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## Do Open/Collaborative Work Environments Increase, Decrease or Tend To Keep Employee Satisfaction Neutral?

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## Do Open/Collaborative Work Environments Increase, Decrease or Tend To Keep Employee Satisfaction Neutral?

### Abstract

Open working environments have become increasingly popular in recent history; it is estimated that about 70% of office spaces in the United States have open floor plans. Open work environments come in a range of configurations but tend to feature a “lack of interior walls, tend to be larger and contain greater numbers of workers, with individual workstations arranged within the office in groups”. The rise in these arrangements has led to an increased body of literature seeking to understand how working in these environments impacts workers, whether in terms of employment satisfaction or job motivation. Employers believe that these new arrangements can help to foster collaboration as well as provide practical cost savings.

In addition to these benefits, a growing body of research suggests that there are a number of negative consequences for employees stemming from open work environments. These include issues related to privacy and distractions in the workplace. The literature on open workplaces is decidedly mixed, showing that these environments have both benefits and drawbacks depending on the specific dimensions evaluated. Effectively managing some of the negative effects of these working environments will be important to ensuring that firms are able to maximize the benefits from open work environments.

### Keywords

collaborative work environments, open collaborative work environments, employee engagement, employee satisfaction, talent management, retention, HR, human resources

### Comments

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## Question

Do open/collaborative work environments increase, decrease or tend to keep employee satisfaction neutral?

## Introduction

Open working environments have become increasingly popular in recent history; it is estimated that about 70% of office spaces in the United States have open floor plans.<sup>1</sup> Open work environments come in a range of configurations but tend to feature a “lack of interior walls, tend to be larger and contain greater numbers of workers, with individual workstations arranged within the office in groups”.<sup>2</sup> The rise in these arrangements has led to an increased body of literature seeking to understand how working in these environments impacts workers, whether in terms of employment satisfaction or job motivation. Employers believe that these new arrangements can help to foster collaboration as well as provide practical cost savings.

In addition to these benefits, a growing body of research suggests that there are a number of negative consequences for employees stemming from open work environments. These include issues related to privacy and distractions in the workplace. The literature on open workplaces is decidedly mixed, showing that these environments have both benefits and drawbacks depending on the specific dimensions evaluated. Effectively managing some of the negative effects of these working environments will be important to ensuring that firms are able to maximize the benefits from open work environments.

## Positive Effects of Open Spaces

Open work environments have been shown to increase the opportunity for informal interactions among employees.<sup>3</sup> These interactions and the flexibility in organizing workers found within these spaces feeds into increased collaboration among employees within open environments. Open offices can also lead to employees feeling more satisfied with their coworkers, as compared to more traditional office environments. These benefits have also translated to higher levels of job satisfaction.<sup>4</sup> Open work environments can also be linked to improved perceptions of the workplace as a whole, with employees in one study reporting that their company was “more innovative (and) less formal”.<sup>5</sup>

## Negative Effects of Open Spaces

Anecdotal reports of employees finding open office environments challenging are somewhat common and these reports are supported by academic literature. One study that followed employees throughout the transition to an open office reported that employees were “negatively affected by the relocation to open offices, reporting decreases in their satisfaction with the physical environment, increases in physical stress, decreased team member relations, and lower perceived job performance”.<sup>6</sup> Employees held these views even six months after moving to the new office environment as satisfaction continued to decrease.

Concerns related to privacy in open office spaces is a key issue related to these working environments, for example worry that conversations in these spaces can be overheard. Some workers also face challenges with open offices because these offices minimize the opportunity for employees to fully control their workplace interactions.<sup>7</sup> The lack of privacy that some workers may feel in these

spaces can lead to direct changes in how they communicate in the workplace, for example sharing less personal information because they feel that it will be overheard.

Open working spaces also increase employee exposure to a range of external stimuli. Accordingly, working in open office spaces has been shown to increase the opportunity for distractions in the workplace, potentially leading to decreased productivity. A study by the architecture firm Gensler found that 53% of employees in open offices were disturbed by coworkers when they were trying to focus on work activities.<sup>8</sup> These distractions can lead to decreased satisfaction with the working environment, a component of overall employment satisfaction. Because of different responses to stimuli such as noise, introverted employees may be more adversely impacted in terms of their level of satisfaction within open work environments.<sup>9</sup>

### **Differential Responses to Open Office Environments**

Employee reactions to open work environments can differ, highlighted by a workplace study at Microsoft where “over half of the developers do not believe that open workspaces are more productive while almost a quarter do”.<sup>10</sup> These differences in reaction can also arise along generational lines.<sup>11</sup> An analysis of a firm making the transition to an open office environment found that “millennials are less adversely affected by more open office redesigns” as compared to older generations of employees.<sup>12</sup> This could be due to a range of factors, for example less prior exposure to closed working environments as well as the tendency for this demographic to multitask might mean that millennials are able to more easily adapt to the increased distractions of open work places. Understanding differences such as these can help employers with regard to identifying subsections of employees that may have more difficulty in adapting to open work environments.

### **Managing Open Environments**

Employers can mitigate some of the negative effects of these open work systems by having various degrees of openness within their office spaces. A case study of Telenor, a multinational telecommunications firm is instructive in this regard. Telenor had to adapt its implementation of an open/collaborative environment for “different employees with different work processes” in order to maximize the benefits of the new environment.<sup>13</sup> For example, having spaces that have more privacy for when employees feel that they need to focus on a given task. Providing employees with more choices about how to operate within open environments can play a role in restoring some of the autonomy that workers describe having lost in open work environments.

Behavioral interventions can be helpful in providing workers the tools to understand how to ensure that everyone is able to be productive within collaborative office environments.<sup>14</sup> This may include ensuring employees understand how certain behaviors can be disruptive to coworkers as well as helping employees in developing strategies for signaling their degree of openness to communication during the work day.

### **Conclusion**

The evidence on open work environments is mixed, and there continues to be much debate about whether firms should continue to utilize these arrangements. It is clear that these office spaces can have both positive and negative implications for the individuals who work in these spaces and the firms that employ them. The final assessment of the benefits or costs of these working environments likely depends on the goals that organizations have for implementing them.

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