



Survey on the Influence of Workplace Design & Practices on the Ethical Environment

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Real value in a changing world



“The move toward a more collaborative office design featuring open workspaces, team rooms and common areas has gained even more traction within the last few years as companies look to reduce costs through increased space utilization without compromising productivity. In fact, the survey found that more than one-third of companies transitioned from closed offices to open plans just within the last five years.”

— Patricia Roberts, Executive Vice President, Strategic Consulting, Jones Lang LaSalle

“The experience in our own firm has been that open workspaces promote an ethical and collaborative culture where transparency is of the utmost importance, and we believe we have reduced the costs to our organization from ethical lapses and litigation as a result. Senior management can greatly improve staff morale and eliminate the detrimental ‘us versus them’ attitude if they also sit in the open environment, which becomes a constant and visible reminder that everyone’s collective responsibility is to the shareholders and the greater good of the entire organization.”

— Mark Ohringer, Executive Vice President and Global General Counsel, Jones Lang LaSalle

“In today’s rapidly changing business climate with its diverse workforce, constantly evolving technological innovations, and intense competition, corporations need to think strategically about the type of environment that best supports its employees and allows them to do their best work in a way that maintains the integrity and ethical culture of the organization.”

— Alex Brigham, Executive Director, Ethisphere Institute

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200

Ethisphere and Jones Lang LaSalle combined forces to conduct a Survey on the Influence of Workplace Design & Practices on the Ethical Environment compiling 200 responses from representatives from a wide variety of industries, including Professional Services, Industrial/Manufacturing, Healthcare/Pharmaceutical, Technology/Telecommunications and Consumer Industries.

INTRODUCTION

In today's rapidly changing marketplace, corporations need to rethink how they are physically structured in order to create environments that support and enable employees, while improving space utilization and efficiency. Implementing a proper workplace strategy not only empowers employees, increases productivity and improves retention rates, but it can also cut down on the number of ethical violations occurring within the corporation.

Ethisphere and Jones Lang LaSalle combined forces to conduct a Survey on the Influence of Workplace Design & Practices on the Ethical Environment of survey participants. Representatives from a wide variety of industries submitted over 200 responses, and an analysis of this data yields five primary observations:

- Open Workspace Environments Are Gaining Favor Among Companies
- Including Management in an Open Workplace Environment Improves Corporate Culture
- Open Workspaces May Reduce Employee Misconduct
- Employees Who Work from Home Commit Less Misconduct
- Create an Open Workspace That Makes Sense for Your Company

OBSERVATION #1 – Open Workspace Environments Are Gaining Favor Among Companies

Key statistics:

- The majority of companies surveyed (60 percent) maintain work environments primarily comprised of open offices, rather than individual offices.
 - On average, companies that provide open office space do so for nearly four out of every five of their employees (79 percent).
- Every respondent from the technology-based companies—such as those involved in computer hardware, software and electronics—reported primarily using an open workspace environment within their organization.
- Moreover, more than one-third (38 percent) of respondents changed their office spaces from closed, individual offices to open plans during the past five years.
 - One respondent from a professional services firm explained, “We live in an open office environment in order to maintain open communications and shared learning among our staff. Culturally, our company would die and ultimately not prosper as a business if we had a closed office environment.”
 - Another respondent states, “Open office configuration promotes greater camaraderie and visible productivity.”

60%

The majority of companies surveyed (60 percent) maintain a work environment comprised mainly of open offices

OBSERVATION #2 – Including Management in an Open Workplace Environment Improves Corporate Culture

Key statistics:

- Many respondents report positive experiences from both staff and management when maintaining an open workplace environment. By including managerial employees among those in open work environments, respondents report improved morale and a greater sense of equity among staff and management.
 - One respondent explains, “I believe that an open environment brings people together and flattens an organization, if done correctly. Allowing offices based on grades is counterproductive. Everyone should work out in the open, even the top management of a company.”
 - Having everyone in an open environment provides employees with a greater perception of equality among management and staff. As one respondent notes, “The separation of staff in cubes vs. staff in offices unfortunately contributes to an ‘us vs. them’ atmosphere, where the general feeling of those of us in the cubes is that those in offices seem to be allowed to ‘get away with’ much more. This tends to hurt the ‘tone from the top’ provided by the executive staff.”
 - “As our executives are also in open offices, I believe this creates a better work environment and sends the right messages to our people,” said an additional contributor.
 - Another respondent states, “If you brought the officers of the company to more accessible and observable office space, employees would respond with better company identity and more overall engagement.”
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OBSERVATION #3 – Open Workspaces May Reduce Employee Misconduct

Key statistics:

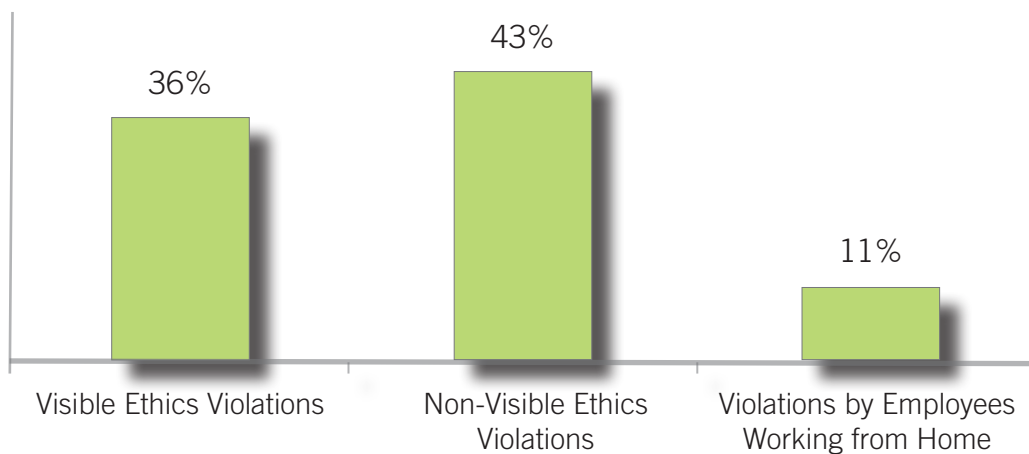
- Nearly 60 percent of respondents believe using an open office space may reduce the types and severity of ethics violations through visible detection.
 - As one respondent explains, “I believe that people follow policies and procedures more routinely when they know there is a great chance that their actions will be seen.”
 - While specific cause and effect is difficult to determine, a compliance professional from a U.S.-based health insurance company recalls, “We have seen a decrease in violations.”
- Implementing open workspace environments appears to be making an impact, as the majority of respondents (64 percent) have not had any visible ethics violations committed in their open office spaces within the past two years.

64%

Implementing open workspace environments appears to be making an impact, as the majority of respondents (64 percent) have not had any visible ethics violations committed in their open office spaces within the past two years.

- Of those that have, the most common types of misconduct include inappropriate conversations and/or behavior, a misuse of company assets and harassment or discrimination.
- By contrast, 43 percent of all respondents reported instances of non-visible ethics violations in their companies (such as expense account fraud or bribery) within the past two years.
- The most common forms of non-visible ethics violations include expense report fraud and the misuse of company assets.

Percentage of Respondents Experiencing Violations Over the Past Two Years



- More than one-fifth (21 percent) of surveyed participants believe they experienced a lower level of ethics violations in their open office spaces, compared to perceived occurrences in closed individual offices.
 - One respondent notes, “Employees are more aware of openness and sharing in the office, and are less likely to commit ethics violations as a result.”
 - “Having open office space clearly makes it more difficult for someone to commit unethical acts...We simply no longer get these kinds of complaints about people in open office configurations.”

21%

More than one-fifth (21 percent) of surveyed participants believe they experienced a lower level of ethics violations in their open office spaces, compared to perceived occurrences in closed individual offices.

- The vast majority of those surveyed (81 percent) believe that open office plans, which cause staff to be more visible to one another, generally promote improved behaviors when compared to individual office plans. Examples of such behavior, as described by survey participants, include:
 - “People are much more considerate of each other, and avoid offensive language, because people can overhear others’ conversations.”
 - “People learn to appreciate work habits of their co-workers. They realize when they are being too loud. Cell phone ringing is kept to a minimum and on low volume.”
 - “There is open politeness and a softer approach by management and staff in dealings.”
 - “More open exchange of information—employees feel included in decision making.”
 - “Individuals would be more cautious of others and would be more respectful or mindful of their own behaviors toward others.”
 - “Increase in desire to learn more from coworkers.”
 - “Better team interaction, including mutual support to achieve goals.”
 - “Staff interacts more, is more sensitive to each other’s needs and tends to be more collegial.”
 - “All about visibility and the constant message of transparency that environment sends to employees.”
- However, some additional stresses have been noted in association with the open workspace concept:
 - Noise is often cited as a problem for some working in an open environment. One commentator says, “It probably prevents some idleness and web surfing, and may make for more collaborative behavior, but that must be balanced against the potential for more group chatter, noise distraction and loss of privacy and quiet for real thinking time.”
 - A compliance professional from an international technology company mentions, “Individuals may become more introverted, keeping to themselves and not freely expressing their views.”
 - In addition, some respondents expressed concerns over additional stresses imposed on them due to increased proximity to their coworkers. As explained by a compliance professional from a regional energy supply company, “I agree that people will be less able to conduct unethical or illegal activities in open spaces. However, the closer proximity to other people also brings stresses that wouldn’t exist where people had a sense of privacy

81%

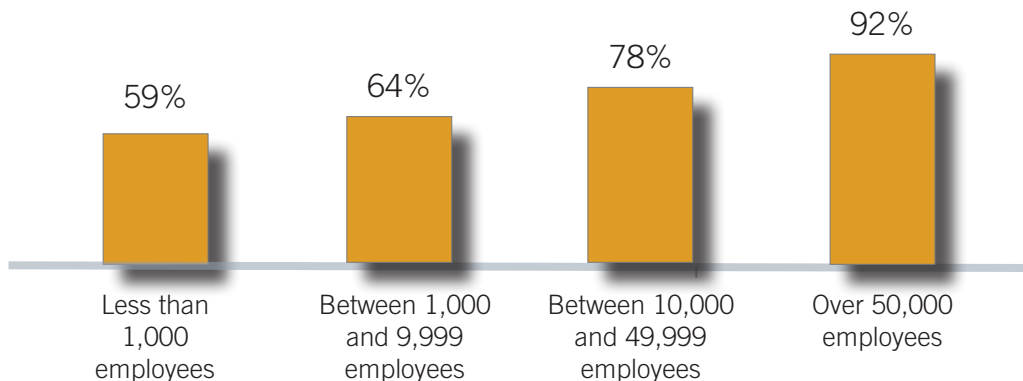
The vast majority of those surveyed (81 percent) believe that open office plans, which cause staff to be more visible to one another, generally promote improved behaviors when compared to individual offices plans.

OBSERVATION #4 – Employees Who Work from Home Commit Less Misconduct

Key statistics:

- The majority of companies surveyed (68 percent) allow their employees to work from home on a regular basis.
 - Telecommunications and technology companies (and, somewhat surprisingly, aerospace/defense and media companies) are more inclined to provide a work-from-home option for their employees than individuals surveyed from other industries.
 - Interestingly, the larger the organization, the more likely it is to allow employees to work from home on a regular basis:

Percentage of Surveyed Companies That Allow Employees to Work from Home



- When asked whether employees who work from home on a regular basis had committed an ethics violation during the past two years, 89 percent of respondents said “no.” This represents a notable improvement over employees who do not regularly work from home (36 percent of respondents report visible ethics violations; 43 percent report non-visible ethics violations).
- While the majority of companies allow their employees to work from home on a regular basis, few employees exercise the option. On average, respondents report that less than one-quarter (21 percent) of their employees regularly work from home.

OBSERVATION #5 – Create an Open Workspace That Makes Sense for Your Company

Organizations report a wide array of ways to improve existing workplaces.

- Those unwilling or unable to transition into a completely open work environment may opt for lower cubicle partitions, and additional glass and transparent spaces.
- Respondents reported supplementing their open office spaces with plants, common areas, and open and closed meeting/conference areas and break sites.

68%

The majority of companies surveyed (68 percent) allow their employees to work from home on a regular basis.

- Other respondents utilize a “pod” formation, in which teams have no walls/partitions between them, and have central meeting spaces within the pods. This proves to be a less-distracting configuration for members outside of the team, while also breaking down communication barriers within teams.

Supplementing an open office culture with guidelines or suggestions for interaction may reduce interruption or other costs due to lost productivity.

- “People don’t have to knock on an office door, so clear office protocols are necessary so people can feel comfortable to get their work done, while at the same time have enough accessibility to respond to the internal customers,” noted one observer.

Tread carefully when implementing an open working environment. Creating such an environment without fostering a corporate culture based on transparency and trust may give the impression that management is keeping an eye on the activities of its workforce.

- As one respondent explained, “If anything, the complete openness of our office space makes people feel like management doesn’t trust them at all, and like big brother is watching.”
- A corporate culture that values ethics and transparency will alleviate employee fears of management monitoring and a lack of privacy, as described here: “The lack of privacy may also negatively impact some and be too distracting, distrustful and leave them unable or unwilling to concentrate.”
- “There is a self-policing aspect to having your neighbor aware of when you come and go, how you work, etc. We do have team rooms, which are more private for sensitive conversations or calls. I believe our culture has more of an impact than the open space plan.”

Furthermore, conduct an internal assessment to ensure that open office environments are provided to those functional groups where increased transparency and communication are beneficial.

- This contributor offers a counterpoint: “The building is comprised of low-level, high-density cubicles. There are many complaints of lack of privacy, noise and disruptions. Not all departments require or need collaborative working environments.”

In summary, your workplace design and practices have the ability to influence your employees’ ethical compliance levels. Be thoughtful about leveraging the collective knowledge of the ethics officers with the real estate decision makers to build a model best-suited for your company’s culture and demographic composition.

43%

43 percent of all respondents reported non-visible ethics violations committed in their company (such as expense account fraud or bribery) within the past two years.

SURVEY METHODOLOGY

The survey was conducted from November 2010 to February 2011. More than 200 responses were collected using a web-based survey tool. All respondents received the same question set.

Individual respondents represented a variety of industries and positions within their organizations, as illustrated below:

Respondent Industry	Percentage
Professional Services	40%
Industrial/Manufacturing	23%
Other	16%
Healthcare/Pharmaceutical	9%
Technology/Telecommunications	8%
Consumer Industries	3%

Figures do not add up to 100% due to rounding

Respondent Functional Area	Percentage
Accounting & Finance	2%
Administrative	3%
Executive Management	8%
Human Resources	9%
Internal Audit	3%
Legal, Compliance, Risk & Ethics	53%
Other	17%
Real Estate	5%

While the majority of respondents came from U.S.-based organizations, the data collected represents a diverse pool of organizations with regard to operational industry, workforce size and annual revenues.

Respondents by Location of Corporate Headquarters	
Americas	90%
APAC	2%
EMEA	8%

Respondents by Annual Revenues	
Less than \$500 million	37%
Between \$500 million and \$1 billion	14%
Between \$1 billion and \$5 billion	21%
Between \$5 billion and \$10 billion	10%
Greater than \$10 billion	18%

Respondents by Workforce Size	
Less than 1,000 employees	38%
Between 1,000 and 9,999 employees	30%
Between 10,000 and 49,999 employees	21%
Over 50,000 employees	10%



Be thoughtful about leveraging the collective knowledge of the ethics officers with the real estate decision makers to build a model best-suited for your company's culture and demographic composition.

ABOUT ETHISPHERE INSTITUTE

The research-based Ethisphere Institute is a leading international think tank dedicated to the creation, advancement and sharing of best practices in business ethics, corporate social responsibility, anti-corruption and sustainability. Ethisphere Magazine, which publishes the globally-recognized World's Most Ethical Companies Ranking™, is the quarterly publication of the Institute. Ethisphere provides the only third-party verifications of compliance programs and ethical cultures that include: Ethics Inside Certification, Compliance Leader Verification and Anti-Corruption Program Verification. The Institute's premier membership group, the Business Ethics Leadership Alliance, is a business ethics forum that includes more than 100 leading corporations, universities and institutions who collectively leverage their experience, expertise and innovative ways to address emerging compliance challenges. More information on the Ethisphere Institute, including ranking projects and membership, can be found at www.ethisphere.com.

ABOUT JONES LANG LASALLE

Jones Lang LaSalle (NYSE:JLL) is a financial and professional services firm specializing in real estate. The firm offers integrated services delivered by expert teams worldwide to clients seeking increased value by owning, occupying or investing in real estate. With 2010 global revenue of more than \$2.9 billion, Jones Lang LaSalle serves clients in 60 countries from more than 1,000 locations worldwide, including 185 corporate offices. The firm is an industry leader in property and corporate facility management services, with a portfolio of approximately 1.8 billion square feet worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse in real estate with more than \$43 billion of assets under management. For further information, please visit our website, www.joneslanglasalle.com.

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