improve work outputs ignores the reality of hybrid work today.

It’s time for another evolution of workplace design with a keen eye on how it can impact outcomes in terms of innovation and problem-solving. This is much like what Watson’s hired design icon Eliot Noyes did at IBM in the 1960s, transforming not only the brand but the company’s spaces to inspire the staff’s imagination and creative thinking.<sup>15</sup> This remains the very foundation of design thinking today.

Creating an environment where people can be not only productive but their most creative selves was something most companies didn’t nail before work as we know it fundamentally changed.

<sup>14</sup> IBM, Good Design is Good Business, 2022  
<sup>15</sup> New York Times, IBM’s Design Centered Strategy to Free the Squares, Nov 2015  
<sup>16</sup> McKinsey, The Office of the Future: A Whole New Floor Plan, July 2022  
<sup>17</sup> JLL, The Future of Work Survey, Aug 2022

“There’s also a rise in the need for real team space—not just the occasional conference room but actually the time to get together as a team, to have the right space together, to have the right access to the tools they need to collaborate, and the right access for snacks and other pieces. Do you have a convenient team space with the right setup? Or is it an old conference room that’s been converted?”<sup>16</sup>

Bryan Hancock,  
Global Leader, Talent Practice, McKinsey



There is now a renewed focus on designing workplaces that not only fuel people’s productivity but inspire their creativity.<sup>17</sup> Companies have to move beyond buying more whiteboards and adding more conference rooms if they want to capitalize on this potential. They also have to admit that they don’t know exactly what types of spaces foster innovation...yet.





# A Spotlight on Space Experimentation



In 2021, more than half of US companies surveyed planned to pilot new types of spaces in the office.<sup>18</sup> Zoom, for example, launched three office concepts for their employees to experience last year – in Denver, London, and Amsterdam. One of these concepts split the office into “20 percent fixed desks, 20 percent movable furniture, 50 percent rooms designed specifically for hybrid collaboration, and the remaining 10 percent communal/kitchen space.”<sup>19</sup>

LinkedIn is also reimagining its Silicon Valley headquarters. The purpose of the space shifted from maximizing the number of people who could work there on any given day to giving hybrid workers different options for how they wanted to experience the space on the days spent on campus. Desk space was not eliminated but rather downsized so other modes of working could be supported. In total, LinkedIn HQ will give employees 65 different settings to choose from during the workday.<sup>20</sup>

Giving people this flexibility in how they work within the office is a precursor for innovation.<sup>21</sup> That means they should have access to spaces that enable them to read, ideate, and research on their own in addition to spaces designed for group brainstorming and problem-solving.

The open offices of the 2010s give companies a relatively blank canvas for this type of trial and error. Furniture providers including Knoll and Steelcase are empowering companies to jump head-first into this era of experimentation, with modular wall systems, movable furniture, and new offerings designed to give employees easier access to their coworkers and extended teams of consultants who may be at home on any given day.

Understanding which experiments with workplace design are effective, and which aren’t, is the next frontier for workplace managers.

<sup>18</sup> [Harvard Business Review, Four Strategies for Building a Hybrid Workplace that Works, July 2021](#)

<sup>19</sup> [Propmodo, The Future of the Office When the Workplace is Anywhere, March 2022](#)

<sup>20</sup> [Propmodo, How LinkedIn’s HQ Office Was Redesigned for Hybrid Work, Jan 2023](#)

<sup>21</sup> [MIT Sloan Management Review, Improving the Rhythm of Your Collaboration, Sept 2019](#)



# 03

## The Science of Experience

Too often, **workplace experiences are viewed as an art, rather than a science.** Qualitative anecdotes – from survey data to one person who may have a workplace manager’s ear – are informing nearly every aspect of efforts to get people back in the office, with little-to-no quantitative data about the performance of space. So while half of all corporate real estate leaders surveyed by Verdantix are planning to make improvements to the workplace over the next 12 months, most struggle to get insights about the impact of return-to-office strategies or the performance of their offices today.<sup>22</sup>

“Ultimately, surveys themselves don't solve problems – they prompt the right kinds of conversations.”<sup>23</sup>

Nate Dvorak,  
Gallop

Companies are somewhat blindly attempting to strike a difficult balance – a continuous and conscious focus on lowering operating costs while making investments to improve the ROI of their office space.

Consider a growth-stage startup with five offices across North America. Company leadership anticipates that headcount will jump by 25 percent this year and that all of those new hires will be expected to be in the office three days a week, just like all current employees. With only anecdotal information from managers about how many people are going to the office – who don’t always know where their teams are working – workplace leaders make the decision to add another floor of office space at each location.

But in reality, weekly occupancy across the portfolio averages 40 percent, dipping down to 15 percent on Fridays. However, this company has no way of measuring actual occupancy or space utilization. Leadership makes the decision to add 20,000 square feet of leased space, costing \$600,000 a year. In total, \$360,000 worth of that new space will go unused, assuming their current occupancy rate continues.

**Investments in perks, programs, and space modifications that aren’t grounded in fact have an inherent risk of becoming wasted, sunk costs instead of effective changes.**



<sup>22</sup> Verdantix, Global Corporate Survey 2022: Smart Building Technology Budgets, Priorities and Preferences, Nov 2022

<sup>23</sup> Gallup, Create Your Hybrid Workplace Strategy with Seven Questions, July 2021



# Effective Measures of Workplace Experience

While employee feedback is important, it should be matched with data about actual occupancy and space utilization to understand both the effectiveness of programming and incentives plus the space itself. Corporate real estate leaders are ready to invest in this effort with 58 percent planning to increase space optimization initiatives over the next 12 months.<sup>24</sup>

As companies dig into the data, it’s important to understand:

<p><b>Daily traffic:</b></p> <p>How many people are in the office each day of the week and for how long</p>	<p><b>Space utilization rate:</b></p> <p>Per location, floor, and asset (desk, room, amenity, etc.)</p>	<p><b>Space hot spots:</b></p> <p>The areas of the office that are the most frequently used</p>
<p><b>Desk usage:</b></p> <p>Actual usage vs. bookings for hot desks, time spent at desks for traditional, assigned desks</p>	<p><b>Actual space use case vs. intended purpose:</b></p> <p>I.e. Are meeting rooms used more often for solo work?</p>	<p><b>The cost of space:</b></p> <p>Asset square footage multiplied by lease rate (\$ per sq ft) multiplied by utilization rate</p>

This data empowers companies to understand which space types are most popular, when, and why. Beyond benchmarking how people experienced the work in the past, these insights help you determine what employees need more of in terms of the space itself, technology and amenities. For example, people may be crowding onto the floor in an office dedicated for focused work with desks and a quiet atmosphere while the meeting room floor may sit empty for most of the work week. That floor of conference rooms could be condensed to save on leasing costs or repurposed to better serve team members at the office.

Only 13 percent of occupiers are collecting ongoing or real-time data about the performance of their offices. Corporate real estate leaders cite this as one of the top five inhibiting them from adding strategic value to their companies.<sup>25</sup>

JLL,  
The Future of Work Survey 2022

<sup>24</sup> [Verdantix, Global Corporate Survey 2022: Smart Building Technology Budgets, Priorities and Preferences, Nov 2022](#)

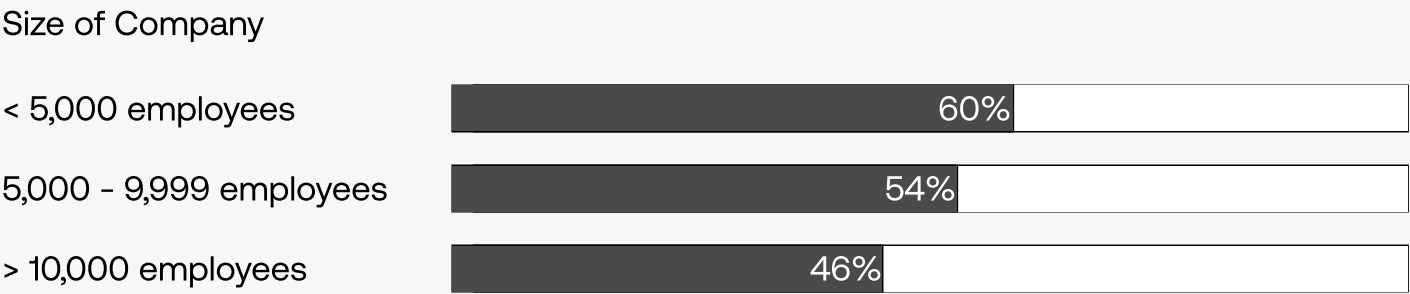
<sup>25</sup> [JLL, The Future of Work Survey, Aug 2022](#)



# The Rise of Real-Value Amenities

While most companies aren’t adding more space to office portfolios this year, they are infusing new amenities into existing spaces to boost their value to employees. Wellness-focused amenities are a particular focus area as companies acknowledge the impact that well-being has on people’s productivity and engagement. Outdoor space and rooftop gardens are one of the fastest-growing amenities, with 35 percent of companies planning to add them to current workplaces.<sup>26</sup>

### In Numbers



choose **improving workforce resilience by enhancing physical and mental health and wellbeing** as important strategic objectives for your CRE function between now and 2025.

Source: [JLL, The Future of Work Survey, Aug 2022](#)

Spaces that don’t have these amenities are more likely to see “for lease” signs in the near future. In fact, nearly a quarter of companies are planning to shed spaces that do not have the amenities employees now want in the workplace. It’s not about ping-pong tables or free snacks (although good coffee always helps).<sup>27</sup> Instead, **they want spaces, amenities, and perks that enrich their lives – things they can’t get from the comfort of their couch.**

While all of these initiatives and investments seem like they are driven to justify the expense of office space, motivation for change is about empowering the strongest outcomes for organizations and individual employees. The performance of the workplace is a direct contributor to both results. Since the office will remain at the core of most company cultures, let’s make it a play where companies and people can thrive, driven by growth, productivity and success.

<sup>26</sup> [JLL, The Future of Work Survey, Aug 2022](#)

<sup>27</sup> [Verdantix, Global Corporate Survey 2022: Smart Building Technology Budgets, Priorities and Preferences, Nov 2022](#)





# How can Butlr help?

Wasted resources, underutilized space and shrinking budgets are some of our customers’ biggest concerns. Navigating in the always-in-flux Corporate Real Estate territory can be overwhelming—especially during times when most of what is at stake is directly dependent on how people choose to use space every single day. Even worse, people use space in an arbitrary way, making it difficult to discern patterns with traditional means and media such as simply observing, relying on budge data or running surveys.

When designing for the human experience, more important than knowing “how many” is simply asking “how”: “how are people using my space and is there room for improvement, smart shrinking and sqf-to-value increase?” This is where Butlr’s anonymous people sensing and occupancy detection platform helps enterprises across the globe: to improve their workplace planning and operations. Using just body heat and advanced AI technologies, Butlr infers contextualized human activity and delivers rich spatial insights instantly. One of the most robust and cost effective solutions in the market, Butlr helps clients create enhanced workplaces, improve employee experience, design effective asset strategies and optimize building operations.





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