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Office Accommodation Management Framework

Guideline 4: Occupancy

Practice note

Management of office churn and management of change

Queensland
Government

Contents

1.0 Introduction

This practice note forms part of the Office Accommodation Management Framework (OAMF) suite of documents. The OAMF integrates policies, process, activities and guidelines for government agencies in relation to establishing office accommodation needs, acquiring and fitting out suitable space, utilising that space effectively and managing the accommodation-change process.

Office churn (churn) is a significant organisational activity involving workplace change. Frequently, churn is a response to workplace problems but effective churn management involves proactive planning and implementing changes that add value, improve workplace conditions, improve workplace efficiency and productivity and also anticipate service delivery and technology changes.

2.0 Purpose

The purpose of this practice note is to provide advice to government agencies (agencies) to assist them in managing workplace change through understanding the dimensions of churn, planning for churn and implementing churn projects.

3.0 Scope

This practice note is recommended for use by agencies:

- as part of their business planning process in developing new service delivery initiatives, enhancing existing services and improving service delivery efficiency
- as a guide to the management of workplace change projects.

4.0 Definition

Churn is defined as: the relocation of people within an agency, undertaken in response to changing service delivery and functional requirements. Churn is measured by: the number of people relocated per year, expressed as a percentage an agency's total number of full-time equivalent (FTE) staff.

5.0 The workplace

There are three dimensions to be considered in understanding the workplace:

- people
- space
- technology.

Effective churn management recognises the need to integrate these three dimensions in projects involving workplace change.

5.1 People

This dimension includes the individual workers, the work processes they use to accomplish the tasks that achieve agencies' goals and the culture that defines each agency. This dimension incorporates all of the elements of agencies' human resources strategies and plans.

In terms of churn management, an agency's culture can positively influence its workers' attitude to change, which in turn, can be of significant benefit when churn projects are being planned, implemented and reviewed. It is important to present a positive and beneficial perspective on both organisational and workplace change in order to achieve successful outcomes in churn projects.

5.2   Space

This dimension refers to the workplace (building infrastructure and office accommodation) that supports the occupants and their work and provides the physical conditions necessary for workplace technology to operate.

An effective, productive and responsible workplace should integrate the following characteristics:

- **Healthfulness:** A healthy and safe work environment that provides clean air and water, natural light, and avoids harmful contaminants and excessive noise.
- **Spatial equity:** A workplace that is designed to meet the functional needs of users by accommodating the full range of tasks and activities to be undertaken without compromising individual needs.
- **Comfort:** A workplace that provides excellent thermal, visual, acoustic and ergonomic conditions and is accessible for all workers with all abilities.
- **Flexibility:** The workplace configuration accommodates the needs of individuals, teams and the workgroup as a whole, and can also be restructured readily and cost-effectively to accommodate functional changes and new ways of working.
- **Technological connectivity and capacity:** The workplace supports on-site and off-site working through provision of effective communication and data platforms, networks protocols and interfaces.
- **Reliability:** The workplace services, systems and infrastructure are stable, of adequate capacity, can be controlled accurately and provide adequate redundancy for maintenance activities and minor equipment failures.
- **Sustainability:** A workplace that minimises adverse ecological impact, conserves resources and does not compromise the health or wellbeing of present and future users.
- **Sense of place:** The workplace is compatible with the expectations of the users, physically, psychologically, aesthetically, functionally, and has an identity that encourages enthusiasm and 'ownership'.

Good design can create a workplace that meets the above criteria. Effective churn management is needed however, to maintain these conditions through successive workplace changes and retain workers' enthusiasm, productivity and satisfaction levels.

5.3   Technology

This dimension provides the hard (tangible) and soft (intangible) tools needed to support the people, processes and activities within the workplace. This technology includes telecommunications, data communications and storage, office machines and equipment plus all of the networks and protocols that form the technology's operating and management framework.

Office technology should be compatible with users' needs, intuitive and effective. Office technology also requires power and an appropriate physical environment in which to operate reliably.

6.0 Churn drivers

The drivers for churn can be broadly categorised as follows:

- organisational restructuring as a consequence of changes in Ministerial Portfolios, changes to agencies' structures and changes to service delivery
- new styles of management such as incorporating flatter structures and cross-functional teams
- the opportunities afforded by new technology or the demands of changed technology
- the need for increased workplace efficiency and effectiveness
- changes to work patterns (e.g. teleworking, part-time working, hot-desking, etc.)
- the expectations of workers and the community.

7.0 Churn categories

Examples of churn categories, ranked in order from least to most complexity, time, cost, and disruption, are:

- virtual churn, involving redesignation of tasks and reporting responsibilities, reassignment of electronic data access and electronic address but no physical relocation
- relocation of people within the existing number and location of workstations, sometimes referred to as a 'box and briefcase' move
- relocation of people, furniture and technology, and possibly requiring some workstation replanning
- relocation of people, furniture, and technology, and also involving changes to built fitout and/or building services
- moving from one location to another involving the construction of a completely new fitout, including modifications to building systems as required.

The general objective for churn projects should be to implement them at the least cost, time and disruption, consistent with achieving the required organisational outcome.

When planning and implementing churn projects, consideration should be given in the current project to achieve design solutions that will facilitate future churn projects easily and cost-effectively.

8.0 Approaches to churn management

Effective approaches to managing churn include

- considering alternative and innovative workplace practices such as teleworking, activity settings, hot desking or hotelling (refer to '8.1 Alternative work practices' below)
- adapting existing space to new uses to minimise physical changes
- exploiting technological solutions to churn management such as virtual relocations, wireless technology and networks (for maximised spatial mobility), convergent technology and teleconferencing
- designing workplace layouts and fitout generically for maximum flexibility and interchangeability (this approach is also known as universal planning and preferably uses one work station standard and one office size only)
- constructing a centralised core or zone of multi-purpose, shared support spaces for the longer-term in preference to specialised spaces that become functionally-obsolete in the short term
- maximising the use of mobile and/or transformable (multi-purpose) furniture
- identifying and 'capturing' inefficient space and then redistributing it for better workplace efficiency and savings in total space needs (and rent).

8.1 Alternative work practices

Teleworking describes an arrangement whereby staff work one or more days a week at a location away from their usual workplace. The location could be at their home, at a telecentre (a satellite office near employees' homes set up similarly to the central office with shared space, furniture and office equipment) or at a mobile office. The employees use technology supplied by agencies to carry out their work and link them electronically to the central office.

The potential advantages of teleworking include reduced (or nil) travel time for employees, increased worker satisfaction, improved productivity, a reduction in overhead costs for the agency through savings in the area of central office accommodation, benefits to people with disabilities through improved work flexibility and accessibility and also retention of knowledge and skills by retaining valued workers who otherwise might leave because of inflexible working arrangements.

Some possible disadvantages of teleworking include employees' perception that career and promotion prospects could be reduced, perceived isolation, reduced opportunities for social interaction and knowledge-sharing with other employees, reduced direct supervision and technology support issues.

Hot-desking refers to the practice whereby individual (specific) desks are shared by two or more people. It is most useful when staff are not generally in the office at the same time and would not have a conflicting need for the same space at the same time. Hot-desking can be suitable for two or more people with a job-sharing arrangement (part-time work) and for teams with a formal teleworking program.

The main advantage of hot-desking is a space saving due to the need for fewer workstations/ offices.

Potential disadvantages of teleworking include the inability of workers to personalise their workspace, the need to manage project and personal files to avoid inconveniencing the other users of the space and the effort required to manage/coordinate the use of the shared spaces to avoid multiple demands for the space at the same time.

Hotelling is a concept that can be suitable for staff who spend a considerable time out of the office and do not need a fixed workpoint. These staff are allocated a (non-specific) workspace on a booked basis and would normally have mobile storage units retrieved from a central storage area for the time booked. Hotelling can be suitable for field staff who spend the majority of their time out of the office, for teams with a formal teleworking program and in telecentres (refer to teleworking above).

Advantages of hotelling include space savings due to fewer dedicated workpoints and the flexibility of universal (one size fits all) office layouts.

Possible disadvantages of hotelling include the managerial effort required to manage/coordinate the demand for available workpoints and the need for staff to comply with booking procedures and handover times when their time is up.

9.0 Churn process

The churn process involves four stages:

1. Planning
2. Communication
3. Implementation
4. Review and adjustment.

9.1 Plan

Planning for churn should be considered initially as part of the business planning process. Accurate projections of new service delivery initiatives and changes to existing services provide the earliest opportunity to influence churn activities and churn costs in the future.

Agencies should use time frames for office accommodation demand projections and churn planning as follows:

- current year demand
- two to three years out demand
- five years out demand.

These time frames match those used by the Department of Housing and Public Works for strategic office accommodation planning and provide the maximum opportunity to integrate each agency's individual demand with whole-of-Government office accommodation planning. Using this approach will provide more churn options and minimise delays and costs. If agencies use these time frames, it is generally possible to integrate individual churn projects into whole-of-Government office accommodation strategies and potentially to fund them in whole or part through the Office Accommodation Program.

The initial planning and design of office fitout can also minimise future churn costs and disruption. Using best practice fitout design principles (refer to *Guideline 3: Fitout* of the OAMF), and in particular, the use of a generic (universal) fitout design approach, can save substantial costs when churn projects are undertaken in the future.

9.2 Communication

Churn projects incorporate change to a greater or lesser extent, and require an appropriate change management approach. Change management is the process of identifying all of the people who will be affected by the change, analysing how they will be affected (including what they have to gain and lose), and then designing ways to increase their confidence in the change and reduce resistance. Usually, structured methodologies and models are used for change management.

The scope of the change management process depends on the size of the churn project. For minor churn projects, informal or semi-formal communication processes will normally be adequate. For medium-sized churn projects, a structured change management process should be designed to include verbal briefings, stakeholder meetings, newsletters and progress reports. Large churn projects should involve the formation of a specialist change management team with formal responsibilities, reporting arrangements and performance measures. Specialist change management consultants should also be considered for large, complex or controversial projects.

All change management models should address the communication process in relation to:

- the vision or future reality
- the business need and shared need
- the engagement of people
- project and action plans
- evaluation of the outcome.

9.2.1 Vision

Establishing the vision involves projecting the outcome of the change, and building confidence that the outcome will be positive. Initially, this stage should involve local leaders and managers to establish the business logic and present the goals, objectives and the vision as a big picture. From this base, the local leaders and managers can help to develop a strategy for presentation of the vision to other employees.

9.2.2 Business need and shared need

Establishing a concensus for the vision and shared need requires the big picture to be 'localised' and shaped to clearly explain the rationale for the change and the reasons why the change will be beneficial at all levels. This phase needs to address the question, 'What's in it for me?'. To establish credibility and trust, both benefits and disadvantages need to be acknowledged.

9.2.3 Engagement of people

Engaging stakeholders in the change process is essential to success. To engage people, they must feel that their views count and that their concerns will be addressed. If their requests are not compatible with the vision and business logic, the reasons need to be explained.

Useful tools for engaging people include focus groups, suggestion and feed back mechanisms (printed forms, etc.), presentations to regular staff meetings, newsletters and inclusion of key people in change management teams.

This process needs to be continuous and deliver feedback and progress reports to all stakeholders throughout the project.

9.2.4 Project and action plans

This phase involves communicating the project program and action plans to local groups, seeking feedback and inviting participation. Key dates, responsibilities, contacts and duties of stakeholders need to be identified. Progress reports should be provided regularly.

9.2.5 Evaluation of the outcome

A useful way to introduce this phase can be a celebration of the project's successes. In communication terms, this phase reassures employees that the project has been worthwhile and also provides the opportunity for them to raise concerns and test whether they are being listened to. However, failure to address these concerns, even if the requests cannot be met, can lead to dissatisfaction and lack of cooperation in future.

This phase can also provide technical feedback to the project's initiators, designers, contractors and project managers, however, this component is of secondary importance in change-management communication terms, compared with the potential to raise satisfaction levels in employees.

9.3 Implementation

The implementation phase becomes effectively a fitout project and involves the usual stages of brief formulation, design and documentation, tender and construction and then occupancy. Further information regarding the fitout process and approvals is contained in *Guideline 3: Fitout.*

9.4 Review and adjustment

The review and adjustment phase of a churn project is very similar to a post-occupancy review of a fitout project. The review focuses on the users' perceptions of the degree to which their workplace expectations were met, the degree to which the processes (communications, approvals, timing, programming, etc) worked, and the degree to which the technical performance was achieved.

When a churn project does not involve any physical fitout change, the focus needs to be placed on the occupants' perceptions of functional improvements, the workflow benefits, the occupants' satisfaction with the change and the occupants' assessment of the communication process before, during and after the change. Because such projects do not involve physical fitout changes, a technical performance review in not necessary. A review of the project process might still be appropriate to provide feedback to the project's initiators and facilitators.

10.0 Additional information and assistance

Additional information, assistance and advice regarding churn management is available from the Department of Housing and Public Works. Contact information is available from http://www.hpw.qld.gov.au/aboutus/BusinessAreas/AccommodationOffice/Pages/Default.aspx .