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# CRE critique and expert interpretation

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This review is written by a small team from the Center for People and Buildings, The Netherlands (Evi de Bruyne, Anca Hartjes and Wim Pullen).

The initiative taken by the editors to dedicate this special issue (covering two editions) to the “Integration of human resources management (HR) and corporate real estate strategies” is to be welcomed by both of these professional disciplines. It is an honorable attempt to start a more in depth debate on this relationship. Although, the idea of integrating the support services within an organization is not new (see corporate infrastructure resource management by Materna and Parker, 1998), any attempt to integrate them should entail benefits for the organization. Integration requires interaction, and as far as we can tell, interaction between human resources (HR) and corporate real estate (CRE) is fairly rare in organizations today. In the available scientific literature each discipline has its own rather narrow-minded approach. Ask any HR manager about the workplace and they will start describing the social workplace and not the physical one. Ask any CRE manager about the workplace and – if you are lucky – they will talk about design solutions to support human interaction. Typical HR issues like diversity, leadership development and management styles, gender problems, job security or any form of social abuse (alcohol, sexual and bullying) are not at the forefront of the CRE managers agenda.

However, both disciplines are designed to support the work processes, and both aim at resources. The integrative framework (to describe and discover-added value vice versa) might be supplied by other organizational sciences like economics. Think of the resources-based view of the firm (Wernerfelt, 1984, 1995) in which resources are evaluated according to their contribution to the competitive advantage. In more practical terms, the framework consists of two questions: “What does CRE contribute to HR practices?” and “What does HR contribute to CRE practices?”, referring to two popular hypotheses on roles and responsibilities: “a happy worker is a productive worker” (HR view) and “a better workplace creates a happy worker” (CRE view).

With these considerations in mind we wrote a review of the different contributions for this issue (*JCRE* 10/4). After which we will conclude with some final thoughts and suggestions.

**Saurin, R., Ratcliffe, J. and Puybaraud, M. (2008), “Tomorrows workplace: a futures approach using prospective through scenarios”, *Journal of Corporate Real Estate*, Vol. 10 No. 4**

In this paper, the “Prospective through scenario” methodology is presented and explained by discussing a research method and some outcomes. This method as discussed by the authors, has generated qualitative and subjective data. Evidently, there is nothing wrong with using a qualitative method in a field that mainly focuses on quantitative techniques and “numbers”: it is a welcome addition. Therefore, the “Prospective through scenario” method seems to be a valuable technique to use when discussing possible scenarios of the future workplace.

Named themes for developing scenarios for the future workplace are related to changes in general, most economic or society issues, influence of information and communication technologies and changes in work conditions. The specific connection to HR, within this paper, might have been made by introduction of themes like: the future workforce, diversity, new work styles and management styles. With this additional information, the organizations’ general management could make better informed and integrated decisions for the future workplace. This also implies that the group of stakeholders that contributes in the “Prospective through scenario” method must carefully be defined. Not only the stakeholders like facility management, CRE and general management as mentioned in the paper, should be consulted but also human resource managers and the office occupiers should have an input into this process. This immediately points out what is really missing in the paper: a description of all the important and necessary stakeholders to define future workplace scenarios. The “Prospective through scenario” method is worth developing as an integrating tool for both FM/CRE and human resource management that stresses the importance of taking responsibility for the future workplace (AH).

**Rasila, H.M. and Nenonen, S. (2008), “Intra-firm decision-maker perceptions of relocation risks”, *Journal of Corporate Real Estate*, Vol. 10 No. 4**

When you read the title of this article you immediately get curious to the integration with human resource (HR) management, especially when considering the aim of the paper: “to understand the thoughts and feelings of the persons taking care of relocation-related decisions”. However, it seems that the research questions do not fit this goal, when referring to the risks people encounter when they consider relocation. Or does the paper aim to describe the perceived risks to make people in the organization understand the thoughts and feelings of people involved with relocation decisions? And furthermore, will this help us to reduce these risk perceptions and the related stress?

Eight people with different positions in an organization were interviewed. The article does not make a difference between the risks perceived at different levels in the organization. Comparing the views of people with different positions in the organization, could be a good suggestion for further research. In the paper the suggested next step; to collect quantitative data to test the five categories, logically follows from the

conclusions made by the researchers, but it will not provide additional insight into the thoughts and feelings of people involved relocation. To make a more clear-cut connection with the HR practice it could also be interesting to investigate the perceived risks of relocation amongst HR-managers.

The paper perfectly answers the proposed question “what risks are perceived”, and the presented solutions (that can help to lower risks and stress during the relocation process) could provide a starting point for the daily practice. However, after reading this article two questions remain. First: what causes the stress? Is it uncertainty, lack of knowledge or expertise, lack of resources, the feeling not be understood by the organization, or is there even another reason. The second question is “what will reduce the stress the best?” Would it be possible to formulate some practical solutions to reduce risks, to train the people involved in the relocation, or to really understand feelings and thoughts? At the end, it seems evident that there is still a lot to explore in this area, especially when making the connection with HR management (AH).

**Erlich, A. and Bichard, J. (2008), “The welcoming workplace: designing for ageing knowledge workers”, *Journal of Corporate Real Estate*, Vol. 10 No. 4**

Our workforce’s changing demographics is a much discussed topic. The article by Erlich and Bichard focuses on ageing knowledge workers and describes how their specific needs could be met. In the research paper they describe the outcome of several interviews in an organization in the UK. With this input they designed three types of work environment that were put to the test by older workers. The workers’ feedback on these environments was analyzed.

The authors describe how the participants had trouble concentrating in the open work environment. They state that the open plan office focus mainly on stimulating communication and interaction, while concentration and so-called “solo knowledge work” are not (optimally) supported. Although this criticism might be correct, the study presented in the paper has its weak point in the used methodology. The lack of privacy and support of concentrated task is often named as a weak point of open plan offices. Only a group of older employees in one organization was consulted and no comparison was made with other workers. It is not clear whether the stated negative points of the open plan office are related to the different preferences of older employees or rather general critical points of open plan offices.

The authors conclude that the provided work environment (in the experiment) should be supplemented with project-, restorative- and additional-concentration spaces. And although the ideas on creating these kinds of spaces are not new the general solution seems clear. In order to accommodate an increasingly diverse “office crowd” the office environment itself should become more diverse or as stated in the paper a more “inclusive office design” should be used. The focus should not be to design for exceptions but to create an overall differentiation that caters to the different work styles people have as a result of interpersonal differences. The real challenge however will not

be to point out importance to focus on the needs of older workers but rather to achieve real changes and take concrete measures (EDB).

**Haynes, B.P. (2008), “Impact of workplace connectivity on office productivity”, *Journal of Corporate Real Estate*, Vol. 10 No. 4**

The evidence based and quantitative approach taken in the work of Haynes is a pleasure for a scientist to read. In recent years, the author published an impressive amount of work on productivity. Haynes’ purpose is to establish a segmentation of office occupiers (making a differentiation between different work patterns) based on differences of perceived productivity with regards to the physical and behavioral environment. Within the key question for corporate real estate managers: What is the contribution of the workplace to productivity, we encounter our first problem: definitions. The term “productivity” originated from economics. More refined terms are labor productivity or total factor productivity. The calculation of both ratios – used as indicators for economic growth – requires extensive measurements of inputs and outputs. Because office researchers often do not have access to these data they replace calculated ratio’s by “self assessed ratings”. As there exists a clear difference between the two interpretations, it provides a possible source for misunderstanding when people with these backgrounds discuss productivity. And what do HR people think when the word “productivity” is mentioned?

A second problem comes from the applied methodology. Asking respondents about their opinion of “the workplace as a resource for productivity” already points the attention of the respondent to the workplace. A more open question “what contributes to your productivity” might point a wider range of very important indicators, more related to the HR field, like compensation, work content, and social settings including relationships with peers and management (Batenburg and van der Voordt, 2008).

The segmentation Haynes uses was developed by Laing, originally designed with a focus on providing a segmentation for office developers and architects, not for HR managers. The segmentation and the described components of office productivity as used in the paper have a background in office design not in HR. Although the questionnaire used is not described in detail we assume that it was developed for CRE research purposes, and not for the evaluation of resources and their contribution to the competitive advantage, productivity and organizational growth or development.

The term connectivity is interesting but not very well defined. Is it an employees’ sense of belonging to the organization? The alignment model looks interesting at first sight, but the meaning of the block arrows pointing in opposite directions remains unclear. This model is not discussed in the context of the relationship between HR and CRE, since this would require a study in itself. Some additional considerations by the author would have been helpful to allow a better understanding what problems and issues CRE and HR managers face and that provides a starting point for integration (WP).

**Finally**

To conclude this review we believe a brave first attempt was made to start a debate on the “Integration of human resources management (HR) and corporate real estate strategies”. But it is only a beginning. It seems clear that CRE researchers and practitioners do not have a HR focus in terms of for instance language and have little knowledge of the HR agenda. The methods used within the CRE field were not designed to also provide insights for this other discipline. Yet the feeling remains that better understanding can reduce stress (Rasila and Nenonen), and that collaboration to design future scenario’s could help general management to make better decisions (Saurin *et al.*).

A framework that gives an understanding of the roles and responsibilities of both HR and CRE is to be developed. Haynes’ attempt to provide such a framework does not seem to stem from organizational and economic literature which could provide us with a strategic perspective based on resources. Frameworks designed within these more general disciplines could be helpful to kick start the discussion on the integration of other support services like IT, legal, finance.

We think that both the HR and the CRE discipline can learn from best practices, and a description of the facts and experiences resulting from collaboration between HR and CRE. Editors of the JCRE might consider inviting papers on these practices.

## **Acknowledgements**

The author’s backgrounds are Work and Organizational Psychology, Organizational Anthropology and General Management; what binds them is the objective to develop interdisciplinary research in the field of people, their work and their workplace environment.

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