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## SEARCH

## Do luxury perks and ultra-cool facilities really create a better work environment?

First-rate facilities such as nap pods and massage chairs may help companies be the talk of the town, but researchers question whether they are a true reflection of what employees want from their workplace

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Google's Googleplex campus in Mountain View, California, features volleyball courts and two lap pools, along with a replica of a dinosaur skeleton

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## employee engagement

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Greenery was sparse, save for perhaps a vase of flowers on the desk at reception. The poorly equipped workspaces of yesteryear, with their grey walls and squeaky whiteboards, were designed as locations for unadulterated concentration, free from distractions and frivolity.

However, the ultra-cool offices owned by some of the world's most prestigious businesses now resemble adult playgrounds, boasting facilities such as slides, hammocks and nap pods. Gone are the days of endless meetings in soulless conference rooms; they've been replaced by walking 'think-ins', most likely accompanied by at least one team member's pet spaniel.

The most famous proponent of these creativity-driven office spaces is Google. It pioneered the model with its original campus, nicknamed the [Googleplex](#), which opened in Mountain View, California, in 2004. The expansive signature complex features sand volleyball courts and two lap pools, along with replicas of rocket-fuelled experimental aircraft SpaceShipOne and a dinosaur skeleton. Employees working there benefit from onsite laundry rooms, access to 18 eateries – in which all food is free of charge – and many more perks besides, although the company remains tight-lipped about exactly what those are.

"What Google has done is raised the bar for the amount of time, attention, thinking and financial investment that organisations should make in their workplaces' facilities," said Tim Oldman, CEO of Leesman, a company that compiles an eponymous index charting effectiveness in thousands of workplaces around the world. While some view the installation of trendy facilities as necessary in the war for talent and contributory to productivity, others have questioned whether it really aligns with what modern employees seek from their workplace

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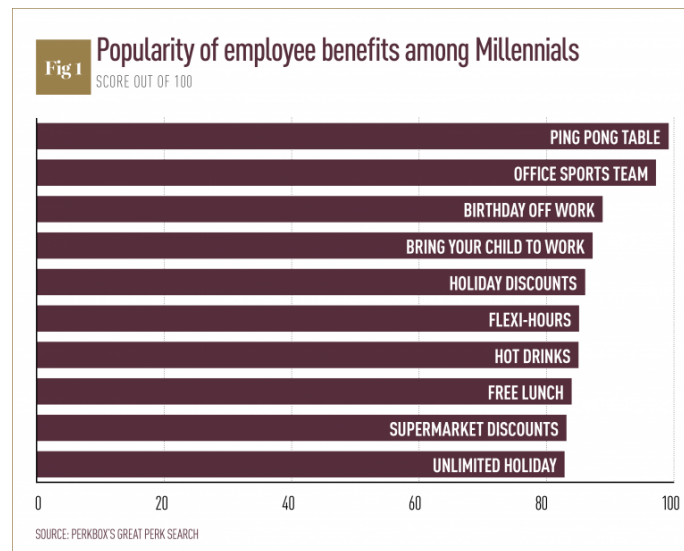
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## Proven improvements

Aside from the cool credentials, there are practical reasons why companies like Google might invest in facilities that would typically be found in someone's home rather than office space. For example, tech developers often work unsociable hours to support site functionality through the night and may be forced to work longer than usual if there is a glitch that needs to be dealt with. The availability of sleep pods makes their jobs infinitely easier as they're able to take a quick nap to keep them firing on all cylinders, rather than driving home and back again. According to the *Journal of Sleep Research*, naps can improve performance in areas such as reaction time, logical reasoning and symbol recognition – all vital mental tasks for web developers. Moreover, having well-rested employees reduces the margin for human error as a result of tiredness, which can be catastrophic for a company like Google, which could lose hundreds of thousands of dollars if it were to crash for even an hour.

And it's not just developers who might find themselves at the office at all hours of the day and night: around 30 percent of meetings that take place at Google involve employees in two or more time zones, according to Veronica Gilrane, who manages the company's People Innovation Lab. The time difference between employees could be up to 17 hours: if someone in Google's Sydney office had a conference call with their California-based counterpart at 5pm Australia time, their colleague would have to stay in the office until midnight. Having a comfy space in which to relax while waiting for a late meeting, or facilities for doing some laundry, makes life easier for employees who are at the office during periods when they would normally be at home.

Research also suggests that working in a creative office space filled with fun amenities can have a positive impact on employee happiness, which boosts productivity. "If your employees are happy, they'll perform better and stay with [the company] for a longer time," said Gautam Saghal, COO at employee benefits provider [Perkbox](#). Researchers at the University of Warwick studied the impact of employee support on overall satisfaction, observing an increase of 37 percent at Google. In the same experiment, elevated employee happiness levels



### Age matters

It's no secret that happy, engaged, productive employees make for a profitable company. In 2013, a global review by the [International Labour Organisation](#) (ILO) found labour productivity to be the main driver of economic growth, while Gallup polling over the past two decades has shown that organisations with engaged staff are, on average, 18 percent more productive than less engaged competitors. "When [employees] are engaged, they're happy to come into work, and they perform because they have a sense of their own purpose [within an organisation]," Saghal told *World Finance*.

The jury is out, however, on whether fun office facilities are the most effective means of engaging employees and boosting productivity. "Things like slides, or beanbags, football tables or basketball hoops may be nice things, and they may reinforce aspects of corporate culture, but there are very few of them that you could associate with a great day at work," Oldman said. Saghal agreed: "Those kinds of perks are heavily contextual... If you're Google and you have developers working around the clock, nap pods make perfect sense, but in a different environment, they may not."

While quirky features may help to distinguish a company from its competitors, they must also be applicable to its employee base in order to contribute anything to the bottom line. This is particularly true when it comes to the Millennial proportion of the workforce, as Google-style perks such as video games and ping-pong tables are often

**Search** survey, in which the company studied 2,315 UK adults in full-time employment, those in the Millennial group (aged 22 to 37) were far more likely to favour 'fun' perks than their Generation X coworkers. The most sought-after perk for Millennials was having a ping pong table, with respondents giving it a rating of 99.15 out of 100 (see Fig 1).

### Re-evaluating perks

According to Leesman's research, this demographic valorises the opportunity to step away from their desks and take a break more than other groups in the workplace. Facilities such as games or comfy breakout areas provide the opportunity to do so. However, digging a little deeper into the data indicates that it's not so much the facilities themselves, but rather what they represent, that Millennials crave.

"Most of the Millennials we speak to through our survey are slightly embarrassed by things [like slides]," said Oldman. "They're a group of the workforce that are keen to prove their value and work up the corporate ladder. Our experience is that they tend to steer away from those sorts of facilities because when they're using them, they're somehow fulfilling their stereotype." As such, it is likely that Millennials would be just as satisfied with comfy seating areas or a cafe to relax in.

Both Perkbox and Leesman's research highlights the fact that Millennials are keener than any other age group to access benefits that allow them to further their careers. "They come into the workforce expecting to learn more and access a higher level of knowledge transfer," said Oldman. In Perkbox's survey, 47 percent of Millennial respondents listed access to training and learning resources as a priority perk. This indicates that there's a real mismatch between those designing workspace facilities for Millennials and Millennials themselves. "With regards to companies like Google, I think we've been somehow distracted by the slides and the gimmicks," said Oldman. "We don't ever see photographs of desks or meeting rooms or coffee machines – all we see are the swing seats and the foosball tables. It's easy to forget that there's actually some awesome benefits-infrastructure behind that."

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Millennials make up a significant proportion of the workforce, they're not the only demographic to take into consideration when it comes to perks and office design. Given their current age, it's unlikely that Millennials are the largest revenue generators for most corporations.

Although they may grow into that role, currently the greatest contributors to company profits are likely

to be from Generation X, who are aged between 38 and 53. "The risk is that [companies] become so blindly obsessed with appealing to what they're told Millennials want that, actually, they forget about the rest of the workforce – those that are generating the majority of innovation and income for the organisation," Oldman told *World Finance*.

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This age group is likely to have the most complex role within an organisation, balancing managerial, strategic and revenue-generating responsibilities. As such, they are the most in need of infrastructure to support them. This may include perks that bring down the cost of living, as workers at this stage of life are likely to have a number of significant financial responsibilities, such as a mortgage or costs associated with supporting children through school or university. According to Perkbox's survey, 89 percent of Generation X respondents deemed discounts at supermarkets to be an important perk. A further 86 percent said they would like the opportunity to bring their child to work, a perk that would save on childcare costs. "This is a group that looks for a benefits package to support them in being committed to their role and to that organisation," said Oldman.

### Crossing the line

It's not just the demographic debate that has led some to question the effectiveness of luxurious office facilities. Some have raised concerns that making corporate spaces an extension of the home serves only to blur the line between work and leisure. If an office boasts facilities such as laundry rooms, there can be a perception that employees no

Similarly, transforming the work environment into a more domestic space can make it difficult for employees to switch off from one or engage with the other. “If it’s done in the wrong spirit, this absolutely can happen,” said Saghal. “That’s why context is so important. But at the same time, I think people don’t really separate work and life quite as much today as perhaps in previous generations – work is more an extension of life.”

There’s also the matter of cost. Installing unique facilities certainly isn’t cheap – nap pods, for example, can cost up to \$13,000 a pop. Smaller companies simply cannot afford that sort of investment, but this could mean they lose out on top talent as candidates defect to companies that can splash out. “Of course it’s a cost, but it’s also extremely costly to have to find new talent if you can’t retain the talent you already have,” said Saghal. “By staying longer, [talented employees] provide a return that’s... much larger than any outlay that goes on to perks, benefits and so on.”

Saghal added, however, that companies don’t necessarily have to splash out on Instagrammable features to retain employees. In fact, initiatives that are very low-cost or even free can have similar benefits. Saghal gave the example of a ‘bring your dog to work’ policy, saying: “That’s really no cost to us, but immediately, it takes a load off our employees’ minds and it makes for a much more fun environment.” He continued: “A company shouldn’t be dissuaded from implementing perks because of cost.”

### **Appearances can deceive**

Ultimately, as an employer, the best way to go about deciding on how to make your office space more appealing to your employees is to ask them what facilities would benefit them the most. Before that process begins, though, it’s vital to ensure that the company has the structures in place to support potential benefits. “Employees are increasingly cynical of being somehow misled policies such as the ability to work from home,” said Oldman. While many may jump at this opportunity, “if [employees] then don’t have the technology, the digital security to be able to connect from home, or their employer isn’t contributing to their internet connectivity, it all falls down quite quickly,” he

Only once those logistical issues have been worked through should an engagement process with employees begin. “This shouldn’t just be with employees that are high up, either,” said Saghal. “If you’re really trying to create a kind of culture that’s nimble and agile, there should be consistent and constant feedback at a variety of levels.”

This consultation process can help employers develop a value proposition, which is designed to improve the experience of existing employees and draw in new talent. “That starts with mission and values, and continues through perks,” said Saghal. It may be that employees of a certain company do particularly value perks such as massages, beanbags or foosball tables, but the implementation of those facilities should be a result of their feedback, not a top-down policy according to what other companies are doing or what’s considered trendy. A consultative culture where all contributors feel valued is worth far more than a slide in the office, even if the former doesn’t look so swish on the pages of a magazine.

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