



# Office of the Future

A Study on Office Reduction and Perceived  
Employee Productivity of Global Pharmaceutical  
companies in the Netherlands

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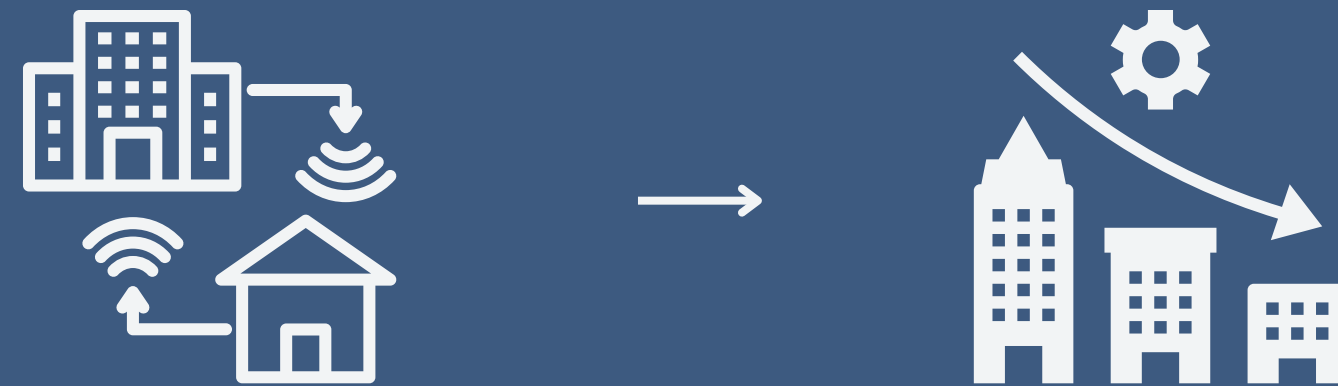
- 01** Introduction
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- 05** Discussion & Limitations
- 06** Conclusions & Recommendations

**01.**

# **Introduction**

# 01. Introduction

Hybrid working becoming the new norm causing companies to rethink their real estate strategies.



# 01. Problem statement



# 01. Main research question

‘How can global pharmaceutical companies reduce their office space in the Netherlands while still maintaining perceived employee productivity?’

**02.**

**Research method**

# 02. Research questions

## Main research question:

‘How can global pharmaceutical companies reduce their office space in the Netherlands while still maintaining perceived employee productivity?’

## Sub questions:

- SQ 1: How has the office environment changed over the years?
- SQ 2: What trends can be identified concerning office use?
- SQ 3: What do global pharmaceutical companies take into consideration while doing an office reduction and how is this received?
- SQ 4: What do global pharmaceutical companies perceive as potential barriers between office reduction and perceived employee productivity?
- SQ 5: What could be potential solutions for these barriers?



# 02. Research method



## Literature study

The changing workplace  
Employee  
Productivity and space  
Change management



## Empirical study

3 case studies  
Interviews



## validation

Expert panel

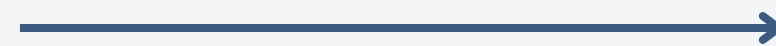
# 02. Research method

## Literature study

The changing workplace  
Employee  
Productivity and space  
Change management

## Empirical study

3 case studies  
Interviews



Global pharmaceutical  
companies that have  
been through an office  
reduction in the  
Netherlands



## validation

Expert panel





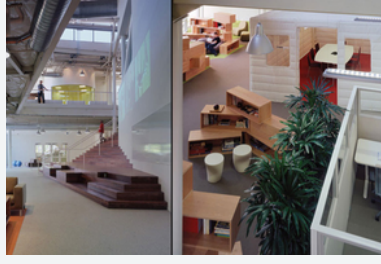




**03.**

**Literature study**

# 03. Literature study

## Workplace evolution

	+/- 1950	1960	1980	1990	2000	2015	2020
Office type	Rows of desks	Landscape offices	Cube farms	Combi-offices	Open floor plan (activity based)	Flex offices	Remote working
Output	Efficiency to boost productivity	Enhancing solialization and collaboration	Efficiency to boost productivity for profit	Enhancing contact, privacy and concentration	Flexibility and creative thinking	Stimulating communication, collaboration and cost reduction	Flexible work and supporting working from home
Space per employee	+++	+++	+++	+++	++	++	+
							

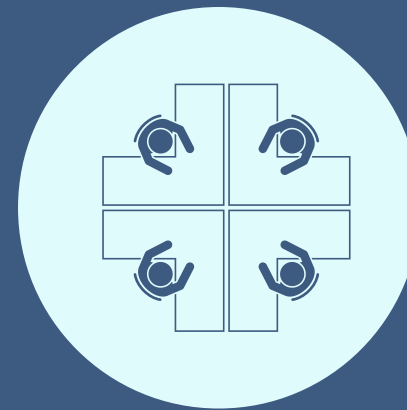
# 03. Literature study

## Trends

Hybrid working



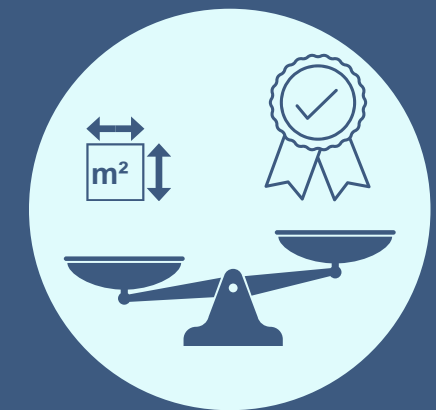
End user involvement/  
co-creation



Enhancing collaboration,  
productivity, creativity and  
wellbeing

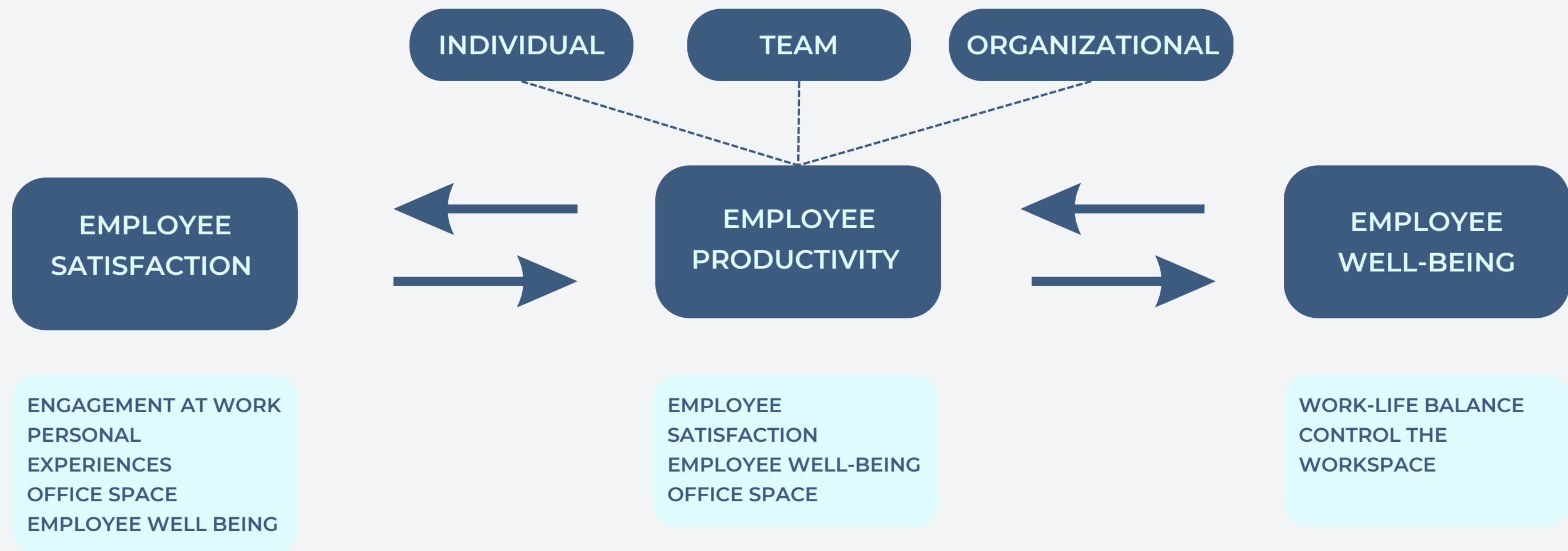


Quality of space more  
important than amount of  
space



# 03. Literature study

## Productivity



# 03. Literature study

## Space & Productivity

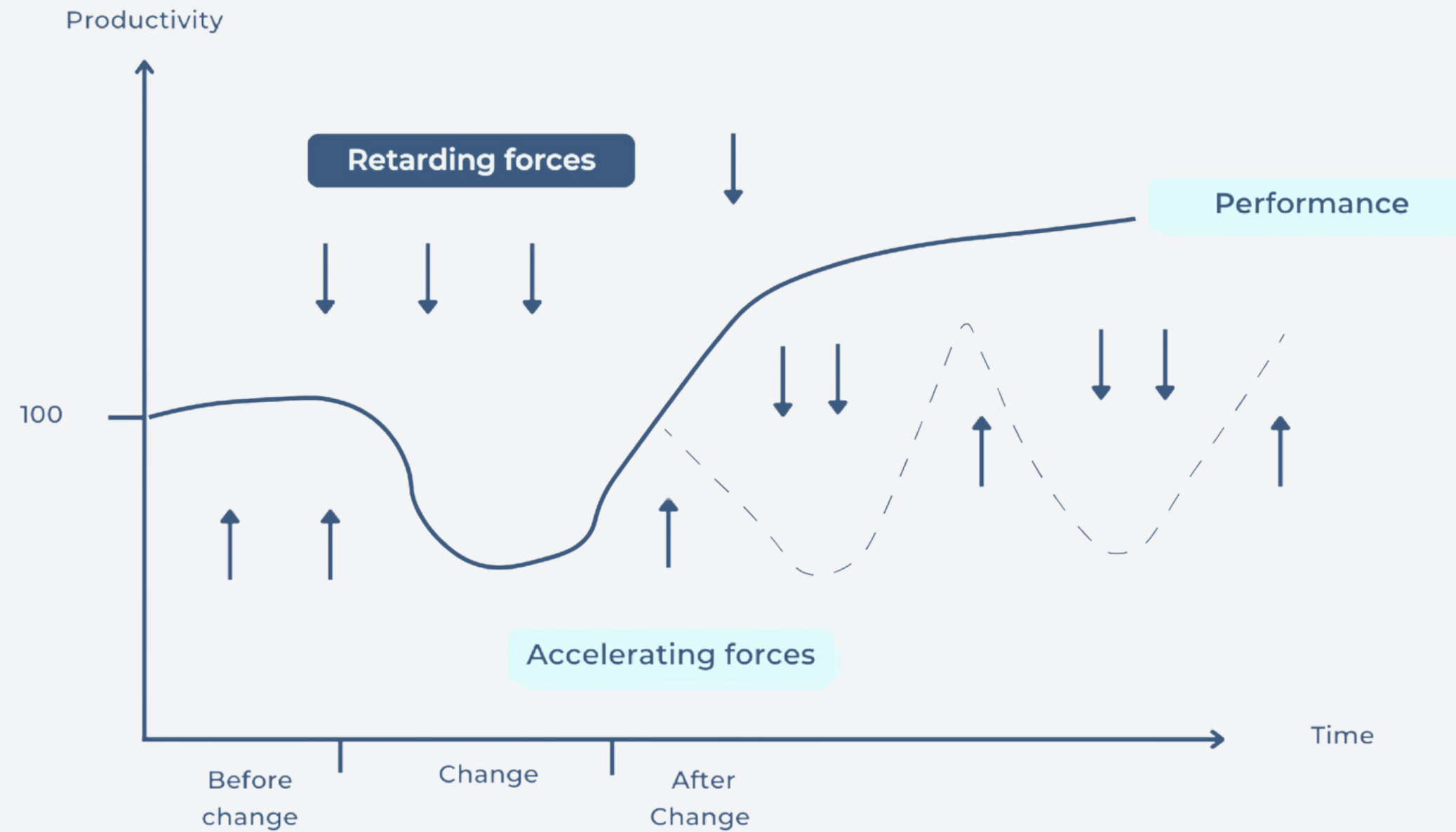
### IMPORTANT WORKPLACE CHARACTERISTICS THAT SUPPORT PRODUCTIVITY

- Appropriate spatial conditions for concentration i.e. opportunities to work alone without being distracted (quiet places, quiet zones)
- Appropriate spatial conditions for communication and social interaction such as favourable conditions for side-by-side work and a quick chat, visual and auditory accessibility, proximity, central location, shared facilities, and spaces for meetings and distraction-free group work
- Proper areas to take a break
- Workplace ergonomics (e.g. well-designed furniture)
- Access to advanced technology
- Sufficient and appropriate storage space
- High indoor air quality, high quality lighting and natural daylight
- Personal control over the indoor climate, temperature and air quality
- Fit with psychological needs such as privacy and the ability to personalize the workplace
- A well-considered implementation process, including appropriate leadership, clear information and communication, and well-thought change management

Important workplace characteristics that support productivity - Palvalin et al., 2017

# 03. Literature study

## Change management



Typical performance curve in processes of excessive change - Lauer, T. 2021



**04.**

**Empirical *study***

# 04. Empirical study

## Preparation

Case study criteria:

- It is a global pharmaceutical company
- It has been through an office reduction
- Another office reduction will take place either within the same location or with a different location
- Project is situated in the Netherlands

# 04. Empirical study

## Interviews

Case 1:

- 3 Consultants
- Facility manager
- 2 Real estate managers

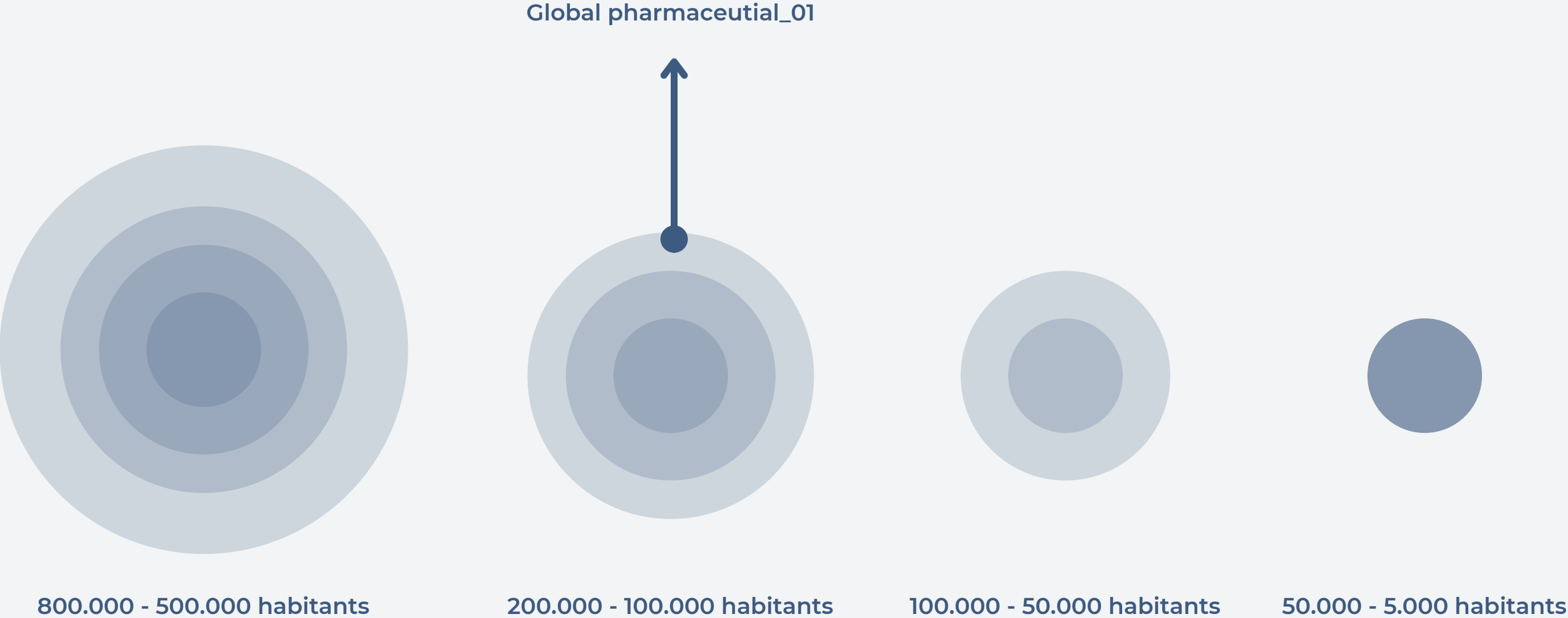
Case 2:

- 2 Consultants
- Facility manager
- Program manager

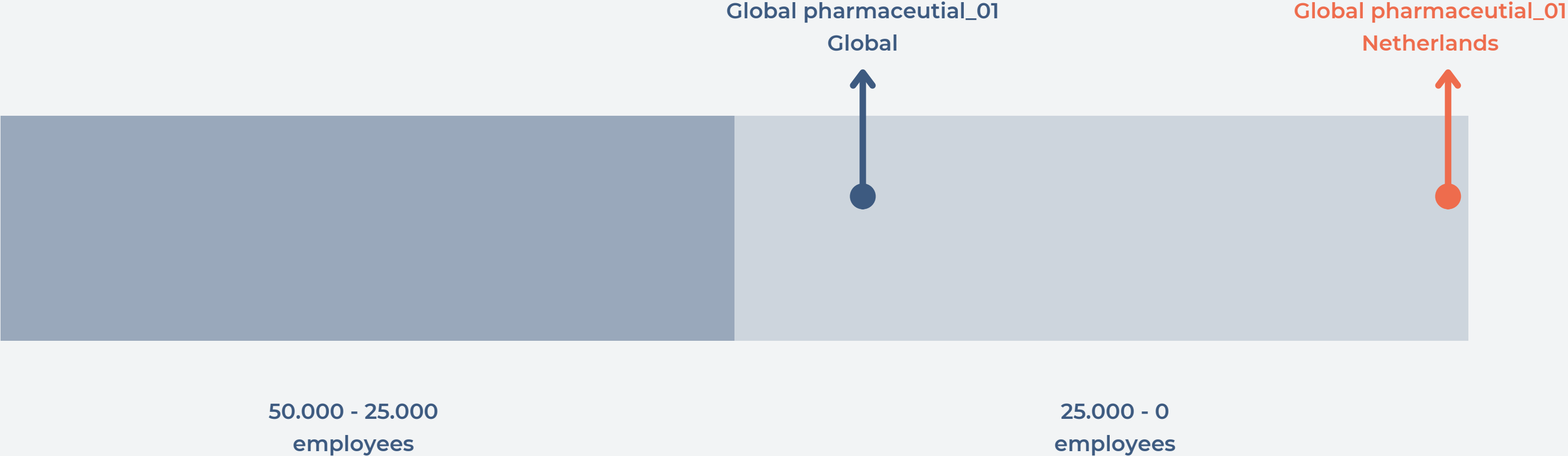
Case 3:

- Workplace experience manager
- 2 Consultants
- Project manager

# 04. Case study 1



# 04. Case study 1

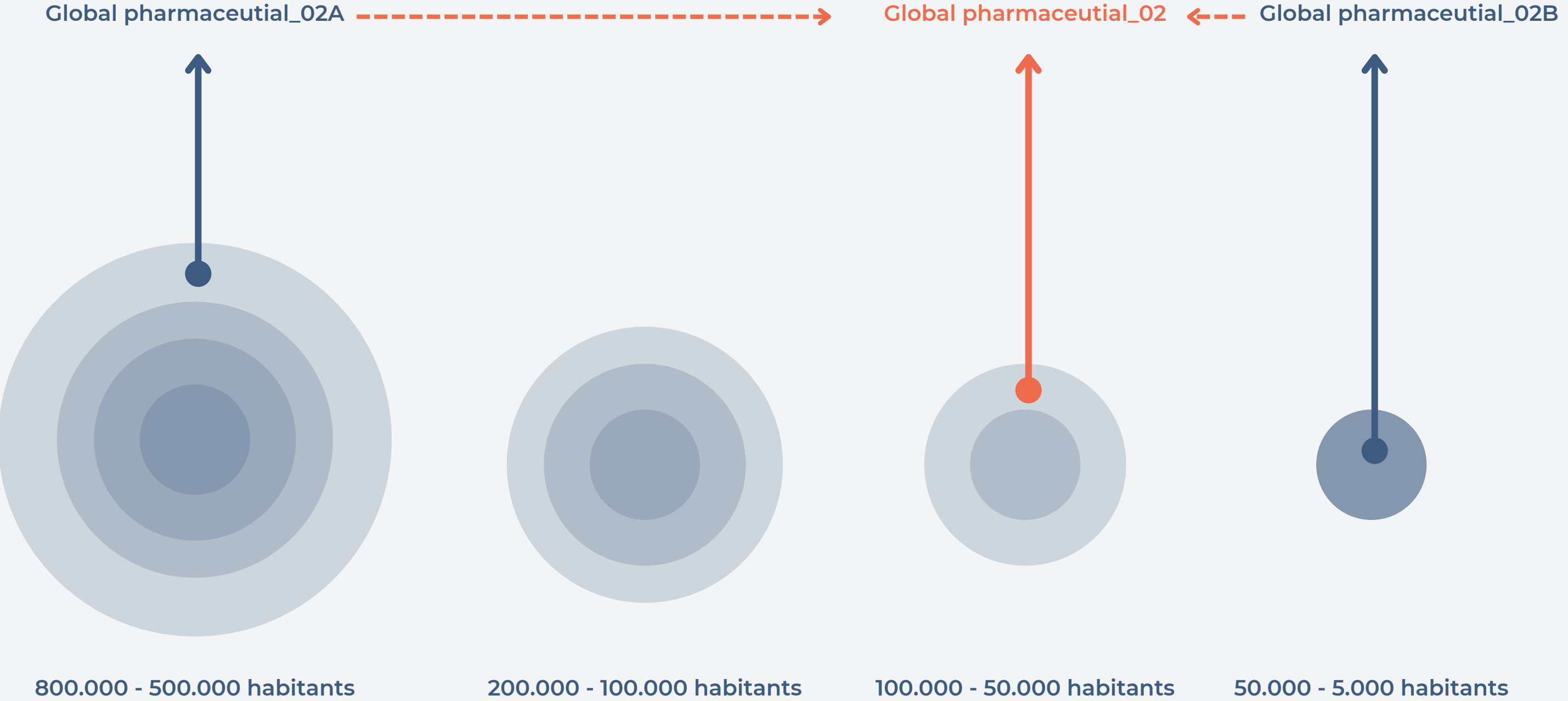


# 04. Case study 1

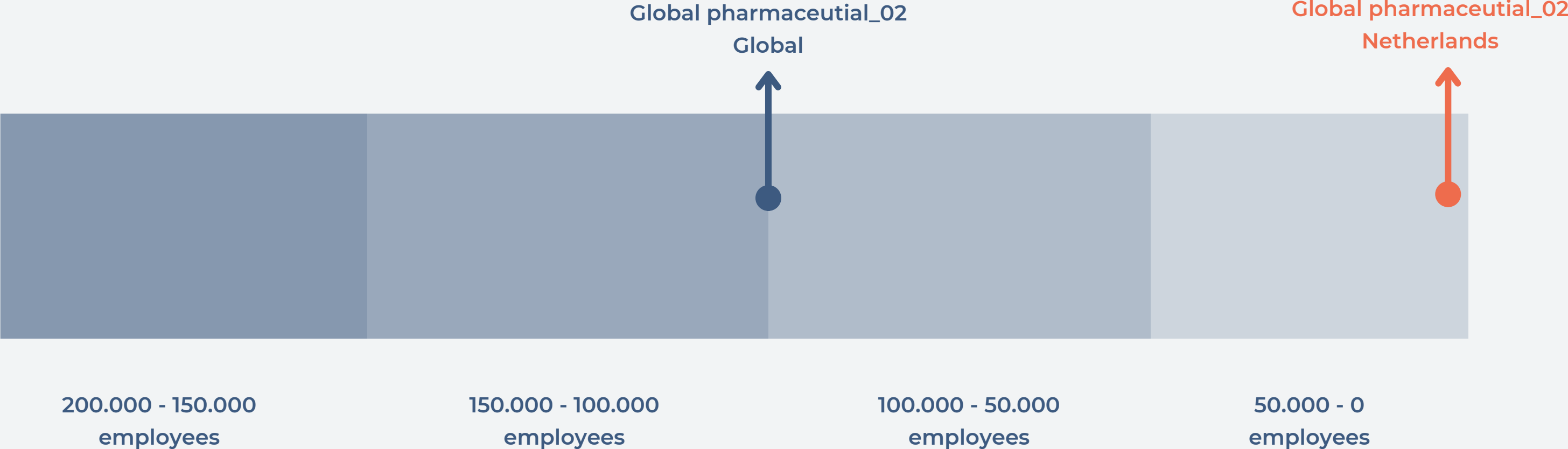
Project context &  
change gap Case 1

	<i>Previous situation</i>	<i>Current situation</i>	<i>Future situation</i>
<i>Office evolution</i>	Owned the office building with 6 office floors	Sold the building and half leased back 6 floors, case study done with working on only 3 floors	Leasing 2 office floors, subleasing four office floors
<i>Workplace type</i>	Open floor plan with some activity based working	Open floor plan with activity based working and a few adjustments from the first situation	Adjusting the office floor plan according to the employee needs
<i>Office workforce</i>	600	600	600
<i>City</i>	Same city	Same city	Same city
<i>SQM office space</i>	8,795 m2	3898 m2	2,597 m2

# 04. Case study 2



# 04. Case study 2



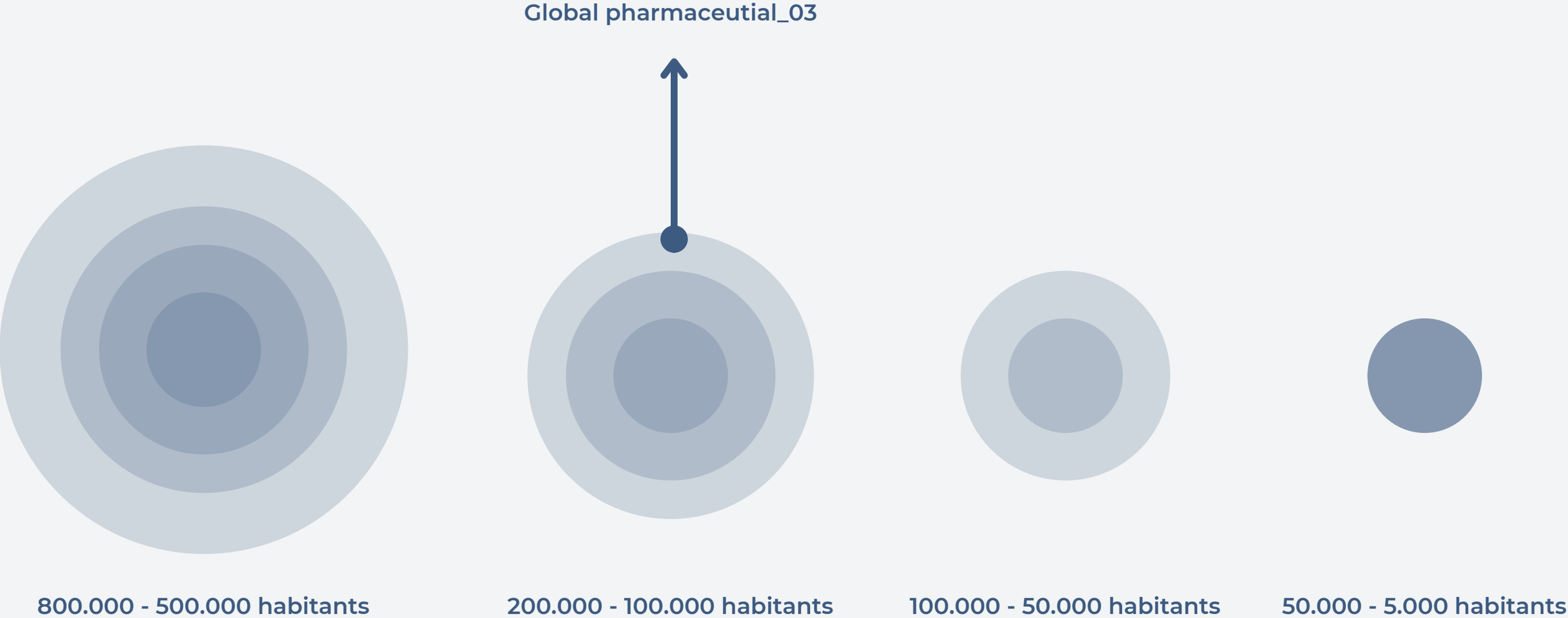


# 04. Case study 2

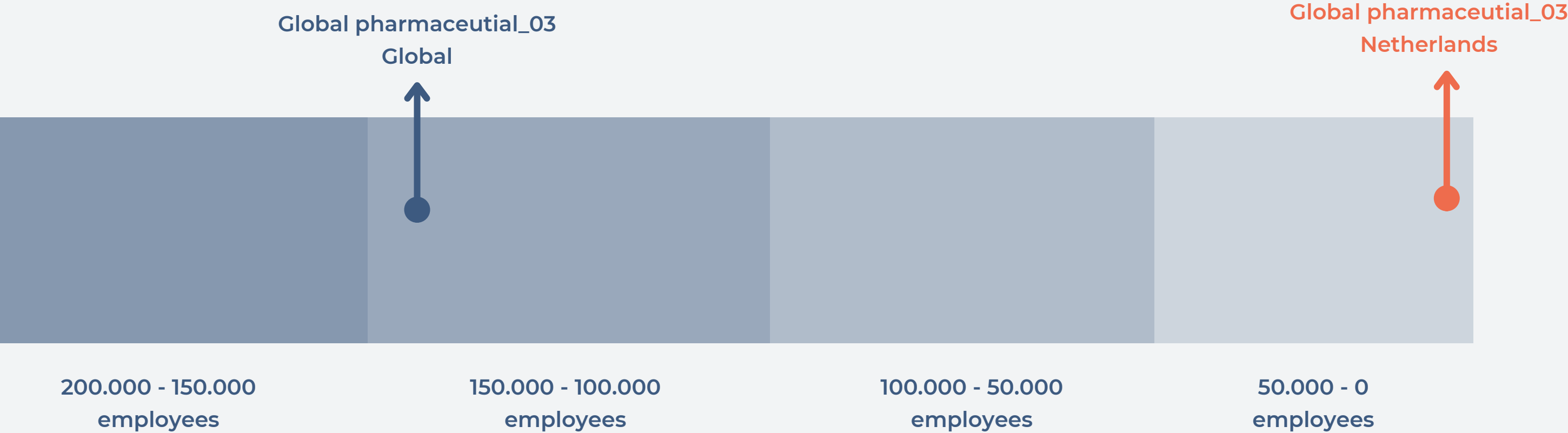
Project context &  
change gap Case 2

	<i>Previous situation</i>	<i>Current situation</i>	<i>Future situation</i>
<i>Office evolution</i>	Two separate office locations with two different departments	Leasing 2 to 3 floors of one new office building combining the offices	Implementing the new office concept globally
<i>Workplace type</i>	Dedicated desks, cellular offices in one office building. Activity based working in the other office.	Activity based workplace	-
<i>Workforce</i>	02A: 200 02B: 300	500	
<i>City</i>	Two different cities	One central location and public transport possibilities	
<i>SQM office space</i>	02A: 5.800 m2 02B: 2.745 m2	2.730 m2	

# 04. Case study 3



# 04. Case study 3



# 04. Case study 3

Project context &  
change gap Case 3

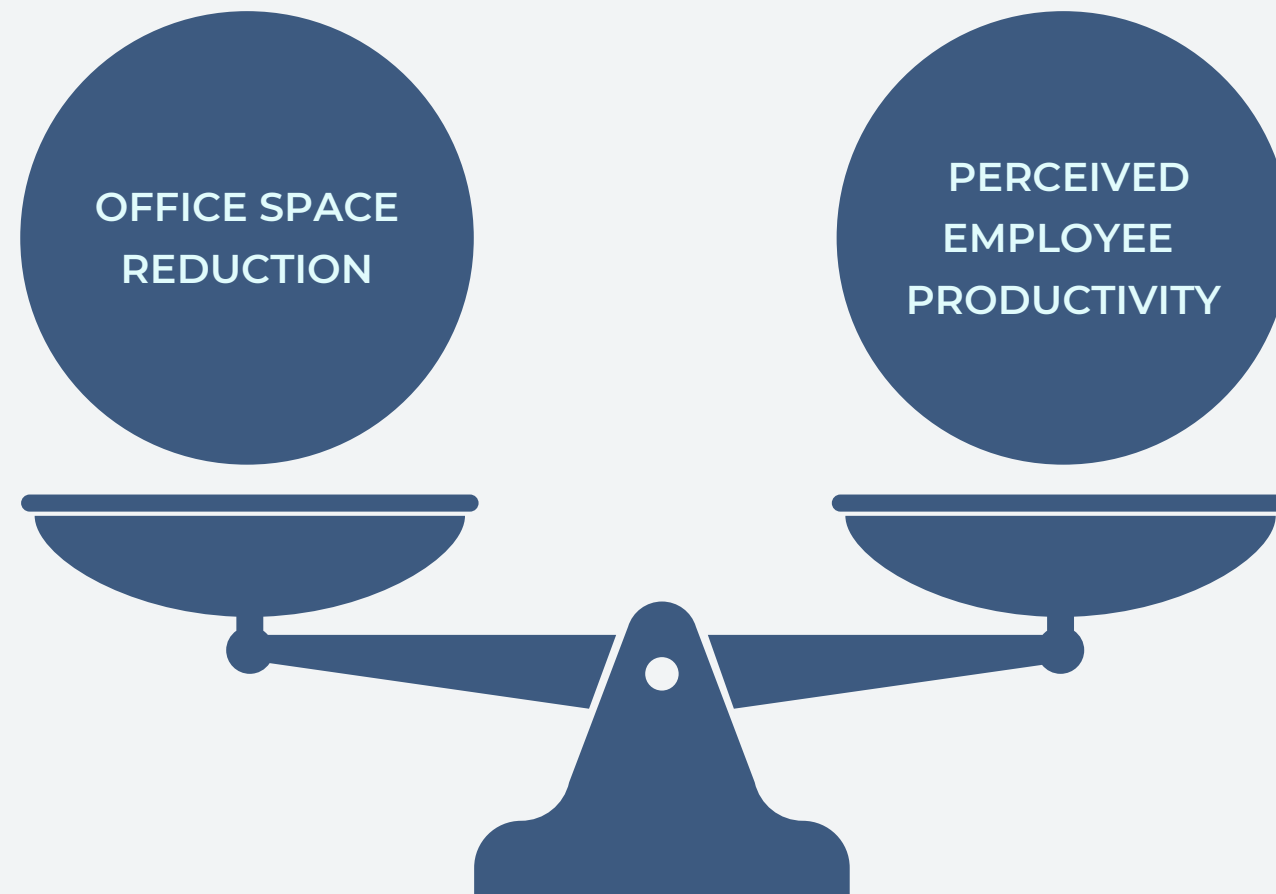
	<i>Previous situation</i>	<i>Current situation</i>	<i>Future situation</i>
<i>Office evolution</i>	four separate offices, some leased some owned	Moving away from old offices into new location	One new flagship office building, made for them but leased
<i>Workplace type</i>	Dedicated desks, cellular offices	Preparing employees for new workplace	Activity based workplaces enhanced employee experience
<i>Workforce</i>	400		600
<i>City</i>	Same city	Same city	Same city
<i>SQM office space</i>	8.000 m2		7.000 m2

# 04. Cross case analysis

Project context &  
change gap all cases

	Case 1 global pharmaceutical_01		Case 2 global pharmaceutical_02		Case 3 global pharmaceutical_03	
Office evolution	Same office building through time more sqm were disposed of		Two seperate owned locations to one leased combined office		From four owned offices to one new flagship office building, made for them but leased	
Workplace type	Activity based working		From two offices with one traditional office to one office with activity based workplaces		From four traditional offices to one office with activity based working	
Workforce	600		500		400 office	600 office 800 total
City	Same city		from 2 locations to 1 central location		Same city	
SQM office space	8,795 m2	2,597 m2	8,545 m2	2,730 m2	8,000 m2	7,000 m2

## 04. Cross case analysis



There is a constant balance between how far an organization can go with reducing the amount of square meters while maintaining or increasing the perceived productivity.

# 04. Validation

## Expert panel

4 experts, 5 statements

Takeaways:

1. Supporting employees goes beyond facilitating their work. It is about creating an environment where employees are happy, fulfilled and connected which leads to higher productivity.
2. The intensity of the change program may vary from project to project.
3. Layout and routing of the office plays a critical role in preventing disturbances and acoustic problems.
4. An organization should strive for employees who identify with the organization and are proud to work for an organization.
5. When an office space is reduced, the office should be unrecognizable and quality should be offered in return.

**05.**

# **Discussion & Limitations**



# 05. Discussion

## Decision making:

Global pharmaceutical companies prioritize cost reduction.

Underutilization and unsatisfied employees are indicators for a reevaluation of real estate.

## Barriers & Solutions

Open reduced floor plan can lead to distractions, decreased privacy, loss of identity with the office.

→ Various rooms according to employee needs, acoustic measures and creating a local identity or an organizational identity

Resistance to change and alignment issues.

→ Change management activities, effective communication, stakeholder involvement, clear policies and guidelines.

# 05. Limitations

Potential biases

Limited time



More general approach, restricted scope

Emphasis on perceived productivity

Quantitative data not included

**06.**

# **Conclusion & Recommendations**

# 06. Conclusion

## Sub question 1:

‘How has the office environment changed over the years?’

The workplace design has evolved through **different phases**, transitioning from traditional setups to activity-based workplaces that accommodate hybrid working. This evolution has led to a **decrease** in office space and an emphasis on optimizing real estate portfolios while effectively supporting employee work.

# 06. Conclusion

## Sub question 2:

‘What trends can be identified concerning office use?’

The research identified trends such as the **adoption of hybrid working**, prioritizing employee well-being, introducing **phone booths** and **workplace management systems**, involving end users in office design through **co-creation**, and focusing on the **quality** rather than the quantity of office space.

# 06. Conclusion

## Sub question 3:

‘What do global pharmaceutical companies take into consideration while doing an office reduction and how is this received?’

**Cost reduction** is the primary driver for global pharmaceutical companies seeking office space reduction. The decision to reduce office space is based on **underutilization and dissatisfied employees.**

# 06. Conclusion

## Sub question 4:

‘What do global pharmaceutical companies perceive as potential barriers between office reduction and perceived employee productivity?’

Reducing office space can present **challenges** to perceived employee productivity due to **balancing diverse needs**, such as collaboration and concentration. Open work environments may cause **distractions** and **privacy concerns**. **Addressing** these barriers is crucial to maintaining or enhancing **productivity**.

# 06. Conclusion

## Sub question 5:

‘What could be potential solutions for these barriers?’

To overcome the barriers, it is essential to **involve employees and support their diverse needs** through various measures such as creating spaces for concentration and confidential tasks, addressing acoustics, and providing technology for hybrid work. Creating a local office or an organizational identity, **effective communication**, and **change management activities** also contribute to employee understanding. Implementing policies and conducting post-satisfaction surveys further enhance **perceived employee productivity**.



# 06. Conclusion

## Main research question:

‘How can global pharmaceutical companies reduce their office space in the Netherlands while still maintaining perceived employee productivity?’

To successfully **reduce office space** while **maintaining perceived employee productivity**, global pharmaceutical companies in the Netherlands should consider certain **barriers**. **Solutions** include effective communication, stakeholder involvement, change management activities, policies and regulations, and creating a diverse workplace design. By addressing these barriers and implementing solutions, companies can achieve their goal of **reducing office space while maintaining productivity**.

# 06. Recommendations

- 1.Help employees understand the change
- 2.Stakeholder involvement
- 3.Change management activities
- 4.Implementing policies and guidelines
- 5.When reducing office space, improve in office quality
- 6.Implement employees needs and their input when changing the office layout
- 7.Implement acoustic measures in a reduced space
- 8.Implement the right technology

**QUESTIONS?**