

MOCHA



Why moving the idea of the workplace from overhead to asset can improve employee wellbeing and employer profitability.

CREATING A WORKSPACE FIT FOR MILLENNIALS A white paper

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EXECUTIVE SUMMARY

There's always been a place for the office, from one-person study to a workspace catering for thousands. This hasn't changed, what has changed is the way the office functions.

The people who work in offices today, those we call millennials or Generation Y, are different to those that went before them. Technology has seen to that. Millennials work differently and have different and modern ideas about how an office space looks and feels, and how it performs.

In the past, employers have viewed offices as a tool and an overhead. This mindset needs to change. In this white paper we will discuss how to meet this challenge and make the change that will benefit employees and make employers more profitable.

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ONE PERSON, ONE DESK, ONE CHAIR

There's nothing new about the office as a place of work; the office, in one form or another has existed for centuries. What has changed is the way we use the office.

Large organisations created the idea of the modern office, whether in the public or private sectors. The need to have workers in one place where they could communicate with each other was of paramount importance. This need created the traditional idea of an office built on one person, one desk, one chair. Designing an office to fit these requirements was straightforward. To do their jobs, workers had to be at the office. To communicate with colleagues they had to be at the office. This meant everyone needed their own workstation. So the office consisted of rows of desks, chairs and cabinets.

What has changed is the way we use the office.



TIMES HAVE CHANGED

Technological leaps have brought us to the point where workers can be just as productive away from the office as in the office. Sometimes more productive. A laptop and a smartphone are all most so-called office workers need to set up office anywhere, whether at home, a high-street coffee chain, a motorway services, or anywhere else you care to imagine.

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PEOPLE HAVE CHANGED

The group we call millennials, or Generation Y, are a different breed from their parents. Millennials have grown up with technology, and technology plays a key role in how they conduct themselves and run their lives, both at work and away from work. This means millennials have a completely different outlook on the workplace. Rather than being a functional space, a means to an end, to millennials the look and feel of the workplace can be an end in itself. They care about where they work.

A survey carried out in 2017 by IPSOS, for American furniture supplier National Business Furniture, looked at what millennials think of the workplace and the factors that influence them.

- Design – 76% of millennials felt strongly about office design and how it influences them.
- Upgrades – 70% wished for a workplace upgrade.
- Location – 70% cared about their office location.

The modern office needs to consider the millennial population and their views on the workplace because, by 2020, they will form 35% of the workforce (source: Manpower Group, 2016).

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This is the challenge.



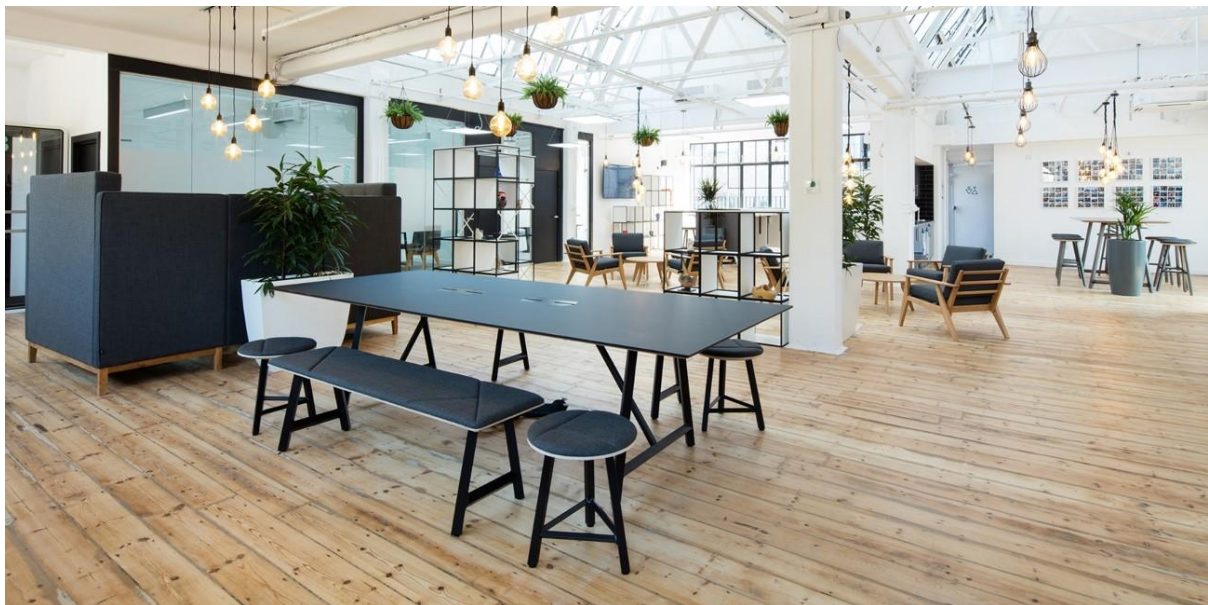
THE CHALLENGE AHEAD

As long as employers view the workplace as an overhead, its overall contribution to productivity is self-limiting. As we've discussed already, millennials are looking for a workplace that stimulates them and appeals to their wider sense of wellbeing. Provide a workplace that ticks these boxes and employers will reap the benefit in improved productivity, as well as improved employee wellbeing and the accompanying reduced absence levels. This all contributes to the holy grail of improved profitability.

Gallup's 2017 report, *State of the Global Workplace*, reveals that a mere 11% of British workers feel engaged at work, with 68% not engaged and 21% actively disengaged. The statistics across wider Western Europe aren't too dissimilar. The same report tells us that one of the most important considerations for business leaders is the growing importance of the millennial generation: understanding what they want as employees will largely determine a company's success over the next 20 years.

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Millennials will not tolerate a workplace that holds them back; providing a workplace that plays to their strengths will build engagement among millennials. Engaged employees turn up for work and work harder. Indeed, the Gallup report tells us that highly engaged businesses can point to 41% lower absenteeism and 17% higher productivity.



TURNING THE WORKPLACE FROM COST INTO ASSET

Overheads are a drain on profits while assets contribute to profitability. Moving the workplace from a cost to an asset represents a big leap towards improved profitability. But how? With creative office design, resulting in:

- better use of space – breakout areas that foster working together, and an environment that encourages employees away from their desks all contribute to higher engagement
- enhanced productivity – creating a workplace that employees are proud of, and want to turn up to, improves the overall sense of wellbeing and promotes higher productivity
- improved teamwork – being creative with workplace design encourages employees to adopt similar attitudes, encouraging teamwork and idea generation.

Employers have two options: they either recognise that technology and employee expectations have moved on, react and steal a march on the competition; or they bury their heads in the sand, do nothing and get left behind.

Moving the workplace from a cost to an asset represents a big leap towards improved profitability.



MEETING THE CHALLENGE

To meet this challenge, employers need to take a far more considered approach and develop a different mindset.

THE WORKPLACE AS AN EMPLOYEE BENEFIT

Once employers begin viewing the workplace as an asset rather than an overhead, it's only a small step to take it to another level: presenting it as an employee benefit.

Employee benefits as a motivational tool is a concept that employers understand. Employee benefits first came to the fore in the 1970s as a way around government pay policy and high marginal tax rates. They quickly caught on as a useful recruitment and retention tool and an attractive alternative to cash benefits; examples include cars, pensions, life assurance, and extra holiday.

Millennials place the workplace much higher on their list of priorities when considering joining an employer or, just as important, staying with an employer

As well as these, employers spend large sums of money providing sick-pay schemes and private health insurance to help employees when they become ill; however, the idea of creating a workplace that benefits employees by improving their wellbeing seems to have escaped employers. Providing a workplace that stimulates employee engagement and wellbeing can only reduce absenteeism and the costs that go with it.



Employers often invest in subsidised or even free restaurant facilities. Yet, employees spend, daily, seven to eight hours in the workplace compared with maybe thirty minutes in a restaurant.

Millennials will see an attractive and healthy workplace as a benefit. In turn, employers should view providing such a workplace as both an employee benefit and a valuable recruitment and retention tool.

As millennials switch on to the importance of work-life balance and wellbeing, they place the workplace much higher on their list of priorities when considering joining an employer or, just as important, staying with an employer. Research commissioned by Mindspace backs this up. The survey revealed that in the 18-24-year-old age group:

- 21% have rejected a potential employer because of a poorly designed office and lack of amenities
- 34% would willingly commute for up to two hours a day for an office that fits their needs
- 16% have left a job because of a poorly designed office.

RETHINKING THE WORKPLACE

For decades, workplaces have been functional spaces, designed to accommodate processes and drive productivity. To accommodate the burgeoning millennial population, the workplace must evolve from a functional space to a people space.

That said, a workplace still must function and fulfil its primary objective – it's easy to build something that looks nice but doesn't work. Every business is unique and needs a different approach, but employers who accept this reality and become part of this revolution will evolve and grow into businesses equipped for the twenty-first century.



GETTING A RETURN ON INVESTMENT

The case for investing in the workplace is a compelling one. And you don't have to be a Red Bull or a Google with a big budget to join in – everyone can play, even small businesses with small budgets. It's just a question of degree, and creative use of space; breakout areas, quiet areas and appealing furnishings all make for an attractive place to work.

By creating a workplace that makes employees happy, it follows that productivity increases. Suddenly, work is a place where employees want to be, rather than somewhere they're eager to escape from.

Get creative with workplace design, build in spaces that encourage employees to get up from their desks and collaborate with colleagues and you generate a whole new mood of cooperation. This stimulates productivity.

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Enhanced productivity is an employer's return on investment. We can add to this:

- smarter recruitment – attract the best people
- better retention – keep the best people and avoid the cost of repetitive recruitment
- improved employee wellbeing – less absence.

Investing in creative workplace design will repay itself many times over.



THE MOCHA EFFECT

Mocha has a track record of helping to create exceptional workspaces. Mocha can add value to your business with our knowledge and expertise, backed by the products you need to create a workplace fit for millennials.

ABOUT MOCHA

Mocha is a specialist independent supplier of commercial furniture and a main-dealer partner for over 60 UK and EU-based trade-only commercial furniture manufacturers.

Mocha supplies, delivers, and installs furniture for all kinds of spaces including: offices, hospitality, educational, and leisure.

The Mocha team has been completing prestigious furniture fit-outs for more than 20 years. Notable clients include: Barclays Bank, The London Stock Exchange, Google, News International, and Sky.

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