

Case Study

CHANGE IN THE OFFICE LAYOUT AND ITS REPERCUSSIONS AT ZOOMBRAIN TECHNOLOGIES

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Frank Lloyd Wright-designed an open office plan for the Johnson Wax Company in the year 1939 (Pfeiffer, Gossel, & Wright, 2004). His ideas became the torchbearer for others planning to transform their workspaces and inculcating a collaborative work environment, which results in increased productivity. The evolution of the open office system was embodied by this very design that had nearly 200 staff working in one open space.



Figure No. 1: Open Office Layout

Source: <https://paintingvalley.com/download-image#office-sketch-2.jpg>.

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Open offices are shared spaces with no architectural doors and windows, just open work areas, which were introduced to shift paradigms with innovation, bred cross-functional collaboration and popped up synergy in the work environment. It is believed that open offices infuse collaboration and an energetic environment that emboldens better interpersonal communication and interpersonal influence [3], resulting in more engaged and participative employees breeding teamwork.

The open workspace has been in the system for the past many decades. In 1856, the United Kingdom government conducted a study on office space layouts. The report said,

“For intellectual work, separate rooms are necessary so that the person who works with his cognizance may not be bothered, but for the more motorized work, the area where a number of clerks work in the same room under proper governance is the proper mode of materializing it.”

The open office was an exciting innovation that was started in 1900, and people did not like it then, either.

The case attempts to explore the positive and negative factors of transformation from a closed work system to an open work system. The criterion for this transformation was an expansion in the business. In contrast, the actual result was leading to less productive or counterproductive work by the employees.

The Management team of ZoomBrain Technologies [4] held a meeting with the agenda to discuss “why the interpersonal relations were souring with the changed environment of the organization, resulting in low productivity.” As the organization had changed their work setup from closed and traditional offices to an open system in the recent past. Due to expansion in the workforce and the upcoming development in the technical aspects of the operations, as collectively suggested by procurement and human resource development departments. This idea was beneficial in terms of using the space with reductions in the cost as installation of workstations requires lesser investment than building architectural workstations.

Ms. Sawhney, the Chairman, listed a detailed agenda of the meeting and asked a question to the members as to how that specific issue could be resolved.

“The employees do not accept the new office setup as we had expected,” said Prakash, the HR manager of ZoomBrain Technologies, initiating the proceedings of the meeting.

On being asked for elaboration by Mr. Sumit, the General Manager, Prakash said, “There are continuous quarrels and differences between people being noticed and reported as well. There is a sense of reduction in the psychological ownership [5] of the employees”.

Post his statement, he discussed all the aspects related to the behavioral changes being observed in the employees due to changes in the working environment and through the expansion of the workforce in the organization. They expected the development of good interpersonal communication and smooth cross-departmental functioning within the organization. Though it started as expected, as initially, open area communications got kindled. However, soon there was a flip in the situation. As they observed a considerable reduction in the face to face communication and more of electronic communication amongst the employees, open communication was becoming more of a hindrance in the daily operations rather than boosting team building and collaboration. Employees were creating psychological silos to maintain the rhythm of work and maintain concentration.

Having an open office seems lucrative in the western world, as it may add value to a positive and cooperative environment. However, in India, it is still looked upon and has become a challenge, especially for adamant employees to adapt to this changing working environment.

According to studies, it has been proved that physical arrangements or space around us has a significant impact on our performances and productivity. It helps in maintaining a happiness quotient of employees, which enhances positivity and sensitivity in the work environment, ultimately resulting in excellent working culture. It gives a sense of satisfaction to employees if they have what they need to do the job. Furthermore, it is also believed that the work area or the place where people work is the manifestation of organizational culture.

As the meeting was proceeding, the Head of the Marketing, Mr. Kamant, contradicted all the points so far discussed in the meeting. According to him, his team was sitting in a common area, which was helping him and his team in saving much time by reducing the physical movements for any discussions or consultations that they had to take.

Mr. Kamant said, "I am sorry, Prakash, but I appreciate the idea of an open working system, as it is helping my team to stay in tune with space and have healthy outcome-based communication."

After listening to a different perspective, the General Manager very curiously asked Mr. Kamant to explain further how this system was being so helpful for his team.

Mr. Kamant was very happy to share his team's performance charts with the members and further added; his team was collaboratively working with each other that created a sense of synergy within the group. All the members being young and energetic were working in a direction to enhance their productivity that motivated his team with reductions in work stress as communication was more accessible now than earlier. With an open communication comes easy information and knowledge sharing, that helped his team in taking rational and sometimes even prompt decisions without wasting time for discussions and approvals, because with no constraint of physical movement and constrictions of finding people in different directions, it was becoming easier for the employees to discuss the matters and make decisions.

It is always seen that every change has to impact the majority. A positive impact depends upon the adaptability of people going through that change, and adverse effects depending upon the rigidity of the people. Flexibility and rigidity being behavioral aspects in the transition, there are some practical implications as well as keeping aside the behavioral aspects.

He was listing down the practical implications, Mr. Rao, heading the finance department, shared his concerns about the recent architectural change of the organization and its impact on his team.

He said, "If I see from the point of finance, it is a great step, very cost-effective as we were able to accommodate more people in less area, but this change has been quite disturbing for all of us."

After his initial statement, there was again a brainstorming session about what exactly was happening; was it a department-specific problem or age-specific or, in the worst-case scenario, people, in general, were not able to adapt this change from traditional workspaces to more open work areas with no architectural divisions.

According to Mr. Rao, there were unavoidable distractions as there were endless meetings around, formal, or informal. Due to which the department was facing a lack of privacy. Even communicating with people sitting next to them was becoming a challenge as other people could intentionally or unintentionally overhear the conversations, hindering the privacy. It was a noisy layout and not suitable for people who have to continuously work on their systems, which requires a high level of concentration.

He said, "We take care of the finance of the organization. Even the slightest variation can cause a huge complication. For his team, it is becoming difficult to work with so many people around. We need to

think about a solution that is both cost-effective and helps in enhancing the creativity and efficiency of the employees, keeping aside the departments and their specific working style.”

Everyone in the meeting agreed to him, as this situation was impacting the organization’s performance. The deviation was continuously increasing in the planned performance phase and the actual performance achieved by the organization. To find the remedial change for this situation, Ms. Sawhney, after taking recommendations from all the members, proposed a few options so that the members could make the decision.

The first option was to run a quick survey within the organization, to sense the feel of the place. They were expecting to decide based on the outcome of the investigation. As by the survey, they can identify the exact point of the problem, and working on the exact issue will give a chance to take necessary actions towards the direction of betterment immediately. People will also feel connected to the solution as their views would be taken into consideration for solutions.

The second was to have face to face panel discussions with all the employees to have a more personal impact on finding the solution for dripping productivity and increasing the negative impact of the transformation.

Lastly to invest more and move back to the traditional workspaces with immediate benefits of giving the employees what they had in terms of work areas and their comfort in the organization, which might help in regaining the productivity and efficiency of the employees.

Notes

1. Market-driven vision is concerned mainly with strategizing according to the market a business caters to with its products or services. What customers desire in the market becomes one of the major contributors to the vision of growing organizations, making then organizations working on the market-driven vision. It helps companies to understand customer needs, differentiate, and communicate according to the market demands.
2. Cultural shock is a feeling that an individual experiences when one is moved from one cultural environment to another. When people become adamant to changes around them, they may face cultural shock. People moving from their comfort zones to new zones of working may lead to a position of a shock to people who are resisting the change.
3. Interpersonal influence is the social pressure exerted by people within the group. This influence, if observed in a negative sense, may lead to threats to the group members. On the contrary, the positive impact may build a great sense of cooperation and motivation within the group, creating an opportunity for the group members to make great teams at work.
4. ZoomBrain Technologies is a digital marketing and consultancy company situated in Gurugram, Haryana (India). It offers services such as an extensive range of SEO services and solutions, web designing, Internet Marketing services, digital analysis to its clients. Reliable and dedicated staff of 40 creative technologists and business executives work in the firm dealing with more than 400+ Clients. ZoomBrain Technologies was formed in 2011 by Ms. Sheetal Sawhney, and in 2018 the firm changed its layout from a closed office system to an open office system.
5. Psychological ownership is the feeling of possession that plays a crucial role as a link between employees and the organization. Furthermore, the lack of this feeling of belongingness demonstrates a negative impact on the workplace outcomes and productivity of the employees (Lu, Liu, & Zhao, 2017).

Questions

1. Closed office system will incur several additional expenses, should the company go for it?
2. Ms. Sheetal Sawhney suggested three plans of action; please suggest any other course of action which could be suitable.
3. The problems faced at the time of transition were just due to people's temperament to resist the change or because of the actual drawback of the open system.

Exhibit

Impact of the change in office layout

	Just before the change in layout	One year after the change in layout
Employee annual retention rate	95%	88%
Client retention rate	70%	66%
Average number of breaks which employees take during 8 hours of daily working hours (Measured by using their checkouts from the workstation)	3	5
Cold calls conversion rate	6%	2%
Grievances submitted to the HR manager per capita per week	0.4	2.4

Source: Human Resource Department of the Firm.

Disclaimer: This case is written for educational purposes only. The authors have disguised the names and other information to protect confidentiality.

Possible Solutions

1. Closed office system will incur several additional expenses, should the company go for it?

ZoomBrain Technologies have taken an enormous step by breaking down the architectural boundaries in its work environment. After taking this step towards opening the physical boundaries, it should not go back to the conventional working space. The organization should continue with the open office space and give some time to the people to get used to it. Though the organization has to expand and has taken all the possible steps to make those changes productive, the organization should realize that every change requires time to absorb in the environment and especially when it is related to the behavioral patterns of the people. Back to back, significant changes will lead to greater instability in the environment, so once they have decided, the full focus should be on the incorporation of small changes with significant impacts. Rather than going back to the closed workspaces and spend a tremendous amount on the construction of architectural walls, or having a new office area as there has been an increase in the number of employees, the organization should work on small changes that will not require substantial monetary expenditure.

2. Ms. Sheetal Sawhney suggested three plans of action; please suggest any other course of action which could be suitable.

The options given by Ms. Sheetal Sawhney are doable and have their advantages and repercussions. Another option that can be considered to resolve the issue of transformations can be a mix of conventional work areas and an open work area. As in the study, it can be observed that few

departments are happy to work in the new work environment, and it has also added advantage in the productivity of their teams. Taking into consideration this ease of the departments, segmentation can be done based on quick employee feedback. The departments that require quiet zones can be moved to separate rooms, but keeping in mind that the whole team is working in one area, giving them a mix of open yet closed architectural areas. Furthermore, those who have adapted to this changing work area can continue in the same scenario. This might have occurred as a cultural shock to a few members, but there are a few who have accepted the change; hence there should be a solution wherein all the aspects are taken into consideration. As the organization had planned this change for tomorrow's business so the organization cannot step back to the old conventional style of working, but can always bring in the changes in phases, giving everybody enough time to change their perception and thought process towards the significant change in the work area creating a different work environment.

3. The problems faced at the time of transition were just due to people's temperament to resist the change or because of the actual drawback of the open system.

As observed by the behavioral pattern and the type of interpersonal issues being faced by the employees of the organization, post their architectural transformation, it can be easily seen that all people are different with unique personality traits. Making it a mix of the behavioural issue and actual work performance issue. Few individuals are open to changes, but on the other hand, few resist the change as they prefer working in their comfort zones much more comfortable. It takes time for people to acclimatize to the changing environment, hence impacting their productivity and efficiency. The primary reason is the temperament of the employees and their behavioral abilities to accept the change.

As everything is majorly dependent upon the behavioral aspects, as behavior is the base for people accepting or retaliating to change. Hence the primary reason behind this is the temperament of people followed by all the aspects resulting because of the temperament, such as low degree of job engagement, the satisfaction of the employees, and majorly the work culture.

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