

IS YOUR WORKPLACE AN ATTRACTION AND RETENTION TOOL?

In major cities across Canada, downtown skylines are changing shape as new office towers are constructed at a rapid rate.¹ Initial assumptions may attribute this 'building boom' to growing populations and a lack of space, however, many of these developments are driven by organizations looking to consolidate their offices and develop large, modern, high-quality spaces. Interestingly, one of the primary reasons organizations are investing in these properties is to assist in the attraction and retention of talent in Canada's competitive labour market.² So the question being explored in this white paper is, "*what role does the workplace play in an organization's ability to attract and retain talent?*"

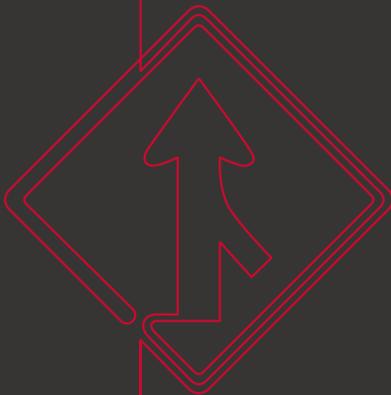
Times have changed

"There has been a definite and distinct change in the way in which people work today than how they worked years ago," says Crystal Graham, a Partner at Kasian Architecture in Edmonton. In today's world, people have a strong desire to work in an environment that facilitates productivity, communication, and collaboration while also catering to changing technology. Check any of the "best company" lists and they all include references to the organization's workspace. For example, Google's "Googleplex" campus is praised for its design including public art, recreational facilities, restaurants and common spaces such as Google's Garage, "where Googlers can come together from across the company and learn, create and make."³ However, it's not just massive technology companies placing a priority on modern work environments. In Canada, there is a great demand for this type of space across various industries and organizations of all sizes. Cory Wosnack, a Principal with Avison Young notes that, "we are seeing results of major organizations relocating and updating their spaces as they strive for the best talent."

¹ Garry Marr, "Increase in new downtown office space being driven by workers," Financial Post, November 12, 2013

² Avison and Young, "Consolidate for corporate culture" The Office Report, Q2 2013

³ Fast Company, "Go inside Google garage, the collaborative workspace that thrives on crazy, creative ideas"



Gone are the days of dark interior spaces filled with closed door offices and large, heavy furniture. Organizations are building open concept offices complete with large windows to provide views of the outdoor environment, breakout spaces, elaborate kitchens, and access to fitness facilities. This indicates that organizations recognize that when their workplace caters to the modern way of working, business results improve as well as worker attraction, engagement, satisfaction, and retention.⁴

The importance of location and design

A good location is essential for a number of reasons. While there are many factors that contribute to the overall value of a building including location and size, one of the less obvious values it brings is staff retention. The cost of turnover can be extremely high and real estate has immense potential to help organizations attract employees and retain top level talent, which, in turn, drives innovation and growth.⁵

When considering an employment offer, candidates consider several factors such as compensation, benefits, development opportunities, and, less obviously, physical office space and location. The last point may be a bit surprising, but research has shown that candidates consider their physical environment to be part of their total compensation package.⁶ “Five or six years ago compensation was enough, now employees are showing loyalty to employers who are providing a forward thinking working environment that is designed in a more effective, communicative way,” says Wosnack. This means an organization’s talent pool benefits from offering a full array of workplace benefits to satisfy what employees value most: an open and flexible workspace and a location rich in amenities such as daycare, fitness center, restaurants, retail outlets, convenient parking, and easy access to public transit.⁷ If a business is not able to provide some or all of these things, top candidates may opt for other opportunities.

There is an incredibly strong link between the work environment and an employee’s level of job satisfaction and commitment to the organization.⁸ Employees want to be part of the collective enterprise and proper design can facilitate this. Office space that enhances engagement and collaboration demonstrates that the company cares about communication and the overall satisfaction their employees. Office layouts should include a variety of spaces that support individual work, as well as formal and

⁴ Steelcase, “Attracting and Engaging Today’s Workers,” *360 Magazine* 55

⁵ Steelcase, “The Next Office: Why CEOs Are Paying Attention,” *360 Magazine* 63

⁶ Guy Newsham et al. “Linking Indoor Environment Conditions,” [A field study, Haworth, 2009]

⁷ Avison and Young, “Consolidate for Corporate Culture” The Office Report, Q2 2013

⁸ Guy Newsham et al. “Linking indoor environment conditions,” [A field study, Haworth, 2009]

informal group interaction. This includes cubicles, common rooms, team lounges, and breakout spaces. If organizations do not keep pace with the changing workplace and implement these types of environments, there is a risk of losing talent to businesses that have invested in their spaces.

The influence on corporate culture

Physical space can have a profound impact on behavior. People react to their work environment on both emotional and psychological levels, and positive feelings about the physical space can transform into positive feelings about the organization. Given the impact physical space has on behavior, there is a significant opportunity to use the workplace as a means to improve or strengthen corporate culture. A strategic office location and well-designed space can be used to instill corporate brand and identity to both internal and external audiences, which can improve engagement, retention, and profitability.

When choosing and designing office space, leaders should consider the messaging and image it imparts about their organization.⁹ The quality of an office environment may reflect the quality of more general aspects of an organization, such as pay and leadership.¹⁰ A poor design and outdated workplace may evoke negative attitudes about the organization if it does not facilitate the interconnectedness an employee desires. Conversely, a well thought out, modern space that promotes open communication and collaboration can help shape the culture and develop highly engaged workers.¹¹

Closing thoughts

It is clear that there is an undeniable push towards progressive and modern workspaces that cater to today's worker. Organizations are realizing the role the workplace plays in attraction and retention of talent and the benefits it can provide to engagement and culture. As noted by Chris Bruce, Vice President Commercial Banking with Scotiabank, "office structures are no longer just a place to house staff and equipment, they are a functioning component of business strategy." The workforce demands a specific standard of work environment and organizations offering a great location and high-performance workplace give themselves a clear competitive advantage¹² in attracting and retaining top talent.

⁹ Steelcase, "Attracting and Engaging Today's Workers," *360 Magazine* 55

¹⁰ Guy Newsham et al. "Linking indoor environment conditions," (A field study, Haworth, 2009)

¹¹ Steelcase, "The next office: why ceos are paying attention," *360 Magazine* 63

¹² Steelcase, "The next office: why ceos are paying attention," *360 Magazine* 63

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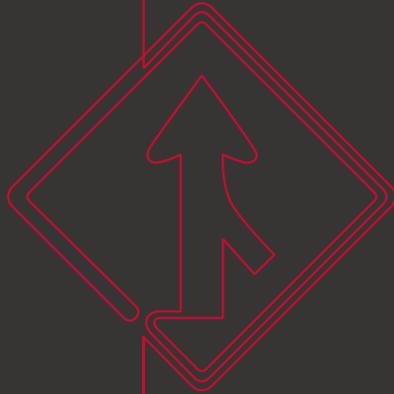
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