

Four Steps for Measuring Workplace Design Investments

This post is co-authored with my friend and colleague Michael O’Neill, Ph.D., senior director of workplace research at Knoll, Inc., a leading designer of workplace furnishings. In his work at Knoll, Mike investigates the link between workspace design and human behavior, health and performance, and the quality of the user experience. His discoveries inform product development and inspire companies worldwide in shaping their work environments.

In a sluggish economy, workplace design investments are suffering substantial scrutiny. Corporate execs predictably (and, yes, rightly) want to know, “How will this move the business forward?” and “How will you prove it?” Instinctively, workplace designers can point to benefits of almost any project. Improved lighting, for instance, increases worker productivity (fewer headaches) and, similarly, better seating reduces absenteeism (less back pain). Still, even with easily quantifiable metrics such as these, convincing recession-weary execs of the value of a design investment is a tough sell. To say nothing of design metrics that are harder to quantify—measurable returns involving issues such as collaboration, creativity and innovation, recruitment and retention, or employee engagement.

But in spite of increasing scrutiny and a new, metrics-crazed environment, most companies lack a formal process by which to measure the value of their workplace design investments. As a result, they lose out on important opportunities to gauge ROI and gain lessons for future projects, including which ideas to keep (and how to improve on them) and which ones to abandon.

The good news is that every organization, no matter the size or type of their workplace design investments, can put a measurement process in place. To get started at your company, Mike recommends four steps:

1. Create a workplace balanced scorecard and metrics. Set up metrics relevant to the intentions of the design investment and the company’s business objectives. Consider measures that reflect financial and behavioral outcomes pertinent to performance. Then, with a less-is-more approach, select only a few high-impact metrics. Also, don’t collect any data unless you know in advance exactly how you plan to use it.
2. Establish baseline measures. Baseline measures are central to assessing the success of your efforts over time. Use employee surveys to learn people’s perceptions of issues tied to your design goals, such as the level of physical comfort, degree of collaboration, or quality of group decision-making. Collect measures from other sources, too, including HR databases on retention rates, health claims costs, and the like. By establishing baseline measures at a global consulting group, Mike was able to identify specific design features that predict higher employee engagement scores, thereby showing a direct relationship between the physical work environment and business performance.

3. Collect and report data regularly. Provide an ongoing stream of objective information that keeps your design investment aligned with business goals. Make your reports simple, enabling everyone to understand and appreciate the results. Time and again, data-minded companies identify opportunities and threats earlier and better manage employee expectations.

4. Remember the human component. Like any change effort, even the smartest design investment can fail if employees don't buy in to the endeavor. Make sure people support and engage with your project by helping them understand it—the purpose, the process, and more. During a major renovation, execs at one West Coast company were facing intense frustration and negativity from workers. At Mike's suggestion, leadership started a dialogue with employees with a short survey and, thereafter, held regular "listening meetings" where people could ask questions and voice their concerns. Within a short time, attitudes changed dramatically.

Workplace design investments can and do create measurable value. Follow these four steps on your next project and you'll face questions from cautious execs with confidence and clarity.

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