

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Inquiry into Flexible Working in the Public Sector in Northern Ireland: Briefing on Workplace Design from Mr Brian Thompson

29 May 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings: Mr Daithí McKay (Chairperson) Mr Dominic Bradley (Deputy Chairperson) Mr Leslie Cree Ms Megan Fearon Mr John McCallister Mr David McIlveen Mr Mitchel McLaughlin Mr Peter Weir

Witnesses: Mr Brian Thompson

realestateworks Ltd

The Chairperson: I welcome Brian Thompson, from realestateworks Ltd. Brian, do you want to make an opening statement before we move to questions?

Mr Brian Thompson (realestateworks Ltd): Yes. For the avoidance of doubt, I will start by saying what I am not. I am not a professional researcher, social scientist, psychologist or sociologist. I have a property advisory background, often for public sector organisations. During my time as an adviser, I became increasingly aware of the, arguably, unhealthy attention to economy versus effectiveness of space. I was motivated, therefore, to encourage the Royal Institution of Chartered Surveyors to ask me to write a research report on the linkage between the workplace and productivity because productivity was also appearing increasingly on organisations' agendas.

The Chairperson: OK. Can I ask you first, Brian, if, on a lovely day such as today, it would not be better to take the Committee meeting outside? Would we not be more productive in doing so?

Mr Thompson: Yes. I think that having the flexibility to work in different locations at different times, according to the agenda, the issues to be discussed and the environment is a wholeheartedly worthy objective.

The Chairperson: Do many businesses do that? Today, I was thinking that we are always talking about how offices are spaced out. Some people work better outside on sunny days. It improves their mood and, perhaps, productivity. I wonder whether any businesses have set tables and chairs outside, so that, on good days, employees can go outside. They would appreciate that.

Mr Thompson: I know some organisations that have the benefit of being in offices with rooftop space, which, on days such as today, would be at a premium. To be slightly more serious; it is also the case that there is a very large body of evidence to confirm a link between natural light — daylighting, as opposed to artificial lighting — and organisations' effectiveness. Indeed, there is also some interesting research linking greenery and natural colours with productivity and performance.

The Chairperson: You talk about natural light and daylight, which we do not get much of in this Building. I know that many people use substitute devices. Are they of any use in the workplace? What is your view on them?

Mr Thompson: Can you clarify what you mean by "substitute devices"?

The Chairperson: I mean micropods, which you turn on to light. They substitute for ultraviolet rays and are quite popular in some businesses.

Mr Thompson: I have known some organisations to use them. Personally, I am a little bit sceptical about their benefits, particularly with regard to long-term sustainable productivity. That is a common theme with many initiatives that organisations may be tempted to undertake. There might be an initial peak in performance improvement. However, the trick is to achieve sustainable performance improvement. The extent to which "gadgets", let us call them, can achieve that is, probably, debatable.

The Chairperson: There is a debate about open-plan versus cellular office environments. Is it better to have a mixture? I know that some people thrive in an open-plan environment in which they are interacting constantly, whereas other people cannot stand it. They need to go into a corner to have some privacy and are more productive that way. Is it better to have the best of both worlds?

Mr Thompson: Yes. The argument regarding open-plan versus cellular environments is of limited benefit. The key issue is to provide a facility that caters for a variety of needs and that, critically, can be adapted quite readily over time to cater for the changing needs of an organisation. That fact, in itself, suggests that a design that is more open and flexible is more appropriate simply because it allows change to be undertaken more readily. I also think that the productivity debate should not be divorced from the debate about efficiency of space.

The Chairperson: Do you think that the public sector and government in general take the issue seriously enough? Obviously, there is some scepticism about productivity, particularly with regard to working from home. There could be software in place to monitor that productivity. Some people might take the view that if they cannot see what employees are doing, they are, probably, skiving. Do you have a view about whether leadership needs to be to the forefront in this as much as anything else?

Mr Thompson: Yes. The issues of management style, culture and leadership arise frequently as barriers to the implementation of flexible working. To answer your question on whether government takes it seriously; from my experience, if I widen it to include the public sector, the public sector takes it very seriously. One challenge, however, is in predicting and quantifying the benefits that can arise from adopting a more flexible working environment and practices. Having said that, there appears to be an increasing body of knowledge and experience, growing literally week by week, from organisations that have adopted it successfully. Perhaps one area in which the public sector does not excel is in sharing knowledge and experience within itself and across countries.

Mr D Bradley: In your research, you say that workplace design should not be divorced from the subsequent management of the workplace. Will you explain what you mean by that?

Mr Thompson: I am glad you raised that point because it is probably an area of research that has not been covered adequately, to my knowledge. By the comment, I mean that the sustaining of improved performance is inextricably linked to the way that facilities are managed on an ongoing basis. Unfortunately, too much focus in procurement, or facilities management services, is on cost rather than quality. I would point to the reference in the report to the Hawthorne experiments and the Hawthorne effect, which confirms that the mere fact of paying attention to the occupier's needs can itself be a motivating force. I think that the facilities management industry could usefully learn from that theory and evidence and become more customer focused in its approach to sustaining improvements.

Mr D Bradley: The arguments made for open-plan office space include the promotion of good communication and teamwork. Is that claim sustained by evidence that you have recovered in your research?

Mr Thompson: There seems to be a large body of evidence confirming that personal interaction, whether planned or unplanned, can be a contributor to the effectiveness of organisations. The openplan versus cellular debate has to recognise that there can be some downside to open-plan, particularly around noise and disturbance, whether that is visual or aural. This merely implies that one has to recognise that there are potential downsides and that one should put in place appropriate protocols and processes for managing the open-plan environment, which, in some instances, can appear more like a school playground than a place of work.

Mr D Bradley: The Chair mentioned earlier that rather than have a black-and-white situation in which there is either open-plan or cellular, some new office designs offer more private spaces alongside, or within, the open-plan system to suit the particular work styles of individuals or their needs at any particular time. Do you agree with that model?

Mr Thompson: Absolutely. I think very few organisations undertake tasks that can be most efficiently performed by people sitting in banks of desks without the ability to meet with colleagues in large or small groups, or, indeed, find smaller space for private study. I think that what the argument comes back to, however, is the need to understand the business of the organisation that will occupy the space. Otherwise, one might readily fall into a situation where the design determines the way space is used and the organisation operates, rather than organisational activities and processes driving the design of the space.

Mr D McIlveen: Thank you for the report, Brian. On page 14, it states that what constitutes:

"a productive workforce will depend to an extent on one's functional position."

That automatically makes alarm bells ring, when you are starting to personalise from employee to employee and are, effectively, saying that one may adapt very well to that type of working environment and the other may not. Is there any matrix in place so that you can easily identify the type of work space that will most benefit the majority of employees? Obviously you would want to make sure that radical changes to the workplace would not actually have a negative effect on the majority of your employees. How do you feel you could best identify or discriminate between who is or is not most adaptable to that type of workspace?

Mr Thompson: I think that there is no substitute for actually asking people what working environment best suits their needs. I am conscious that some academic research pours scorn on the idea of actually talking to people and placing great weight on their views and opinions, but I think that the most effective transformations, or transitions, of the workplace inevitably start with dialogue with users and taking the users through the journey of moving to a new working environment or even a reorganisation of the existing environment. I think that evidence shows, however, that the vast majority of people within an office environment have a requirement that is fairly standard for their prime place of work, but what they often want in conjunction is the ability to move to alternative work settings where the job need arises.

Mr D McIlveen: What if you have a Department — particularly within the public sector, which is obviously the area that we are focusing on at the moment — with a high turnover of staff? I am coming back to what it says about individualising it into one person's functional position. If you found yourself in a Department with a high turnaround of staff, and that dialogue has taken place with the staff who are there at the time and who you want to adapt the changes around, how would you deal with that ever-changing situation? Would you suggest that the physical environment of the office had to change for the staff?

Mr Thompson: I think that one has to be pragmatic about the nature, extent and timing of dialogue with users. If there is to be a transition or transformation of the workplace, there is undoubtedly a need for a baseline to be taken, which would involve appropriate consultation with users. Irrespective of the degree of staff turnover, I think there is much to be said for taking the pulse of the organisation perhaps every six or 12 months in order to understand how well the working environment is continuing to support the organisation, not least because its objectives and technology may evolve over time, as

might the management hierarchy. Perhaps a regular MOT should be undertaken as well as the first service.

Mr D McIlveen: I have one final question, and it is on a different issue. I do not have the page reference, but I note that you mentioned the office as a point of interaction for people. Where the environment of the office changes, particularly with flexible working, how do you ensure that interaction is maintained?

Mr Thompson: Your future @ work proposals appear to recognise that this is an issue and have put in place the technology to assist communication between individuals and between line managers and their staff. I know there are many alternatives and variants, but I would prefer to think of flexible working as a model that enables people to work remotely when appropriate for the task, the implication being that there will be a semi-permanent home office of sorts, which will also allow for necessary social interaction. In summary, I think one has to work harder at it, and positively make an effort, because it is all too easy to forget people who are working remotely and make an assumption that they are doing what is expected of them.

Mr Cree: Thanks. I was interested in the demise of the facilities management function, which I recall in the 1970s, too. Would it be true to say that you regret its demise?

Mr Thompson: I regret its more recent focus on operation and technical matters rather than, let us say, strategic and long-term or customer-oriented matters. The term remains the same but the focus of its performance has arguably changed to become one of maintaining the systems and backbone of facilities in the background, whereas in my view, the facilities management function should be much more up-front and visible and, as I said before, customer-focused.

Mr Cree: I think the danger is that we try to make an exact science out of too many things now. I did not see any reference to sick building syndrome in the report. Did you find any evidence of that in your study?

Mr Thompson: There is a section in the report dealing with the various environmental factors in an office. It covers issues such as air quality, humidity levels, daylighting, and so on, and all of those have variously been put under the wrapper as reasons why sick building syndrome has occurred. Importantly, the research shows that those factors, if managed appropriately, can either improve or inhibit productivity and performance. Although the term "sick building syndrome" has perhaps become a thing of the past, the causes of it undoubtedly remain today and still need to be managed as effectively as they were in decades gone by.

Mr Cree: I did not see any reference to this, but, finally, is there any merit in continuous improvement or total quality management (TQM) as a motivator in the present day?

Mr Thompson: Let me first address why it is not in my report. As you may have noticed, the report was specifically about the impact of the working environment on productivity and performance. My views on TQM, continuous improvement and other such initiatives are that they can become ends in themselves. Those operating such systems need to be reminded continually of the required outputs of an organisations to avoid the danger of process taking over. When such initiatives are applied correctly, they can be usefully allied to initiatives to improve the workplace.

Mr Mitchel McLaughlin: Brian, you are very welcome. This is very interesting. The Assembly, over the past four mandates, has been looking at Civil Service accommodation needs and dealing with a considerable legacy of productivity, poor communication, silo mentalities, absenteeism, an ageing property portfolio and modern technologies emerging. We had a formal policy called Workplace 2010 that was designed to solve all that. It collapsed amid poor responses from the workforce. There was resistance to change, particularly to the idea of open-plan offices. We have some large-scale, office-based private sector organisations in this region, but they are not the mainstay of our economy, because the public sector is the biggest employer. Are there exemplar projects that you have become aware of or have looked at, or that we could look at? We are still wrestling with all those problems. We are about to embark on a process of reconfiguring the Departments, which will create a significant opportunity to deal with some of the issues. The big issue is whether we know exactly where we are taking the project. You cited a couple of examples in which an intensive communication project did not deal with all the issues and ran into significant consequences. Can we look at a project that has actually worked?

Mr Thompson: One project, or initiative, that I have become familiar with is the Aberdeenshire Council's Worksmart initiative, which involves a significant rationalisation of office accommodation. Crucially, one of the core objectives of the initiative is to improve the performance and productivity of the workforce. Following some research into the views of managers and those affected by the ongoing changes in what is a live project, I understand that the vast majority of line managers surveyed considered the performance and productivity of those affected to have improved markedly, in particular the amount of face-to-face contact that public sector employees had with customers or users of those services.

I mention that project particularly as it is a live project, and there is arguably more benefit in learning lessons from a live project than from one that perhaps took place two or three years ago and on which the book was closed. That is not least the case because some issues, such as enabling technology, seem to move rapidly. Although it is useful to look at exemplar projects that are out there, from my understanding of the skills, capabilities and knowledge of the Northern Ireland public sector as a whole, I think that you would be able to make a reasonably good fist of the opportunity, starting immediately.

Mr Mitchel McLaughlin: Yes, we will see. Are shared services part of this live project?

Mr Thompson: I do not know the answer to that, but I expect that the rationalisation of activities within departments of what is a very large council would almost inevitably involve a degree of sharing of common services. However, that would need to be investigated further.

Mr Mitchel McLaughlin: OK. We have an ongoing review of public services, which will result in a reduction in the number of councils in the relatively near future. Of course, that will mean amalgamations and enlarging councils' functions and devolving some additional powers from the Assembly. Therefore, it could be that this is a timely indication, and I find your report very interesting, including its unflinching focus on the problems that emerge as well the advantages.

Mr Thompson: I found very little objective commentary in the market when it came to productivity and the workplace. A number of research reports that are out there were ultimately sponsored or driven by organisations with a vested interest in selling products such as furniture, telecommunications, lighting systems —

Mr Mitchel McLaughlin: Yes, we are familiar with that here as well.

The Chairperson: I have a couple of final points to make, some of which the Committee raised earlier, Brian. The first is in regards to the key Workplace NI accommodation principles that are being applied for new or refurbished Civil Service offices, and aligning those with the research findings on the key success factors for increasing the:

"likelihood of the workplace impacting positively on the productivity of its occupiers".

How do you think we are performing on that?

Mr Thompson: So that I understand the question, are you asking how the Northern Ireland accommodation principles are aligned with what I identified as the key success factors?

The Chairperson: Yes.

Mr Thompson: The existing accommodation principles are arguably more around space-management principles than more widespread accommodation principles, given the references in the accommodation principles to desk sizes, storage space, space per workstation and desk-sharing ratios. Of course, if the focus is to be predominantly or exclusively on efficiency, principles such as those are absolutely correct. However, my starting point was around the effectiveness or productivity of a workplace. That necessarily involves looking at a number of other factors or drivers towards productivity. For example, constant themes in the research for key success factors for a more productive workplace would be around the design of the space, by which I mean flexibility, adaptability and a variety of work settings. The key success factors also mentioned a number of environmental conditions in the workplace around air quality, lighting and controllability of the environment. Another

key success factor was around the issue that we have already touched on, which is customer-focused facilities management.

It is not altogether surprising that the key success factors do not align with the accommodation principles, because they were designed to do slightly different things. Where that perhaps takes you is to think about augmenting the accommodation principles with an associated set of design or workplace principles that ensure that a more holistic approach is taken to workplace redesign.

The Chairperson: You mentioned air quality. What further can we do on ventilation and improving air quality? How cost-effective would that be when comparing cost with productivity?

Mr Thompson: I do not think that there is a simple answer to that, although if my memory serves me correctly, I referred to a piece of research that indicated a very rapid payback when it came to improving air quality to achieve payback on the investment, but it very much depends on the circumstances.

The Chairperson: Is that something that the public sector recognises?

Mr Thompson: I am not sure whether investment appraisals are sufficiently sophisticated to take business benefits into account. In fact, I am absolutely convinced that business cases are not sophisticated enough at the moment to take business benefits into account. Therefore, investment in air conditioning or other such infrastructure will typically be looked at against reduction in utility costs and payback based on that rather than on any other outcome.

The Chairperson: Finally, on the application of the future@work concept, including the business zones in the Civil Service, how might they be supported or informed by some of the lessons arising from this piece of research?

Mr Thompson: There are a few lessons that the research points towards that would be relevant to the future@work concept, or, indeed, any significant change in working practice or models. One issue that I have touched on already is around user engagement and the need for that to be at an appropriate time, conducted in an appropriate way but also prolonged throughout the change programme that needs to be put in place.

I also have a fear that the future@work concept might be seen as a technological solution to business or organisational problems. One would need to be wary of falling into the trap of believing that technology will solve more fundamental problems in an organisation.

I will refer to some things that I have experience of that are happening in the wider market with business zones. From my understanding at the moment, the business zones are Northern Ireland Civil Service offices that are available to central government employees. There are examples of central government and local government combining their property assets to make available a pool of assets to users of all organisations within that pool. I can see that being a natural evolution if there is a will, and if technology allows it. It makes entire sense logically and rationally for the public sector to share public sector assets irrespective of the ownership of those assets, where it makes sense for ad hoc meetings or dropping into a space where one can carry out one's work without travelling and consuming energy and emitting carbon.

The Chairperson: Brian, it has been a very useful contribution. Thank you very much.