

Facilities Programs

*Alternative Officing  
Research and  
Workplace Strategies*

**HAWORTH®**

*In Collaboration with the IFMA FOUNDATION*

# ALTERNATIVE OFFICING RESEARCH AND WORKPLACE STRATEGIES

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The following is a research summary report that highlights the major findings of the Haworth/IFMA Foundation Alternative Officing Research. It is intended to be a resource guide to help you better understand the concepts, advantages and facility management application of the new work styles. More companies are realizing every day that their business performance is closely related to how they manage their facilities and workplace assets. Operating expenses can be reduced at the same time real estate assets are maximized and employee productivity and the quality of work life are enhanced. Enlightened businesses are achieving these results by using methods that you can bring to your organization.

This information is intended to provide you with a benchmark for managing your facilities and workplaces in a way that supports your organization's long-range financial, operational and human resources goals. Toward that end, we think you'll find this publication to be a valuable resource.

For a comprehensive report of the research data, focus group responses and survey questions, contact Haworth or IFMA.

Haworth, Inc.  
IFMA Foundation

## Table of Contents

The Study in Brief .....	3
Alternative Officing Research Summary .....	5
Alternative Officing Strategic Impact .....	7
Awareness, Usage, And Future of Alternative Officing Strategies ...	8
Evaluating Alternative Officing Strategies .....	11
Assessment of Alternative Officing Strategies .....	14
Glossary.....	15
Workplace Redesign Strategies .....	16
– Flexible work schedules	
– Modified office standards	
On-Site/On-Premise Strategies .....	18
– Free address	
– Hoteling	
– Group address	
– Shared space	
– Project team environments	
– Activity setting	
Off-Site/Off-Premise Strategies .....	20
– Telecommuting	
– Satellite officing	
– Remote telecenters	
– Virtual officing	
Survey Respondent Summary.....	22
Additional Information.....	Back Page

## ACKNOWLEDGEMENTS

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This report and the survey and focus groups on which it is based were developed under the leadership of the IFMA research department and Haworth, Inc.

We would like to extend our appreciation to all of the professionals who took the time to provide the input, materials and knowledge that went into this research. The information contained in this report has been voluntarily supplied by IFMA members.

Additional copies of this publication or a complete report of the survey results are available by contacting IFMA or Haworth.

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### *About Haworth*

Haworth is a leading manufacturer of quality office furniture. The company offers a complete line of furniture for office and institutional environments, including open-plan systems, seating, tables, desks and files.

Through its extensive dealer network, Haworth can also provide a wide range of services for the workplace, including space planning and design, asset management, product leasing, certified product installation and maintenance.

Haworth's manufacturing and distribution capabilities extend worldwide, and its products and services are recognized as meeting the highest international quality standards possible. The company's annual sales have consistently outpaced the industry's average growth rate, while innovative new product introductions continue to position Haworth as an industry leader.

### *About International Facility Management Association (IFMA)*

IFMA is the professional association for facility management with more than 13,900 members in 117 chapters located throughout the world. The organization spots trends, conducts research, provides educational programs and assists facility managers in developing strategies to manage the human, structural and real estate assets of an organization. IFMA also provides a competency-based facility management certification program.

### *About IFMA FOUNDATION*

Founded in 1990 as a 501(c)(3)A Corporation, the IFMA Foundation is dedicated to advancing the field of facility management by funding research, education and scholarships.

The Foundation works through IFMA members, chapters, councils, organization, corporations, institutions, and events to seek out future programs for the benefit of facilities management professionals.

Alternative Officing Research and Workplace Strategies  
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### *Background and Objectives*

The IFMA Foundation was founded in 1990. Its mission is to increase the recognition and status of the facility management profession in the business community by providing funds for scholarships, educational programs and research projects.

Haworth Inc., a world-leading manufacturer of office furniture and seating, is known for its full line of corporate, health care, education and small business products and its commitment to total customer satisfaction. It was the first American office furniture company to achieve ISO 9001 certification.

The IFMA Foundation and Haworth, Inc. have partnered on a research study on alternative officing, a growing trend in the work environment. In an effort to assess facility managers' opinions on alternative officing, IFMA was retained to conduct focus groups of its members about their knowledge and attitudes toward twelve different alternative officing approaches. In addition, Gelb Consulting was contracted to survey members on the same topic.

### *Alternative Officing*

Alternative officing is a collective term used to describe different strategies which have changed the design of the workplace and how people work. Economic and societal forces have driven organizations to analyze the processes in which people work. As a result, strategies have been developed that maximize space usage based upon the amount of time workers spend inside and outside the office and with each other. This allows the organization to save space and increase productivity.

With alternative officing, workers are more likely to see smaller space standards, fewer enclosed areas, greater access to natural light, more choices in furniture and finishes, and fewer basic office sizes. The conventional ratio of one worker to one work space is changing. Non-territorial approaches are expected to increase in the coming years. Project team environments and activity settings encourage interaction while combining shared and individual space. Telecommuting and the virtual office are examples of alternative officing approaches that maximize time spent off-site and minimize space requirements at the facility.

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## *Study Methods*

In the first quarter of 1995, IFMA conducted three 90-minute focus groups with members in conjunction with IFMA regional leadership conferences. Participants were recruited on the basis of their knowledge and experience with alternative officing. Using the results of the focus groups, Gelb Consulting Group and IFMA developed an eight-page, self-administered questionnaire. This questionnaire was mailed with an IFMA business reply envelope to a random sample of 4,004 IFMA members (including 352 Canadian members) on April 3, 1995. A second wave of questionnaires was mailed to the same sample on April 13th. A total of 786 questionnaires was returned by the cut-off date of May 16, for a response rate of 20%.

Areas covered in the study include:

### *Usage and evaluation of alternative officing strategies:*

- Percent of employees currently participating in some type of alternative officing;
- Percent of employees expected to be involved in alternative officing in the year 2000;
- Familiarity with the twelve alternative officing strategies;
- Five-year vision as to how alternative officing will affect organizations;
- Overall impact of alternative officing strategies on cost;
- Impact of alternative officing strategies on cost for specific areas;
- Sources of information used to evaluate the results of implementation; and
- Measures used to determine the effectiveness of alternative officing strategies.

### *Assessment of each alternative officing strategy:*

- Types of jobs/positions suitable for each alternative officing strategy;
- Reasons for investigating or implementing each alternative officing strategy;
- Obstacles encountered when investigating or implementing alternative officing strategies;
- Advantages and disadvantages that have resulted from implementation; and
- Reasons for discontinuing use of alternative officing strategies.

## *Project Personnel*

John Elmer, executive vice president of Gelb Consulting Group, directed the study. Laurie Nienhuser served as project coordinator, and Sondra Berry as marketing analyst. All questionnaires were tabulated by Gelb's in-house data processing department, supervised by Marilyn MacRill. Shari Epstein, Research Specialist, coordinated the survey for IFMA.



# *ALTERNATIVE OFFICING RESEARCH SUMMARY*

## RESEARCH SUMMARY

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In April 1995, facility managers in the United States and Canada were surveyed by mail about their attitudes toward and knowledge of alternative officing practices. The key findings are:

- Most facility managers report that their organization is involved in some type of alternative officing practice. Use is expected to increase significantly by the year 2000, with the greatest increase expected in the use of telecommuting. The majority of facilities use workplace redesign alternatives, which include flexible work schedules and modified office standards.
- Sales positions most frequently were cited as appropriate for alternative officing practices. Administrative positions also were deemed by many as appropriate for workplace redesign practices.
- Organizational culture was reported most often to be the primary barrier to implementing alternative officing strategies. Upper management was most likely to resist implementing flexible schedules and off-site/off-premise practices. The work force was more likely to resist modified office standards and on-site/on-premise practices than were managers.
- Constraints of the existing building frequently were a barrier to implementing on-site/on-premise practices.
- Several benefits resulted from implementing alternative officing practices. On-site/on-premise practices most often yielded cost reductions and productivity increases. Off-site and off-premises practices often resulted in increased morale and higher productivity.
- Most organizations supply telecommuting and home office employees with computers and modems, while six in ten provide other data lines and voice mail. Four in ten provide facsimile machines and telephones.
- Three-quarters of the facility managers evaluate the effectiveness of alternative officing practices by observation, while half use employee interviews and financial data. An additional 50% or more track specific measures to evaluate effectiveness, with employee and customer satisfaction tracked most frequently.
- More than half of the facility managers reported cost reductions after implementation, with rental, lease and property costs most frequently reduced. Almost one-fourth reported cost increases, especially in technological equipment and supplies.

\* *Italicized quotes represent facility professionals comments from regional alternative officing focus group sessions.*

### *High and Increasing Use of Alternative Officing Practices*

Eight in ten (83%) facility managers reported that their facilities were participating in some level of alternative officing in 1995. Almost all (94%) expected to be involved in alternative officing in the year 2000.

Flexible work schedules (53%) were used most often (either currently or previously), followed by modified office standards (46%) and shared space (41%). Hoteling and free address were used less frequently (7% each).

Facility managers in the manufacturing and service industries were much more likely to report having employees involved in alternative officing than were those in government/educational sectors.

### *Alternative Officing Reduces Property Costs, Increases Technology Costs*

Half (51%) of the organizations reported cost reductions as a result of implementing alternative officing strategies. These reductions were reported most frequently in the service industry.

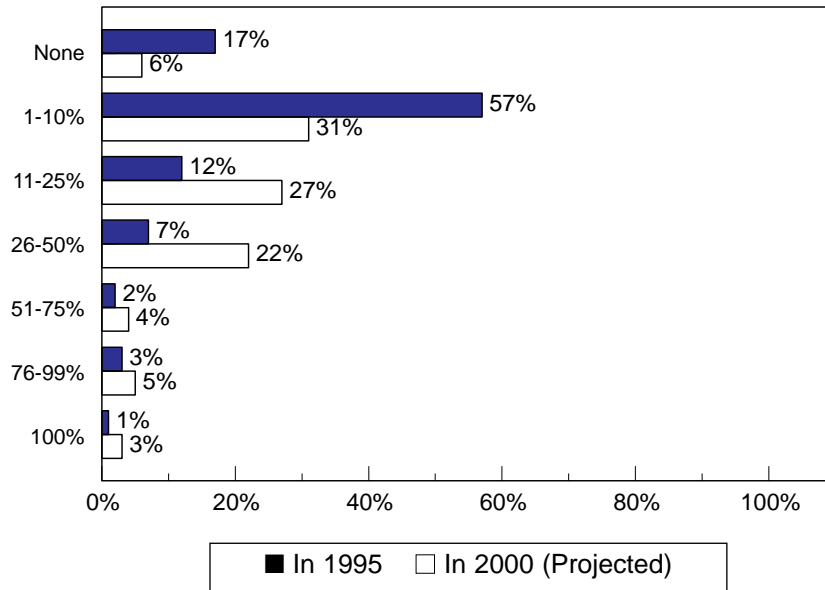
The costs of rent/lease/property (48%), furnishings (34%) and utilities (28%) most were often reduced by alternative officing.

Approximately one in five facility managers (17%) reported cost increases due to alternative officing practices, with the government/education sector most likely to report cost increases. Alternative officing was most likely to increase costs for technological equipment and supplies (52%).

### *Alternative Officing Most Often Evaluated Informally*

Eight in ten (78%) facility managers evaluated the effectiveness of alternative officing by observation. Half used employee interviews (50%) or financial data (46%).

### Percent Of Employees Participating In Alternative Officing



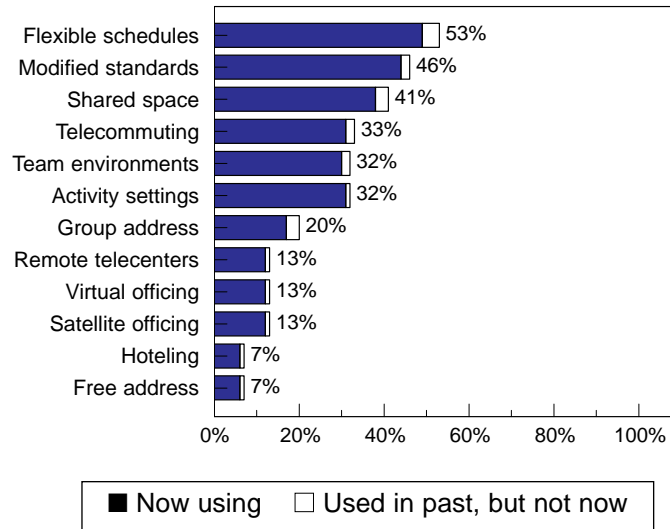
Most facility managers surveyed expected the use of alternative officing to increase by the year 2000. Eight in ten (83%) facility managers reported that some number of employees would participate in alternative officing during 1995. But more than nine in ten (94%) expected to have workers involved in alternative officing by the year 2000.

Further, while one-quarter of the facility managers reported that at least ten percent of their employees would be involved in alternative officing in 1995, 60% expect that level of participation by the year 2000.

Facility managers in the manufacturing and service sectors were much more likely than those in government/education sectors to report use of alternative officing strategies.

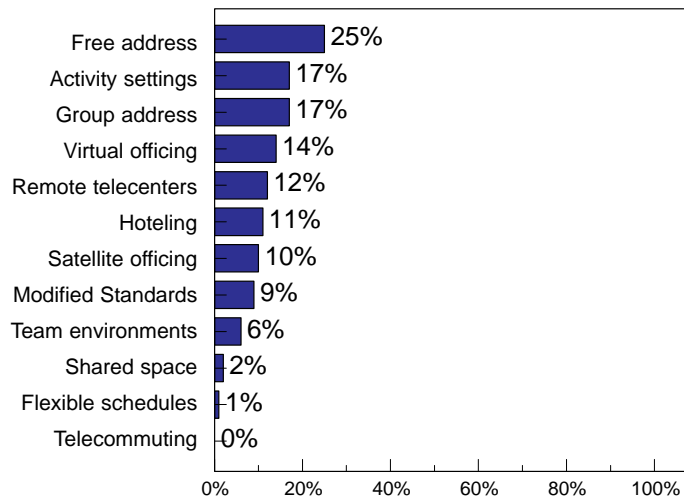
Medium-sized organizations (1,000 to 2,499 employees) were most likely to be involved currently in alternative officing; large organizations (2,500 or more employees) were least likely.

## Percent Who Have Used These Alternative Officing Strategies



The most commonly used alternative officing strategy was flexible work schedules, reported by half the participants. Modified office standards and shared workspace frequently were preferred officing alternatives. Hoteling and free address were used the least.

## Percent Who Have Never Heard Of These Alternative Officing Strategies

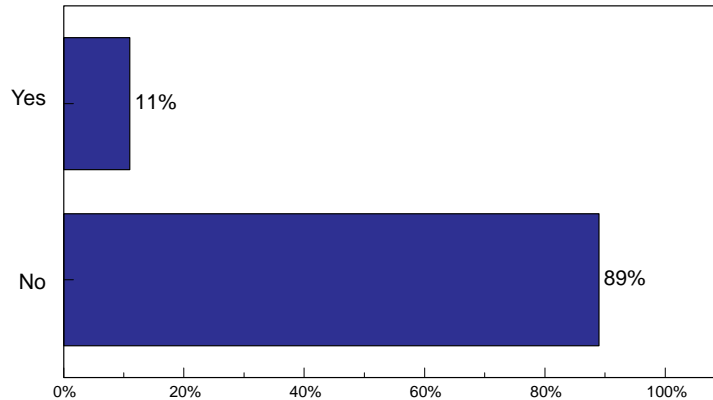


All facility managers surveyed were familiar with telecommuting, and almost all were familiar with flexible schedules and shared space.

Facility managers were least familiar with free address. Activity settings and group address also were unfamiliar to most respondents.

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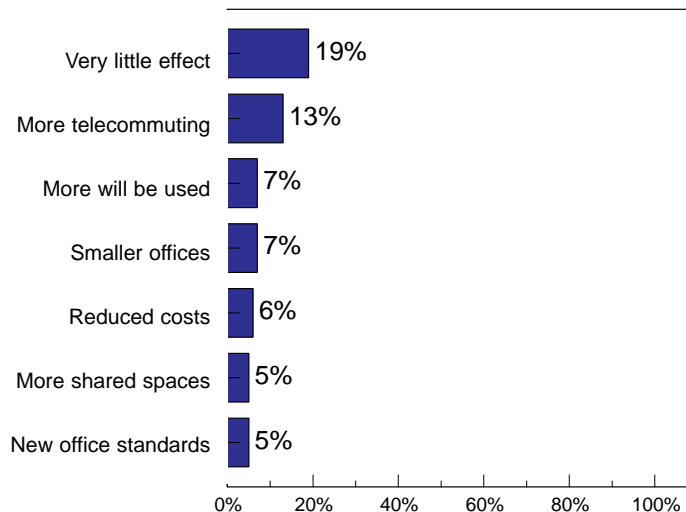
## Has Your Company Discontinued Using Any Alternative Officing Strategies?



Approximately, one in ten (11%) facility managers whose organizations have used alternative officing strategies reported that they had ceased using at least one strategy. Many of these facility managers reported that an alternative officing strategy had been used on a temporary basis, such as to ease rapid organizational growth, to meet the needs of a special project, or to accommodate the temporary impacts of building repairs and remodeling.

Others ceased using an alternative officing strategy because of employee isolation from others, abuse by employees, lack of management or worker buy-in, or a changed business environment.

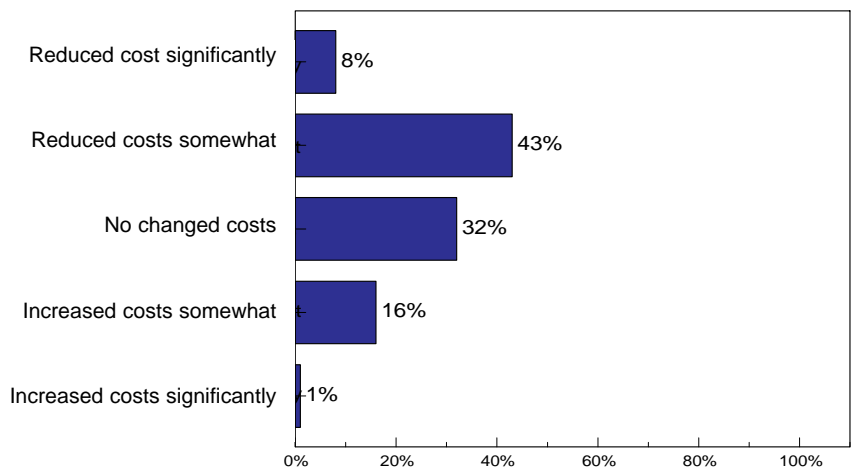
## How Will Alternative Officing Strategies Affect Your Organization In The Next Five Years?



Only one in five (19%) facility managers reported that alternative officing would have very little impact on their organization in the next five years. The most frequently cited impact was an increase in telecommuting, reported by one in eight (13%) facility managers.

*“Things are moving forward. Employers are looking at operations in their business where (workers) can telecommute.”*

### Overall Effect On Costs As A Result Of Alternative Officing

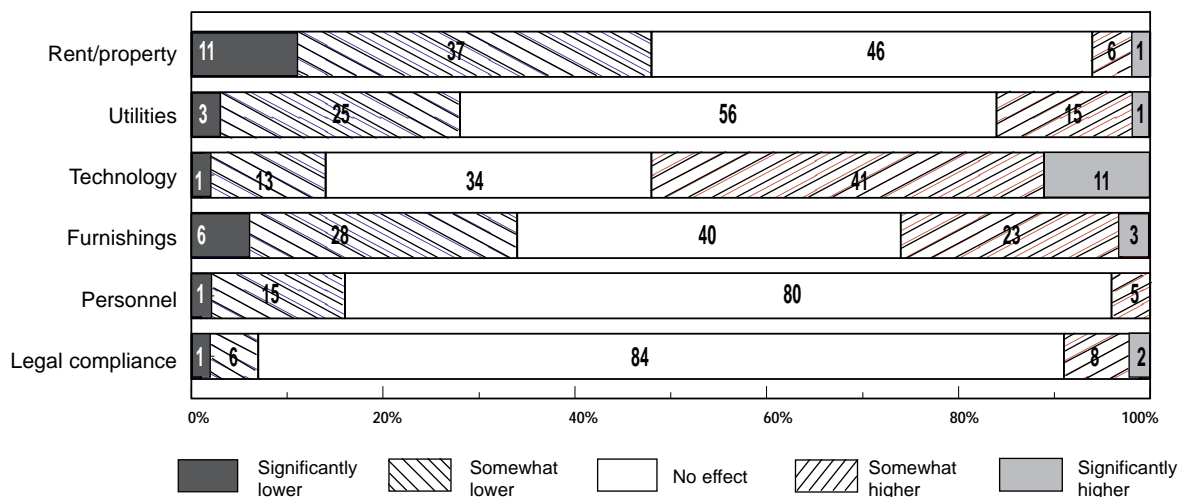


Half the respondents reported an overall cost reduction as a result of using an alternative officing strategy. However, almost one-fifth (17%) found costs had increased after implementation.

Cost reduction was reported most frequently by facility professionals in the service industry, while cost increases were seen most in the government/educational sectors.

*“We’re constantly out of space. In the old days, we’d build more buildings. Buildings cost a lot of money. We’re trying to figure out how to fit 18 eggs in a carton that holds 12 and alternative officing is just the beginning.”*

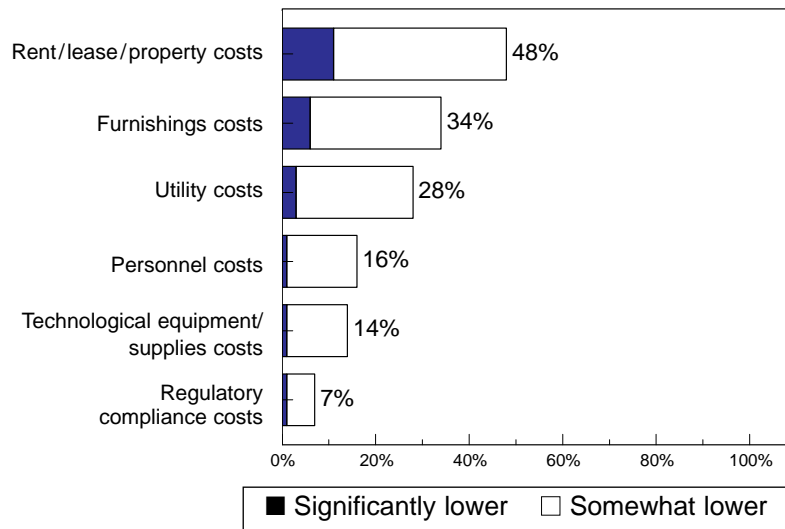
### How Alternative Officing Affected These Operating Costs



Rent and property costs were the areas most frequently reported as showing a reduction in operating costs after implementation. Furnishings and utilities costs were also reduced at many facilities. Costs were most likely to increase for technology and furnishings. Interestingly, while some respondents reported a significant increase in furnishings costs, others reported a significant decrease in this area.

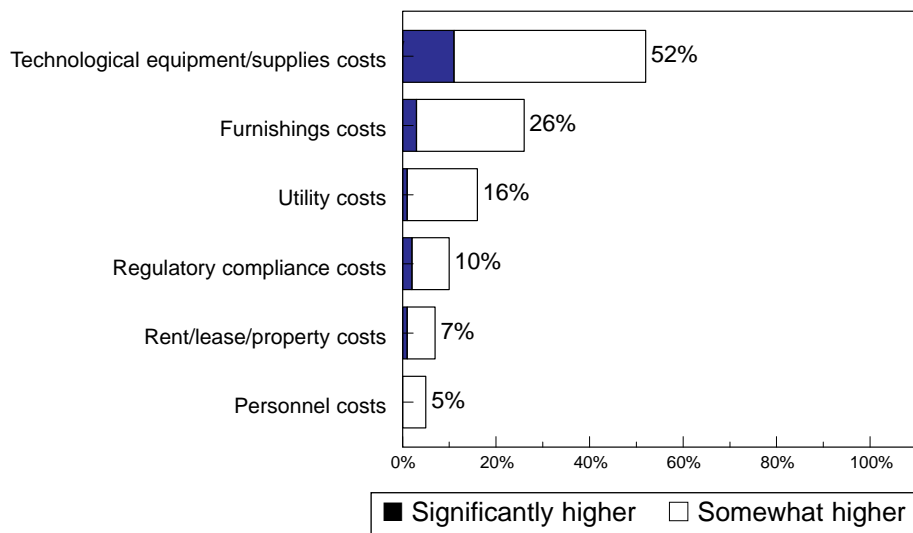
For eight in ten (80%) facility managers, alternative officing had no impact on regulatory compliance or personnel costs.

## Alternative Officing Strategies Decreased Costs In These Areas



Almost half of the facility managers reported decreased rent, lease and property costs as a result of implementing an alternative officing strategy. The reductions were reported most often by facility managers in the service industry and at larger facilities. One-third reported a reduction in furnishings costs and 28% experienced reduced utility costs.

## Alternative Officing Strategies Increased Costs In These Areas

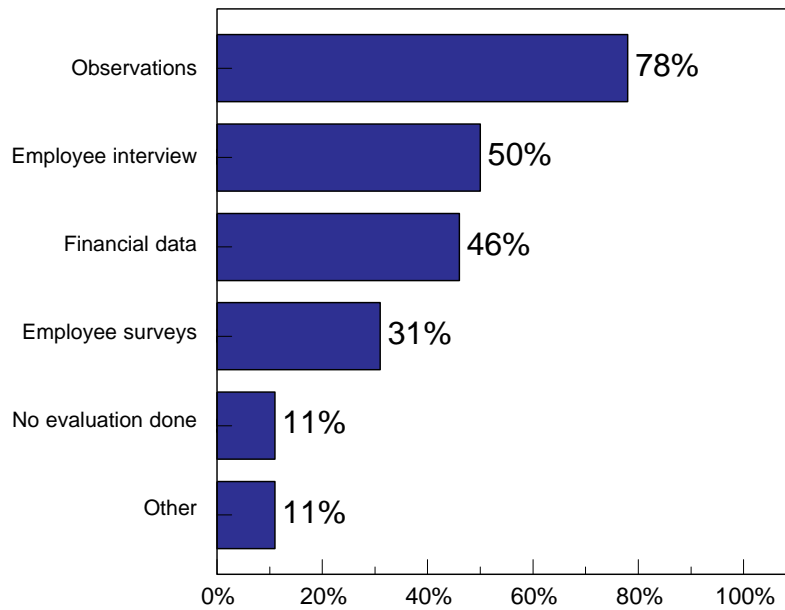


More than half of the facility managers experienced increased costs for technological equipment and supplies as a result of implementing alternative officing strategies. One-fourth reported an increase in furnishings costs.

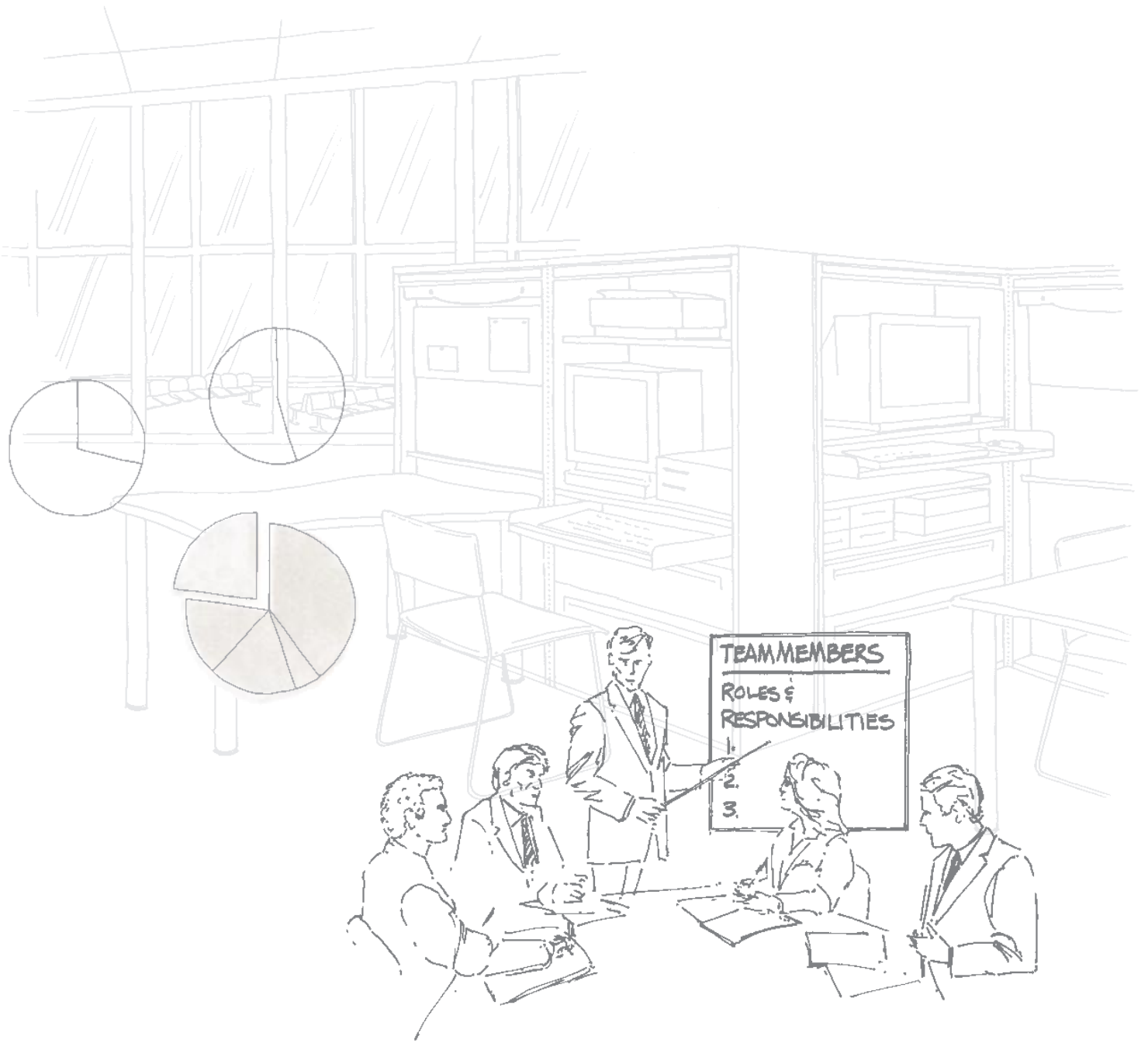
The areas of increasing and decreasing costs did not vary significantly by the size or industry classification of organizations.

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## Information Used To Evaluate Alternative Office Strategies



Most managers evaluated the effectiveness of implementing alternative officing strategies through observation. About half used employee interviews or financial data to determine the impact of a strategy, while three in ten surveyed employees directly. Responses did not vary significantly by facility size or industry sector.



*ASSESSMENT*

*OF*

*ALTERNATIVE OFFICING STRATEGIES*

The following list of terms, describing Alternative Officing Strategies, were provided to focus group participants and survey respondents.

### *Workplace Redesign Strategies*

*Flexible work schedules* that maximize use of office space.

*Modified office standards* to improve productivity and efficiency, and support organizational objectives, such as establishing universal standards.

### *On-Site/On-Premise Strategies*

*Free address*: Work space shared on a first-come, first-served basis, usually in a large open space with many work stations.

*Hoteling*: Work space that is reserved on a first-call basis and not dedicated to any specific worker beyond a specified occupation time.

*Group address*: Designated group or team work space for specified periods of time.

*Shared space*: Two or more employees sharing a single, assigned work space and work tools, either simultaneously or on different shifts/schedules.

*Project team environments*: Flexible work areas designed to support work teams as they expand and shrink.

*Activity settings*: Provide a variety of work settings to fit diverse individual or group activities, such as a lounge area, desk work area, conference area, etc.

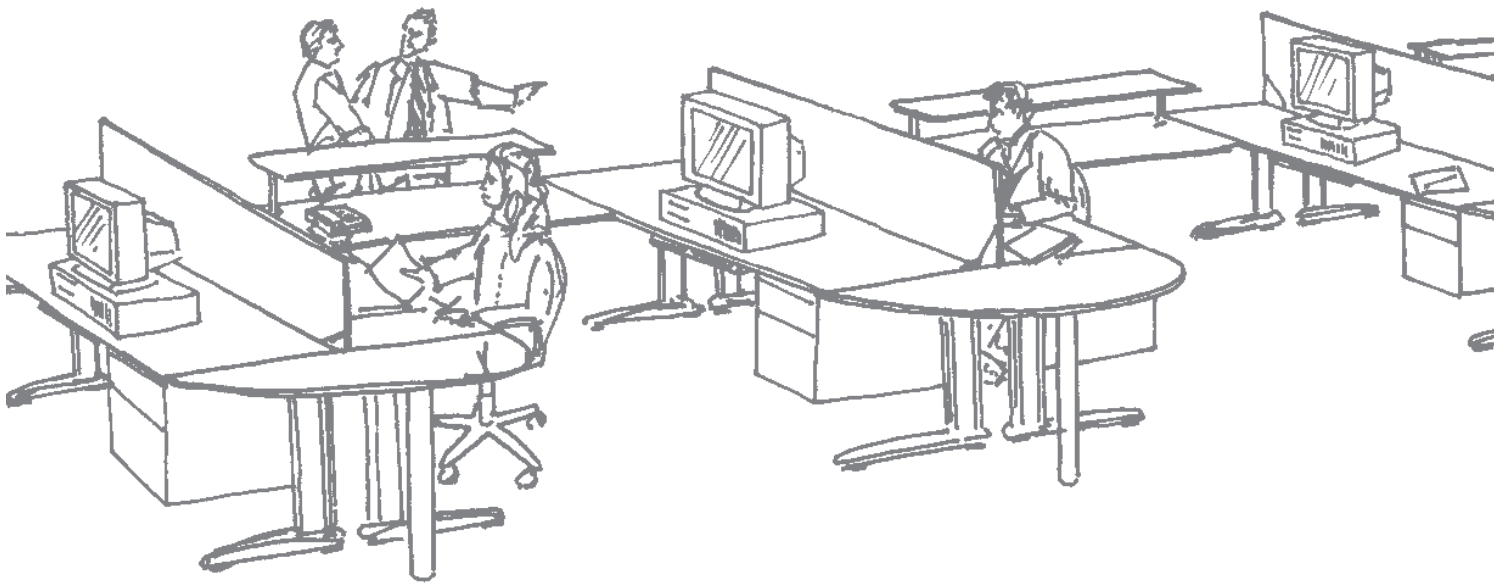
### *Off-Site/Off-Premise Strategies*

*Telecommuting*: Combination of home-based and office work space linked by technology with employees utilizing their office space one or more days a week.

*Satellite officing*: Office centers providing technology and administrative support, located near employee residences and used full-time by employees living closest to satellite site.

*Remote telecenters*: Office centers providing technology and administrative support, located near customers and staffed by employees dedicated to that site or splitting their time between that location and another.

*Virtual officing*: Employees have freedom to work anywhere (home, car, hotel, etc.) through the use of portable technology.



*WORKPLACE*  
*REDESIGN STRATEGIES*

### *Highest Use for These Two Strategies*

Two alternative officing strategies involve redesign of the workplace: flexible work schedules and modified office standards. They use a combination of existing office space and equipment, work force scheduling, and office standards to improve productivity and maximize work space.

About half of the facility managers reported that their organizations used flexible work schedules (53%) and modified office standards (46%), making these the two most-used alternative officing strategies investigated in this study. Both strategies were most likely to be used in the manufacturing/production and service sectors and by larger facilities.

Many positions were reported to be suitable for workplace redesign strategies, particularly sales (48%) and administrative (46%) positions for flexible work schedules, and administrative (63%) and customer service (57%) positions for modified office standards.

### *Flexible Schedules Benefit Employees, but Decrease Communication*

Eight in ten (78%) facility managers investigated flexible work schedules for its potential benefit to workers. More than eight in ten (84%) facility managers reported that flexible work schedules increased employee morale. The most commonly reported drawback (54%) was a decrease in communication.

Organizational culture (65%) was the main barrier to implementing flexible work schedules, followed by resistance from upper (49%) and middle (36%) management.

The effectiveness of flexible work schedules most often was measured by tracking employee satisfaction.

### *Modified Office Standards Create Cost Savings; Resisted by the Work force*

The most common reason given for implementing modified office standards was cost savings (71%). Organizational culture (54%) and resistance from the work force (47%) were the main barriers to implementation.

The most frequently reported benefits — each named by approximately four in ten facility professionals — were reduced property and other costs, higher productivity and better morale. The most common drawback was decreased employee morale, reported by one-third of respondents.

The effectiveness of modified office standards most often was measured by tracking employee satisfaction and cost savings.



*ON-SITE / ON-PREMISE  
STRATEGIES SUMMARY*

### *Six On-Site Alternative Officing Strategies*

Six alternative officing strategies involve changes on-site: free address, hoteling, group address, shared space, project team environments, and activity settings. These strategies use shared work space and often work tools — such as computers and other equipment — to increase productivity and reduce costs.

Of the on-site alternative officing strategies, shared space was used most often (41%), followed by project team environments (32%), activity settings (32%), group address (20%), free address (7%) and hoteling (7%). Facility professionals most often reported that they presently were evaluating project team environments (25%) and hoteling (22%).

Sales positions were cited most often as suitable for free address (44%), hoteling (48%) and shared space (40%) strategies. Research and development and engineering/design positions were thought most frequently suitable for group address (41% and 43%), project team environments (60% and 61%) and activity settings (47% and 45%).

### *Cost Savings and Increased Productivity Main Appeal of On-Site Strategies*

Potential cost savings was the most commonly reported reason for investigating free address (71%), hoteling (76%), and shared space (74%). Flexibility for organizational growth and shrinkage also was a driving force for applying these strategies.

Increased productivity was a driving force for considering project team environments (68%), activity settings (58%) and group address (56%).

### *Workers Resist On-Site Strategies; Physical Environment Also Hinders*

Organizational culture was a primary barrier to implementing all six strategies, with the greatest resistance to change coming from the work force.

Employee territorialism — workers personalizing space, making the area “their own” and resenting others using the space — was the most frequently reported drawback for all on-site/on-premise strategies.

The existing facility also was considered a key barrier for implementing these strategies, especially for project team environments (43%) and activity settings (40%).

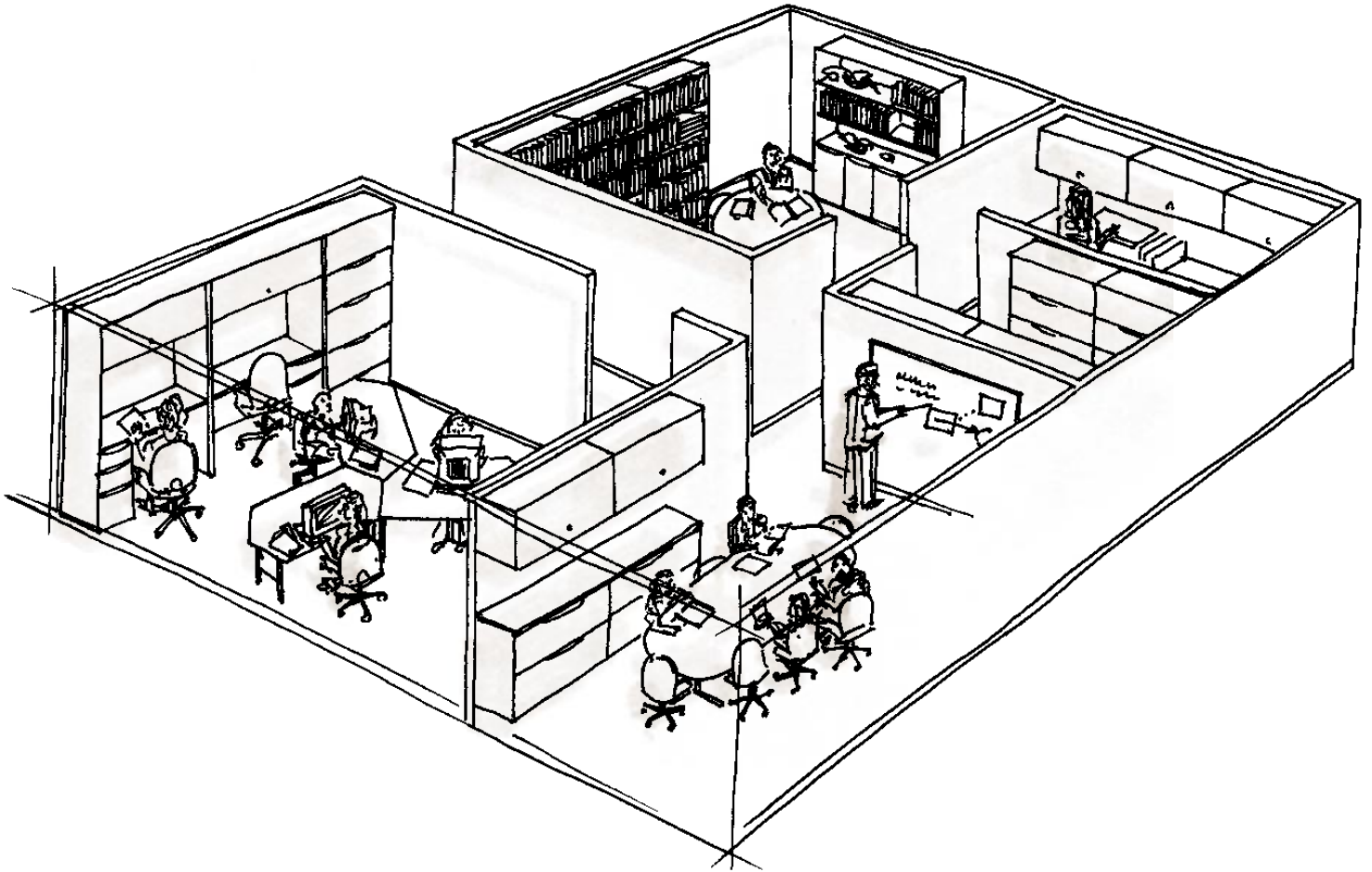
### *Main Benefits of On-Site Strategies: Cost Savings, Increased Productivity*

Implementation of free address, hoteling and shared space most often yielded cost reductions, while use of group address, project team environments and activity settings resulted in productivity increases.

### *Effectiveness of On-Site Strategies Most Often Tracked Through Employee Satisfaction*

More than half of the facility managers reported tracking specific measures to evaluate the effectiveness of these strategies. Employee satisfaction was the most frequently tracked measure.

No significant differences existed by size or industry classification of respondents' organizations.



*OFF-SITE / OFF-PREMISE  
STRATEGIES SUMMARY*

### *Four Off-Site Alternative Officing Strategies*

Four alternative officing strategies allow workers to move outside the central work location: telecommuting, satellite officing, remote telecenters and virtual officing. Satellite officing and remote telecenters provide offices close to customers or to employees' residences with technology and administrative support on-site. Virtual officing is dependent on portable technology, while telecommuting utilizes technology to link home and office sites.

Telecommuting was the most commonly used (33%) off-site/off-premise strategy, followed by satellite officing, remote telecenters and virtual officing (each 13%). An additional 29% of facility managers currently were evaluating telecommuting.

Sales positions were cited most frequently as appropriate for off-site/off-premise strategies, followed by auditing and consulting positions. Customer service was listed as suitable for satellite officing (25%) and remote telecenters (30%).

### *Worker Benefits, Cost Reduction Main Incentives for Off-Site Strategies*

Seven in ten (70%) facility managers investigated telecommuting due to perceived worker benefit. This was also a driving force for considering satellite officing (50%).

Potential cost reduction was an important reason to consider telecommuting (58%), satellite officing (52%) and remote telecenters (47%).

The possibilities available from changing technology were important considerations for implementing remote telecenters (48%) and virtual officing (63%).

### *Off-Site Strategies Increase Productivity and Morale, but Have Some Drawbacks*

Telecommuting (67%) and virtual officing (57%) appeared to have the greatest impact on increasing employee morale. Productivity increases were listed as a benefit for all off-site/off premise practices.

Organizational culture was one of the primary barriers encountered when implementing all of the strategies, with upper management providing the greatest resistance to change.

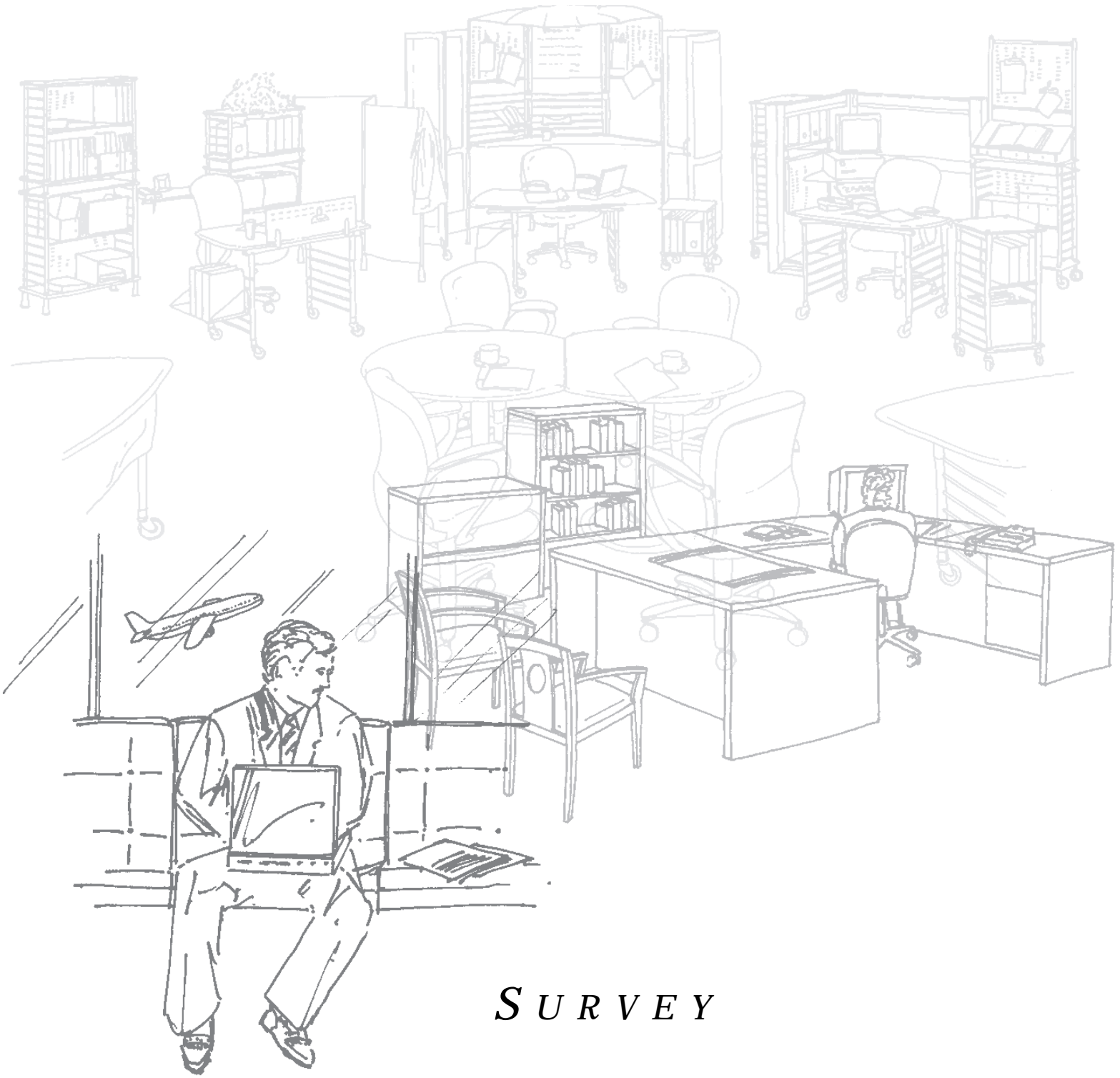
Difficulties in managing remote employees and employees' feelings of isolation were considered the two primary drawbacks for all off-site/off-premise strategies.

### *Off-Site Strategies Evaluated Through Employee and Customer Satisfaction*

More than six in ten facility managers tracked measures to evaluate the effectiveness of these strategies. Employee and customer satisfaction were tracked most frequently.

### *Most Organizations Supply Equipment for their Home Office Workers*

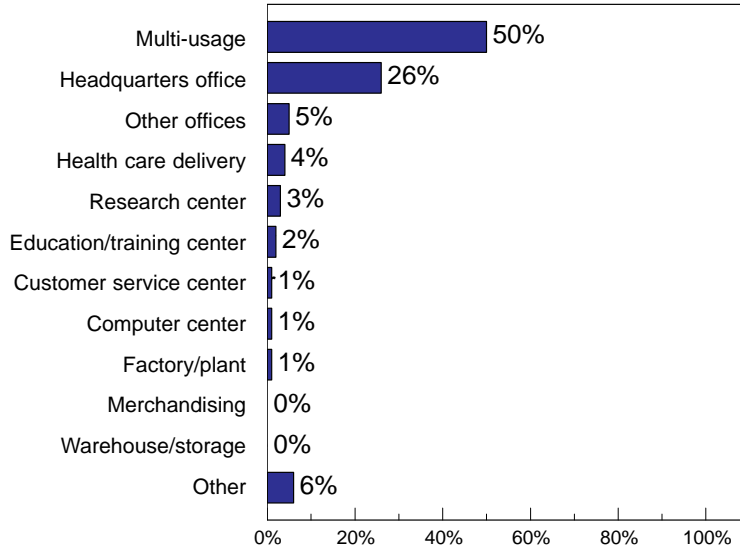
Organizations are more likely to provide electronic and telecommunications equipment for home office workers than to provide furnishings. More than eight in ten organizations supplied computers (84%) and modems (82%) to telecommuting or home office employees. Six in ten supplied other data lines (61%) and voice mail (56%), while four in ten (43%) provided facsimile machines and telephones. Only 25% or fewer supplied home workers with work chairs, desks or filing/storage cabinets.



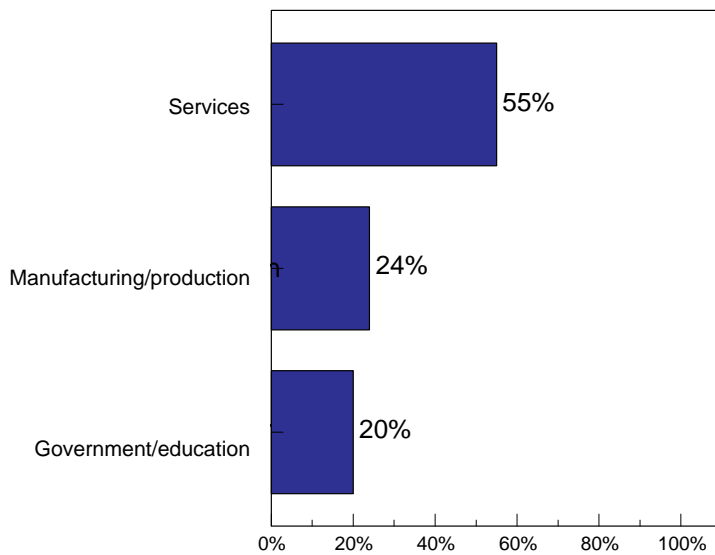
*SURVEY  
RESPONDENT  
SUMMARY*

Facility Professionals were asked to qualify and quantify their organizations' use of facilities along with classifications for their business.

### Type Of Facility/Facility Use

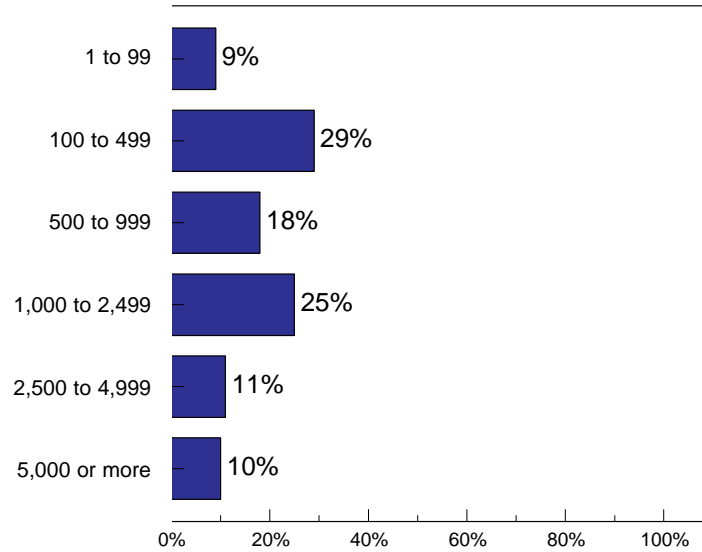


### Industry Classification

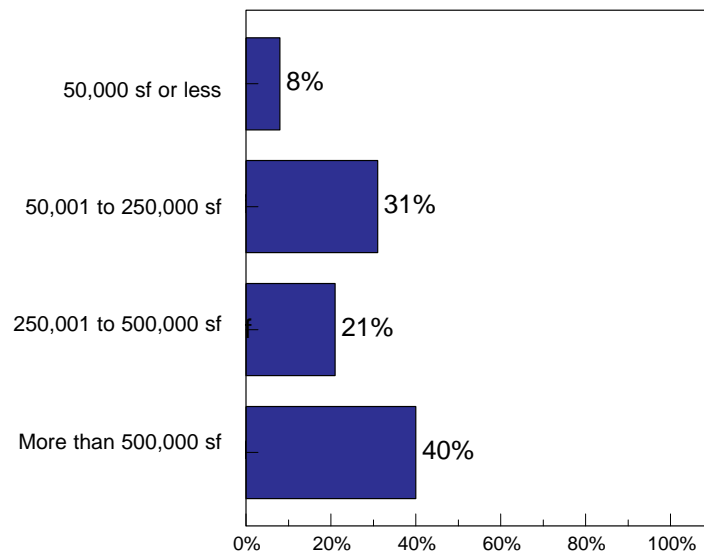


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## Number Of Employees At Facility



## Square Footage Of Space Managed



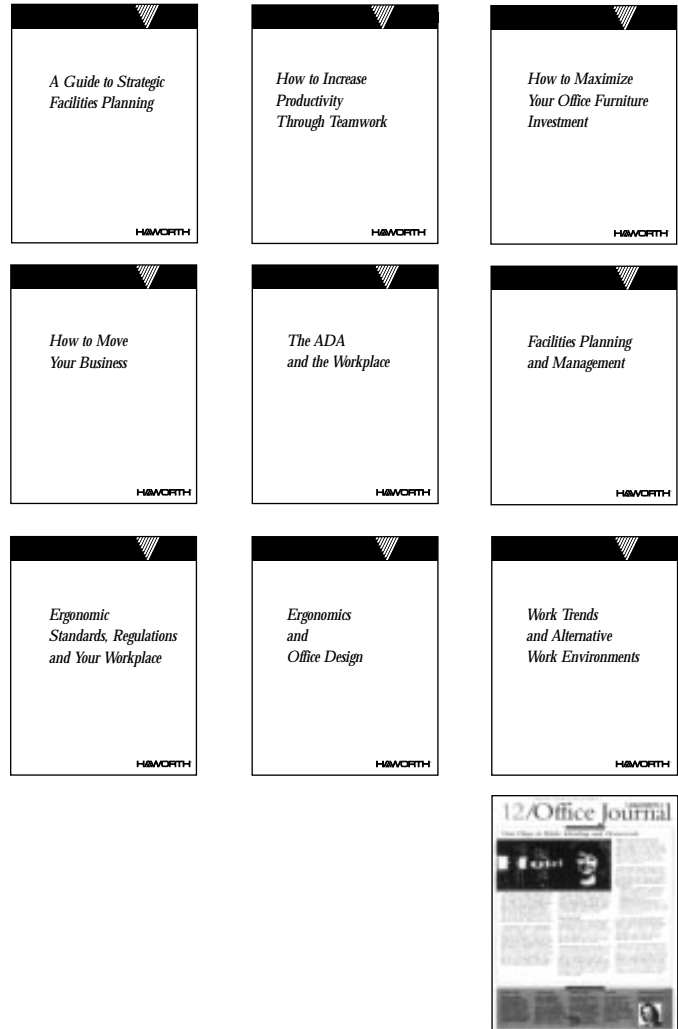
### *Other Resources*

Please contact IFMA's research department for additional information regarding any of IFMA's other research publications and requests for special data retrieval.

Members are encouraged to phone or write IFMA headquarters for:

- Special data request
- Ideas for future research efforts
- Information from existing IFMA reference sources
- Additional copies of IFMA research/educational publications
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Alternative Officing Research and Workplace Strategies

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