

TOMORROW'S WORKPLACE PROGRAM 2014 STATUS REPORT

EXECUTIVE SUMMARY

Tomorrow's Workplace (TW) is a five year Council-approved transformational change initiative that will ready The Corporation to work productively by increasing its use of, and proficiency with, mobile technology, flexible workstyles and flexible workspaces. This will result in The Corporation being able to accommodate growth within its existing administrative space, avoid future real estate costs and to realize Council's other strategic objectives for the initiative:

- Attract and retain employees through flexible workstyles;
- Enable more accessible and convenient services to citizens;
- Reduce the corporate environmental footprint; and
- Enable an innovative and collaborative workplace.

On 2014 April 22 the Administrative Leadership Team (ALT) as per ALT2014-0225 "approve(d) a corporate space efficiency target to avoid future real estate costs by decreasing 10% of assigned office workstations by 2018 (based on the 2012 baseline)." Tomorrow's Workplace was identified as a corporate 'How Initiative' as part of the Action Plan 2015-2018 process. This means that all departments must include this space efficiency target in their Action Plans. The target will be achieved by shifting a portion of existing staff and a portion of future staff growth to work in a mobile workstyle and accommodate their workspace needs within unassigned workspace. The TW team, together with Human Resources (HR), Information Technology (IT) and Corporate Properties & Buildings (CPB), have developed an integrated flexible work program. This program has identified a variety of different strategies and actions to be adopted by departments and business units over the 2015-18 business cycle that will collectively achieve the decrease of 10% of assigned workstations by 2018, while building corporate readiness to foster flexible workstyles and optimize workspaces. This report represents an annual program status update.

ADMINISTRATION RECOMMENDATION(S)

That the Land and Asset Strategy Committee recommend that Council:
Direct Administration to report back to Council through Land and Asset Strategy Committee with a follow up status report no later than Q2 2015

RECOMMENDATION OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2014 SEPTEMBER 18:

That the Administration Recommendation contained in Report LAS2014-44 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 July 25 Council received Tomorrow's Workplace 2013 status report and directed Administration to report back to Council through Land and Asset Strategy Committee with a follow up status report no later than Q2 2013.

BACKGROUND

The City of Calgary's workplace is responding to rapidly changing technology, attracting a multi-generational workforce that expects flexible workstyles, citizen expectations for multi-channel,

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24/7 services and a cost effective and productive workspace. Tomorrow's Workplace is an integrated business and service improvement program, building the organization's capacity to respond to these challenges through a flexible workplace program built upon people, technology and space solutions.

As a change catalyst, the TW team is dependent upon an organizational accommodation governance structure and performance targets if it is to successfully facilitate a corporate wide flexible workplace program.

On 2014 January 14, ALT adopted the recommendations in the Corporate Wide Workplace Governance, Funding and Cost Effectiveness report (ALT2014-0058) which provides Administration with the necessary governance structure, roles and responsibilities. On 2014 April 22, ALT approved a corporate space efficiency target to avoid future real estate costs by decreasing 10% of assigned office workstations by 2018, using 2012 as a baseline (ALT2014-0225). Tomorrow's Workplace was identified as a corporate 'How Initiative' as part of Action Plan 2015-2018. This means that all departments must include the space efficiency target in their Action Plans. This target also provides direction for the TW team to work with all City of Calgary departments and business units to develop strategies and actions that will collectively contribute to the corporate outcome of avoiding future real estate costs.

The TW program developed the following approach to support the successful achievement of this target:

1. **Foundational projects** – A variety of corporate wide initiatives to enable flexible work across the organization. Projects currently underway include, but are not limited to, the following:
 - a. Wi-Fi expansion: Allows employees with Wi-Fi enabled devices to stay connected and working on The City's network. Expansion is expected to be complete in Q4 2014.
 - b. myFlexwork website: A site that provides access to resources, tools and information to support employees and leaders who are working flexibly. The website is expected to be complete by Q4 2014.
 - c. Learning and development: Training programs for staff and leaders who are working flexibly. To date, TW and HR have launched a *Leading from a Distance* e-course that is available to supervisors and management.
 - d. Microsoft Lync: A tool that allows City staff to hold online meetings, make audio and video calls, instant message and share desktops with colleagues. Lync, a key component of flexible work, was rolled out by IT in Q4 of 2013. TW assisted in the promotion and adoption of the software.
2. **Implementation projects** – The TW team is working directly with business units to support their flexible workplace objectives:
 - a. Flexwork Hub: A drop-in work space in the Municipal Building that is accessible to all employees. It provides a variety of workspaces and connectivity to the network and printer facilities. It enables productivity especially for staff how are

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visiting the Municipal Building from other City sites. The Flexwork Hub is set to open in fall 2014.

- b. 2014 Early Adopter Implementation projects: TW will work closely with specific business areas to transition them into a more flexible workplace, the learnings from which will form a flexible working playbook for operational sustainment.
- c. 2015-2018 Workplace Strategy: The plan for the future roll out of a flexible workplace across The Corporation's administrative portfolio.

- 3. **Corporate responsiveness** – This work aims to support business areas that Tomorrow's Workplace will not be working with as part of a discreet implementation project. Together with CPB, IT and HR, the TW Team will support business areas, through tools, training and resources, to build readiness for working flexibly and successfully support the corporate space efficiency target and their respective strategies and actions as identified in the 2015-18 Action Plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Corporation's 2011 administrative growth projections of 1350 new employees over the next 10 years means that if The City of Calgary continues to provide administrative space in a conventional way (one person to one desk) there will be a need to increase the administrative portfolio by three buildings equivalent to the Andrew Davison Building. Such an increase is in direct contrast to Council's direction to avoid future real estate costs (LAS20122-66). In that same report, Council directed Administration to seek alternative means to accommodating growth - to effectively grow without growing - by working flexibly in the administrative workspace already provided.

Two discreet but significant events occurred in 2013 that accelerated the organizational understanding of, and need for, a flexible workplace program and greatly informed the TW program to date.

The first was a Day in the Life Study also known as a utilization study. The methodology applied is industry standard and has been widely used. It is considered best practice and highly reliable in understanding the utilization of administrative workspace. In 2013 June, observations were made over a 10 workday period at eight separate times throughout the day to observe how, and if, the administrative workspace was being occupied. The study included seven City administrative buildings (18 floors), occupied by six departments (15 business units) and covering 2200 work points excluding known vacancies. The summarized results indicated that researchers observed 33% of City staff visibly occupying their workstation (desk), while 15% of workstations showed evidence of occupation (coat over chair, computer on etc). The balance, 52% of City workstations that are assigned to staff, were not occupied as staff attended meetings, worked with clients, served customers, attended training or engaged in other work activities away from their desk.

Shortly after the Day in the Life Study, on June 20, Calgary was hit by a major flood which saw the immediate displacement of 2800 City of Calgary administrative workers from City workplaces primarily in the downtown core. 1900 of those employees remained displaced while corporate facilities were under repair from flood damage and unable to accommodate the return

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of employees until 2013 August 27. During that time, the TW team worked with CPB and IT to secure alternative workspaces for displaced employees, provisioning them with 527 pieces of mobile technology (e.g. laptops, cell phones) and 858 remote access accounts (Citrix), as well as providing them with online flexible work information. A post flood survey received over 1,200 employee responses and revealed the most significant determinants in being productive while displaced were access to mobile technology, access to files (either digital or paper) and access to other team members. The flood learnings have greatly contributed to the shaping of the TW program and it has been observed that there is a significantly enhanced understanding of, and readiness for, resources to enable employees to be productive while working flexibly.

More specifically, the Day in the Life Study and the flood survey results revealed:

- Many employees are already working flexibly;
- Flexible working enables business continuity and resilience;
- An increased organizational “appetite” and cultural readiness to work flexibly;
- An understanding of the existing capacity of the organization’s tools and technology that enable flexible working; and
- An untapped opportunity to optimize The City’s real estate assets and avoid future real estate costs.

As we gain a greater understanding of how we work, and to facilitate Council’s objective of growth without growth, the TW team has developed a model of flexible working – the ability to choose where and how work gets done to best suit the needs of the business, our employees and our customers – that incorporates three distinct workstyles: Anchored, Mobile and Remote.

In this model an *anchored* workstyle is where an employee requires an *assigned* workstation as they spend the majority of their time at their desk. A *mobile* workstyle is where an employee works in a variety of locations throughout the day depending on the work being completed (e.g. meetings, focused work, serving clients etc). These employees will need access to *unassigned* workstations and spaces which are not designated to a specific person but are available to many and in a variety of locations. *Remote* workers work the majority of their time away from corporate-owned facilities and rely on technology to stay connected with their teams. Remote workers are not provisioned with space in corporate-owned facilities.

By capitalizing on the increasing numbers of employees already working in a flexible way and supporting them to be less reliant on their underutilized assigned workstations, TW has developed a number of actions and strategies that will enable departments and business units to collectively realize a decrease of 10% of assigned workstations as identified in the attached performance model (Attachment 1).

Stakeholder Engagement, Research and Communication

This target is a product of a number of evidenced based research initiatives including the Day in the Life Study; IT, HR and CPB Fit-Gap Assessments; post flood survey results and review of industry best practices.

Between 2014 February 19 and March 20, meetings were held with each of the General Managers, and when requested, their team of Directors to discuss the proposed

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recommendation and risks and opportunities to successfully contribute to this collective target. There were strong indications that many employees were already working in a flexible way and that there are readily available workspace efficiencies that could be capitalized on.

The Tomorrow's Workplace team has engaged Hellmuth, Obata and Kassabaum (HOK) and IBM as industry experts in workplace mobility as well as subject matter experts from CPB, IT and HR to inform an integrated service delivery plan and myFlexwork program ensuring methodological rigour, alignment with industry best practices and operational readiness for delivery.

Strategic Alignment

The TW team has been working and aligning with Cultural Transformation, Customer Service Framework and 2015-2018 Action Planning process to leverage learnings, ensure programmatic alignment and engage with critical stakeholders.

This report's recommendations are aligned with Council's direction for the 2015-2018 Action Plan:

- **A well-run City:** Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need.

Social, Environmental, Economic (External)

Social

- Flexibility of service delivery will provide citizens with greater choice in how they engage with municipal services;
- Flexible workstyles will attract and retain talent and increase employee satisfaction and loyalty; and
- Flexible work schedules and flexible workspaces will enable work-life balance, employee well-being and research has indicated, increased productivity

Economic

- Flexible workstyles and flexible workspaces will enable The Corporation to avoid future real estate costs;
- Evidence suggests that flexible workstyles can reduce absenteeism;
- Dispersed commuting times and routes will help reduce demands on roads and public transit;
- Flexible workstyles and distributed working can save the employer money on facility operations (e.g. water consumption, electricity, cleaning etc); and
- Flexible workstyles and flexible workspaces can support seamless business continuity in the event of a workplace disruption (e.g. snow day, pandemic, natural disaster, labour disruption, etc.)

Environmental

- Reducing car trips for both the employees and customers will reduce carbon emissions;
- Flexible workstyles can contribute to reduced peak hour traffic congestion;

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- Distributed service delivery and facility sharing can potentially reduce the corporate environmental footprint

Financial Capacity

Current and Future Operating Budget:

None with this report

Current and Future Capital Budget:

LAS2011-66 approved a capital budget appropriation of \$26.8 million to the Capital Program 770 Space Management to be funded from the Reserve for Future Capital (RFC) and cash flowed annually. The amount of \$18.8 million is to be repaid to the Reserve for Future Capital from future funds from business units for new employee growth, future capital budget reallocations, and program realignment to absorb innovative space initiatives.

At the end of Q2 2014, the TW program has expended \$5.637M of the budget and has developed a detailed plan to deliver the remaining program initiatives within budget.

In BPBC 3, 2012-2014, Corporate Services will repay to the Reserve for Future Capital \$0.8M. In the 2015-2018 Action Plan business cycle the Reserve for Future Capital will be repaid \$3.425M, with remaining \$14.575M to be repaid by end of 2024.

Risk Assessment

Without an integrated corporate-wide program to enable flexible workstyles and flexible workspaces, as well as centralized governance of corporate accommodation, The Corporation will be challenged to meet Council's outcome of avoiding future real estate costs. Operational and project risks have been identified and are being managed.

REASON(S) FOR RECOMMENDATION(S):

To provide Council an annual update on the progress of the Tomorrow's Workplace program.

ATTACHMENT(S)

1. Performance Target Model