Decoding the workplace experience: how the working environment shapes views, behaviours and performance

Workplace experiences - the science series
Understanding the importance of the workplace experience

Over the past decade we have witnessed a profound transformation in our understanding of the workplace. Wind back a few short years and most organisations saw their working environments from a purely functional perspective. Do the services work? Is the building energy efficient? How many people can we fit in and will we be able to grow? Rarely did companies consider how the workplace and the working environment made employees feel, or how this affected their engagement and performance.

Today, organisations are far more attuned to the workplace’s importance in this respect. They strive to create working environments that motivate and inspire employees, and which reflect the culture and values of the organisation.

But while many companies are thinking about the workplace and some are putting this thinking into action, there are few who understand the science behind the creation of effective workplaces. Why do we experience our working environment in a certain way? What pleases us? What irritates us? And, most importantly, how does this experience impact upon our behaviour and performance?

Although there is very little data specifically about the workplace experience, there is a huge body of scientific research looking at how we as human beings experience the environments around us. In particular, many studies have been carried out to explore how our experience of a consumer environment – for example, a shopping centre or a retail outlet – impacts our behaviour when it comes to purchase intention and brand loyalty.

The environment may be different in the workplace, but the way we process experiences and how this affects our behaviour is likely to be the same. The customer experience and the workplace experience are two sides of the same coin: it’s about ensuring that the environments you create are an outward manifestation of your brand and communicate the right messages to your audiences consistently and effectively.

At Interserve we are on a journey when it comes to the customer and workplace experience; a subject that we believe is vital to the future of our industry and the ongoing success of our customers’ businesses. I hope the lessons set out in this report will not only inform our own operations but encourage further debate across the industry on this important and business-critical subject.

The report looks at:
1. **How we process experiences**: the sensory, emotional, cognitive and social factors that define how people experience the places and people around them.
2. **The science of the customer experience**: what scientific research tells us about customer experiences in the consumer world, and how this relates to the workplace.
3. **The workplace and employee behaviour**: how workplace environments and the way in which employees experience them impact on behaviour, relationships and performance.

Executive summary

This is the second report commissioned by Interserve exploring the science behind workplace experiences and the way in which the working environment influences and impacts an organisation. It has been developed based on an extensive review of industry-leading research into consumer experiences, supported by workplace insight and analysis from Interserve and its partner Advanced Workplace Associates.

We have undertaken this research in order to create a platform on which organisations can build a cohesive strategy for the workplace. It establishes the fundamentals that workplace professionals should consider and address when evaluating, configuring and managing their working environment, in order to achieve the greatest positive impact on employee productivity.

It endeavours to define the core factors that affect and improve the experience of the workplace. The key principles explored in depth in this report include:

- **The workplace experience is not just about how well the workplace satisfies functional needs, it is about the overall impression it leaves on the user.**
- **The way an employee experiences an environment is emotional and occurs potentially at a subconscious level.**
- **Our reactions to an environment can happen without us being aware of them - so it can’t always be assumed that the reaction will be a rational one.**
- **Expectations of the workplace change depending on personality, background and numerous other factors - understanding your workforce is the key to creating an effective workplace experience.**
- **The working environment can have a positive or negative impact on cognitive performance which, in knowledge-based businesses, can significantly affect productivity.**

These findings will be developed in future reports where they will be informed by best-in-class business case studies. Based on this robust approach we will be in a position to set out a robust methodology for the design and delivery of effective workplace experiences and create practical tools and materials to help organisations in their pursuit of this goal.
It is only in the past thirty years that scientists have begun to explore why we experience the environment around us in the way that we do. Research looking at how these experiences influence our behaviour in a commercial context is more recent still.

The term ‘customer experience’ was first coined by two researchers, Morris Holbrook and Elizabeth Hirschman. In their groundbreaking report The experiential aspects of consumption (1982) they drew a clear connection between a customer’s experience of the environment around them and the way in which they behaved.

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Later research built on Holbrook and Hirschman’s thesis by trying to understand the interactions that define customer experience and how these predetermine purchase behaviour. The report by Joseph Pine and James Gilmore, Welcome to the experience economy (1998), explains that a customer’s experience is defined not just by the product or service they are buying, but by their internal responses to every interaction they have with that company or service provider.

Italian researcher Chiara Gentile likewise explored customers’ internal reactions in her paper How to sustain the customer experience (2007). She says that an experience occurs on a number of different levels - rational, emotional, sensory, physical and spiritual - and happens largely without the customer being consciously aware of the interactions that are driving their responses.

The customer experience, therefore, is not just about the product or service being purchased and its ability to satisfy the functional needs of the user. It is about the way the customer synthesises each and every interaction they have with the company, whether that is online, face-to-face, physical, environmental or sensory. It is the impression that these multiple interactions leave that can drive current and future purchasing decisions.

Shifting focus to the workplace, the environment itself and the desired outcomes you want from the ‘customer’ (in this case, the employee) may be different, but the way in which we as human beings process the environments around us is likely to be the same. Our experiences are still defined a) by feelings, not just function, b) on multiple different levels, and c) to some degree without us knowing that this process is happening. Not only this, the experience an employee has of the workplace will have an impact on how they behave.

In addition to the environmental influences that determine the impression employees form of their workplace, there are personal factors at play too. As Gentile points out, everyone’s personality is different. A person’s age, gender, nationality, history, previous experiences and preconceptions are all likely to impact their experience.

A 22-year-old data analyst working for a technology start-up in a major city, for example, is likely to have very different workplace experiences and expectations to a 50-year-old barrister at a small rural legal practice.

It is this complex combination of environmental and personal influences that define how an employee experiences the workplace. If an organisation is going to design a working environment that gets the most out of its employees, they need to understand these factors first.
The science of the customer experience

Our research has analysed over 100 reports and scientific studies into the customer experience and its impact on consumer behaviour. A consumer environment may be different from the workplace, however, there are obvious links between the two when it comes to how people experience the environments around them, from which workplace professionals can learn a number of key lessons.

1. Emotions
The products or services that have been successful in the consumer world are those that evoke strong emotional responses from the customer. The workplace may ultimately be a functional space, but workplace professionals should always consider the emotions and feelings that the space will elicit in the user; this will have a significant impact on their experience.

2. Love
Customers who feel that a brand understands, cares for and even loves them have consistently demonstrated loyalty to that brand. In many ways, the workplace is a reflection of the brand and the experience of it must demonstrate that the company cares for the employee; understanding and evaluating their needs and designing the workplace around them.

3. Sensory inputs
Consumer research suggests a clear connection between sensory stimuli and customer behaviour. In a retail environment, customers are believed to react more favourably to certain colours – in particular blue or warm-coloured backgrounds – while olfactory stimuli (for example the scent of freshly baked bread) may increase sales by as much as 300 per cent. In a workplace setting, likewise, all senses should be considered as part of the workplace experience.

4. Retention
Studies have drawn direct links between a customer’s experience and their future purchasing intentions; ultimately, their loyalty towards a brand. In the workplace, this might translate into engagement and higher levels of employee retention, which many companies are striving for in the face of a chronic skills shortage. A positive emotional experience that engenders loyalty is therefore a key commercial consideration when designing working environments.
The science of the customer experience

5. Expectation
Research suggests that the quality of a customer’s experience will be largely influenced by their preconceived expectations9. Receiving a sub-standard product from a top-end brand, for example, will lead to a worse experience than if that same sub-standard product was from a budget provider. In a workplace context, organisations need to be aware of what their employees’ expectations of the workplace will be - for example, based on experiences of competitors - as this will have an impact on their experience.

6. Evolution
Just as customer expectations change depending on the industry sector, geographical region, product, service, etc., they also change over time. Parity this will be down to changing trends in that particular market. However, it is also a natural process as the customer relationship matures. Something that excites and delights customers at the start of a relationship will lose its ability to do so over time9. The workplace experience, like the customer experience generally, must constantly evolve if it is to continue to meet changing employee expectations.

7. Memory
Memories of an experience tend to fade not just quickly but unevenly; it is difficult to predict what parts of an experience a customer will remember7. In the consumer world, advertising is used to reinforce certain desirable aspects of the experience and influence customers’ future responses10. The same approach needs to be adopted in the workplace; communicating messages to users about key positive aspects of the workplace experience and evolving them over time.

8. Consistency
Both positive and negative past experiences affect how we frame current experiences9, but it is negative experiences that have by far the biggest impact on customer satisfaction9. Workplaces and workplace services need to not only meet the needs and expectations of their users, but to do so consistently and reliably, in order to build sustained positive experiences against which current ones will be compared.

9. Economy
Contrary to popular belief, customer experience has a bigger influence on purchasing behaviours during times of economic growth than in lean years15; the reason being that customers believe product and service providers can afford to invest more in their offering, leading to higher expectations. While workplace professionals should of course endeavour to maintain a high-quality workplace experience at all times, they should be aware that user expectations are likely to be higher during periods of economic prosperity.

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Environmental factors that influence cognitive performance

The service industry - which now makes up close to 80 per cent of the British economy - is built on knowledge workers; people who ‘think for a living’, whose ideas, knowledge, experience and relationships form the crux of their organisation’s offering to its customers. Organisations may put dozens of systems, processes and technologies in place to help these knowledge workers do their job. Ultimately, however their performance comes down to one thing: their ability to think and to process information (also known as cognitive performance).

Cognitive performance can be influenced by hundreds of factors, and scientific research has only really begun to scratch the surface in understanding how these factors interchange and interact.

In a commercial context, there are obviously factors over which the workplace has limited or negligible influence: a person’s biological make-up, for example, or the levels of stress to which they are subjected outside of the office. Other aspects of cognitive performance, however, are directly and significantly influenced by the environment around us.

Based on our analysis of scientific studies into cognitive performance, we have identified a number of factors that need to be considered in order to create a workplace experience that encourages and stimulates performance.

Light

Light evokes a range of physiological responses, with studies showing that higher levels of lighting can significantly increase alertness, while different types of lighting can impact mood, memory and speed of task completion. LED lighting, for example, has been shown to improve alertness and the ability to process information compared to standard fixtures. In the workplace: Lighting systems can be matched to the function of that particular space - for example, using coloured non-LED lighting for social and breakout areas and bright LED fixtures in main working environments to aid focus and concentration.

Scent

Certain smells are known to affect physical, emotional and mental health and, in some cases, to directly impact cognitive performance. Studies have shown that scents such as rosemary and peppermint can improve memory and attention, while jasmine and lavender have a relaxing effect.

In the workplace: The widespread delivery of a particular scent in a communal working environment has practical challenges, but in breakout areas designed for specific purposes (networking, brainstorming, relaxing, etc.) certain scents could be used to support cognitive performance.

Temperature

General trends suggest that higher temperatures (>30°C) have a negative impact on cognition, and that reaction and response times can improve under cold temperatures. However, contemporary research suggests the impact of temperature on our brains is predicated on personal preference. Ultimately, the brain performs at its best when the person feels comfortable with the surrounding temperature.

In the workplace: Every workplace professional knows it is very difficult to achieve a perfect temperature for all workplace occupants. However, providing information for users about temperature levels throughout a building could help them to find areas most suited to their preferences.

Nutrition

The links between nutrition and cognitive performance are well documented, not just in terms of the type of food consumed but the time at which it is taken. Skipping breakfast, for example, has been proven to have a particular impact on memory and attention span, as does any long period of time without the right fuel.

In the workplace: Companies should not just encourage employees to consume the right food and drink in the morning, they should use breakfast as an opportunity to encourage greater social cohesion by providing environments where people can gather in a domestic setting to eat and socialise together.

Hydration

Dehydration has a clear adverse affect on brain function, interfering with perception, spatial ability, attention and immediate memory, as well as causing physical symptoms such as headaches, tiredness, confusion and mood swings. A mere two per cent drop in hydration levels has been proven to have an impact on cognitive performance.

In the workplace: Fresh water should be provided in multiple, easily accessible locations, ideally chilled and at room temperature to allow for personal preference. Education about appropriate hydration levels should be provided as anecdotal evidence suggests that even if people know they should drink water regularly, they often forget.

There are many other factors that can impact upon cognitive performance. Lack of sleep or poor quality sleep has been proven to have a significant impact on numerous aspects of cognitive performance including problem solving, memory, decision making and the speed and accuracy with which we can carry out tasks. Conversely, increased levels of physical activity have a positive impact on almost all brain functions. Mild-to-moderate exercise, for example Tai Chi, has in particular been highlighted as improving cognitive functions, especially in older adults.

Some organisations take more radical steps to tackle issues such as sleep and exercise - for example, fitting sleep pods for those required to work long hours in the office, or installing a gym in the office. Clearly, however, creating these facilities requires significant investment. Where it is not possible to provide a gym or sleeping facilities, providing information and encouragement to promote more activity during the day would be beneficial.
The workplace and employee behaviour

The workplace and productivity

For those responsible for workplace environments in knowledge-based industries, it is important to understand the broader factors that influence productivity and how these can be applied when designing and delivering an effective workplace experience. Research undertaken by AWA highlights six key factors that influence productivity.

1. Social cohesion
   The level to which team members and groups within an organisation feel connected to each other is strongly linked to performance\(^2\): the better we know each other, the greater the chance we will work well together. Organisations should consider how the workplace fuels social interaction, for example by providing networking areas.

2. Perceived supervisory support
   Research shows that an employee’s perception of management has a clear impact on everything from their performance and organisational commitment to job satisfaction and loyalty\(^2\). The workplace configuration can play an important role in defining this relationship, for example, whether leaders work directly alongside team members or in separate offices.

3. Vision and goal clarity
   A key factor affecting performance is whether employees understand how their day-to-day activities fit into the wider strategic vision and goals\(^2\). The workplace should provide ample opportunity for strategic goals to be communicated throughout the organisation, for example, by creating physical communication boards in each team area - which also helps others to know what they do.

4. Information sharing
   Studies show that improving the flow of information around a team or organisation directly improves performance\(^2\). Creating a workplace that encourages and enables employees to share information, for example by providing varied, transparent and open communications channels, can lead to improved operational performance.

5. External communications
   Organisations where employees are encouraged to foster relationships outside of their team and even their organisation often perform to a higher level\(^2\). Working environments that offer forums for such communication can bolster performance.

6. Trust
   Research shows that the trust employees have in their peers and management is a significant bedrock, required by the other factors\(^2\). Working environments that reflect openness and transparency - for example, glass-walled meeting rooms and boundaryless team areas - play a role in demonstrating trust, as well as a commitment to deliver what we promise in terms of workplace services.

At a glance

- In a knowledge or service-based industry, the cognitive performance of employees is fundamental to their productivity - and the workplace experience can significantly impact cognitive performance.
- It has always been clear that sensory inputs such as noise, light, scent and temperature all need to be considered when designing an effective workplace experience but we now better understand their affect on cognition.
- Nutrition and hydration can enhance or hinder cognitive performance.
- Influential factors that influence cognitive performance such as sleep and exercise can be boosted in the workplace, through education and promotion of increased activity levels.
- There are six broader factors that influence employee productivity and which are impacted by the workplace experience: social cohesion; perceived supervisory support; vision and goal clarity, information sharing, external communications and trust.
Creating workplaces that perform

The concept of the workplace experience is designed to get organisations to think differently about their working environment; not just about the functional way in which the office facilitates day-to-day activities, but the experience that it creates for the employee (positive or negative). Clearly organisational issues such as trust, social cohesion, internal and external communication and corporate vision do not start and end in the workplace; they affect every single part of an organisation, across disciplines and market segments, and from the board right through the company hierarchy.

However, workplace professionals must recognise that the environments they create and manage have a clear and direct influence on organisational performance. From the smallest tweak to a wholesale redesign of layout and functionality, every change has an impact. By understanding this link, workplace professionals can use the working environment as a tool for improving productivity and facilitating organisational change.

The next report in this series will build on this concept by establishing a clear and robust methodology for the design of effective workplace experiences. Organisations will be able to use this methodology to create working environments that contribute to productivity, and which will ultimately improve the overall performance of the organisation.

References

About Interserve
Interserve is one of the world’s foremost support services and construction companies. Our vision is to redefine the future for people and places. Everything we do is shaped by our core values. We are a successful, growing, international business: a leader in innovative and sustainable outcomes for our clients and a great place to work for our people. We offer advice, design, construction, equipment, facilities management and frontline public services. Headquartered in the UK and FTSE listed, we have gross revenues of £3.6 billion and a workforce of circa 80,000 people worldwide.

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About Advanced Workplace Associates (AWA)
AWA are a group of great people from different disciplines who have a common outlook on the way work should be. We love to improve organisations through new ways of thinking and working. Our approach is a unique blend of scientific analysis, creativity and cultural change – we use all three to make a change at work. Since our birth in 1992 we’ve worked with organisations of all sizes in most sectors. The common denominator: people. All our clients are looking to optimise the use of their people and offices to improve business performance.

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