

### Final Report

# Evaluation of the Implementation of Workplace 2.0

**Project Number: 1570-7/15116** 

March 2017

Evaluation, Performance Measurement, and Review Branch Audit and Evaluation Sector





# **Table of Contents**

List of	Acronyms	<i>ii</i>
Manage	ment Response and Action Plan	v
1. In	troduction	1
1.1	Purpose and Scope	1
1.2	Report Structure	1
1.3	Initiative Profile	1
2. E	valuation Methodology	4
2.1	Data Sources	4
2.2	Considerations, Strengths and Limitations	5
3. Fa	indings — Context	6
3.1	Significance of Workplace 2.0	
3.2	Business Context – Today's Workplace	6
3.3	International Context – Workplace Changes	6
3.4	Historical Context – Federal Government Workplace Initiatives	7
3.5	Current Status – The Open-Concept Government Workspace	10
4. Fi	indings – Design and Delivery	12
4.1	Overview	
4.2	Objective Setting	13
4.3	Communications	14
4.4	Governance and Oversight	15
4.5	Working with Federal Partners	
4.6	Needs Assessment	16
5. Fa	indings — Outcomes	18
5.1	Implementation Progress	19
5.2	Pillar 1 - The Workplace	19
5.3	Pillar 2 – The Back Office	22
5.4	Pillar 3 – The Way We Work	23
5.5	Integration of the Three Pillars	
5.6	Findings from the National Employee Survey on Workplace 2.0	
5.7	Findings on 2.0 Investments and Cost Savings	26
6. C	onclusions and Recommendations	28
6.1	Conclusions	28
6.2	Recommendations	28

# List of Acronyms

EPMRB – INAC's Evaluation, Performance Measurement and Review Branch

HRWSB - Human Resources and Workplace Services Branch at INAC

INAC – Indigenous and Northern Affairs Canada

IM/IT - Information Management/Information Technology

# INAC-AANC

#### **EVALUATION OF THE IMPLEMENTATION OF**

# Workplace 2.0





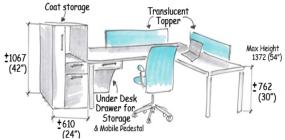
Indigenous and Northern Affairs Canada Affaires autochtones et du Nord Canada

Indigenous and Northern Affairs Canada (INAC) is four years into its implementation of Workplace 2.0 – a government-wide initiative to modernize the workplace – with an estimated six years left to go. A recent evaluation (September 2016) by INAC's Evaluation, Performance Measurement and Review Branch (EPMRB) finds that much work has been done so far but that the Department would benefit from course correction before continuing the implementation work.



#### Workplace 2.0 is

a response from Public Services and Procurement Canada to the Clerk of the Privy Council's commitment to workplace renewal. It aims to create a modern workplace that will attract, retain, and enable public servants to work smarter, greener and healthier, to better serve Canadians.



#### The Three Pillars

- The Workplace physical workspace (e.g. buildings).
- The Back Office policies, processes, and systems (e.g., Human Resources policies, information management).
- 3. *The Way We Work* new technologies to encourage mobility (e.g. Wi-Fi, laptops, e-meetings, social media).

This report presents the findings of an evaluation conducted by INAC's EPMRB. It assessed the design and delivery of the Department's activities and outcomes, pointing to progress made so far and areas for improvement. It also looked at the Department's performance with respect to the three pillars of Workplace 2.0.

The evaluation incorporated these lines of evidence:

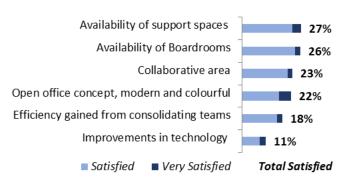
- bioecological method (study of life in a particular environment);
- literature review;
- program document review;
- administrative and financial data analysis;
- an INAC employee survey;
- key informant interviews; and
- site studies.

INAC has made significant progress to date in implementing the first pillar of Workplace 2.0 – the physical transition. Approximately half of the National Capital Region employees and nearly one third of regional office employees have transitioned to the retrofitted work environment.

A focus on the other two pillars will be critical to success moving forward as they have not kept pace with the physical transformation. The application of technological components (such as mobile phones, laptop computers, Wi-Fi) was limited, as was the revision of workplace policies, such as those supporting telework. The focus on space management has contributed to the dissatisfaction among employees, who largely see the initiative as a cost-saving exercise.

Employee satisfaction, overall, is low. In particular, they expressed dissatisfaction with the densely concentrated work environments, which seemed unsuited to some job functions. They also raised concerns regarding morale and productivity.

#### **Employee Satisfaction Levels**



#### **Design and Delivery**

The implementation process was championed by INAC's Accommodation Services Unit, within the Human Resources and Workplace Services Branch (HRWSB). Despite limited capacity, it led the largescale initiative across the decentralized department. Regional offices were generally satisfied with their relationship with the Unit.

The Unit recently began the development of a comprehensive communication strategy to obtain employee feedback on how to improve Workplace 2.0 implementation. This will prove helpful, as the evaluation found that engagement with employees around Workplace 2.0 at INAC has been limited so far, which has contributed to employee dissatisfaction.

The creation of a defined governance and oversight structure for Workplace 2.0 is a key area of opportunity. INAC's Human Resources

Workplace Services and Management Committee provides a forum to advance the Government's Public Service Renewal agenda, but it is unclear if it has been providing strategic or oversight decision making; Workplace 2.0 decisions were not systematically documented. Coordination will require more timely engagement with Shared Services Canada and collaboration with INAC's Information Management/Information Technology (IM/IT) group (which has not happened so far).

Implementation at INAC has occurred in concert with other government-wide space management initiatives. The objectives of these initiatives are mutually supportive – they both call for the reduction of occupied space – but they should not conflate. A defined, strategic governance approach will ensure that INAC sees the holistic benefits of Workplace 2.0.

- 1. HRWSB to review and update its Workplace 2.0 Implementation, Communications and Engagement strategies to address gaps in advancing the technology and policies pillars, and seek approval from the Deputy Minister.
- HRWSB to form a
   Workplace 2.0 implementation team, to include representation from Accommodations,
   Occupational Health and Safety, Information Technology, and Security.
- 3. HRWSB to identify and revise policies required to successfully implement Workplace 2.0; present these to the Human Resources Senior Management Committee; be submitted for Deputy Minister approval; and, then, be communicated to staff.

# Management Response and Action Plan

Project Title: Evaluation of the Implementation of Workplace 2.0

Project #: 1570-7/15116

Recommendations	Recommendations Actions		Planned Start and Completion Dates	
The Human Resources and     Workplace Services Branch     review and update its Workplace	We do concur.		Start Date:  November 2015	
2.0 Implementation, Communications and Engagement strategies. The Implementation plan should address identified gaps in advancing the technology ( <i>The</i> Back Office) and policies pillars ( <i>The Way We Work</i> ). Approval of these strategies should be sought from the Deputy Minister.	The Accommodation Section will develop a National Accommodation Plan for the department. This Plan will include an engagement strategy to address the three pillars of WP2.0:  1. The Workplace is about renewing the physical workplace (buildings, workspace, and office).	NCR Accommodations Manager  The Workplace: Lead Accommodation	Revised completion date: September 30, 2018	
	2. The Back Office is about renewing policies, processes and systems that support public servants in their work such as human resources policies and pay, pension and information management systems.	The Back Office: Lead Human Resources		
	3. The Way We Work is about using new technologies such as wireless connectivity and notebooks that encourage mobility, having meetings using high definition technology, and connect to each other using social media	The way We Work: Lead by CIO		
	4. Communications – A communications plan will be developed. (with input from identified leads) Specialized targeted communications plans will also be developed to address specific messaging	Lead - Communications		

	Updating the CES by March 31 <sup>st</sup> 2017 to include ever greening of information from CIO (technology pillar) and other stakeholders (policy pillars, specially INAC Telework Policy)		
2. Human Resources and Workplace Services Branch form a team specifically responsible for the implementation of Workplace 2.0. This team should include representation from Accommodations, Occupational Health and Safety, Information Technology, and Security.	Wedo concur.  Good practice of implementing workplace 2.0 fit-up standards is to establish governance using the departmental governance. A working group will also be created to identify requirements, review proposals, timelines and communications This working group will be lead by Accommodations, and will include representatives from : clients, security, Information Technology, communications, Occupational Health and Safety and PSPC. Additional members could be included as needed.  The implementation of Workplace 2.0 will be based on the result of the INAC NCR Functional Program.	NCR Accommodations Manager	Start Date: January 2017 Completion:  Revised completion date:  June 30, 2018
3. Human Resources and Workplace Services Branch identify and revise, as appropriate, the policies required to successfully implement and realise the benefits of Workplace 2.0. The updating of policies should be presented to the Human Resources Senior Management Committee, be submitted to the Deputy Minister for approval, and then be clearly and widely communicated to all staff once approved.	Wedo concur.  A National Accommodation Plan will be issued for approval. This plan will include the direction for the department, including the implementation of WP2.0, and will also include guiding principles and marketing/communication strategy to ensure a successful realisation of WP2.0.	NCR Accommodations Manager	Start Date: January 2017 Completion: Revised completion date: September 30, 2018

I recommend this Management Response and Action Plan for approval by the Evaluation, Performance Measurement and Review Committee
Original signed by:
Michel Burrowes Senior Director, Evaluation, Performance Measurement and Review Branch

I approve the above Management Response and Action Plan

Original signed by:

Line Lamothe Director General, Human Resources and Workplace Services

#### 1.1 Purpose and Scope

This report presents the results of the evaluation of Indigenous and Northern Affairs Canada's (INAC) implementation of its Workplace 2.0 initiative undertaken by INAC's Evaluation, Performance Measurement, and Review Branch (EPMRB). The purpose of the evaluation, conducted in accordance with the Department's approved 2015-16 to 2019-20 Five Year Plan on Evaluation and Performance Measurement Strategies, is to provide a credible, reliable, and timely assessment regarding INAC's implementation of Workplace 2.0 and its early impacts.

The evaluation looked at the Department's performance with respect to the three pillars of Workplace 2.0: 1) The Workplace; 2) The Back Office; and 3) The Way We Work. The Evaluation, Performance Measurement and Review Committee approved the Terms of Reference for the conduct of this evaluation on September 25, 2015. INAC's Workplace 2.0 implementation initiative supports the federal government-wide strategy, led by Public Services and Procurement Canada, to update existing public service workspaces. The Government's Workplace 2.0 initiative is mandatory for new federal government buildings unless an exemption to the policy is sought and approved.

#### 1.2 Report Structure

This report includes six sections: Section 1 introduces the concept of Workplace 2.0; Section 2 outlines the evaluation methodology; Sections 3, 4 and 5 provide findings as they pertain to the context under which Workplace 2.0 was introduced, including its design and delivery, and outcomes achieved so far. Section 6 details conclusions and recommendations.

#### 1.3 Initiative Profile

#### 1.3.1 Workplace 2.0 – Background and Description

Workplace 2.0 was initiated by Public Services and Procurement Canada in 2012 in order to respond to a commitment to workplace renewal by the Clerk of the Privy Council. It addresses three main workspace elements: 1) the physical workspace; 2) the supporting policies, processes and systems to assist public servants in their work; and 3) the new technologies that enable them to communicate and collaborate in new ways. The objective of the initiative is to create a modern workplace that will attract, retain and enable public servants to work smarter, greener and healthier, in order to better serve Canadians. The initiative is defined by three pillars of renewal:

- 1. The Workplace Anywhere, Anytime, With Any One: Renewal of physical workplace (e.g. buildings);
- 2. The Back Office Break Down Barriers: Renewal of policies, processes, and systems supporting public servants at work (e.g., human resources policies, information management systems); and

<sup>&</sup>lt;sup>1</sup> Public Works and Government Services Canada (PWGSC). Workplace 2.0 FAQs. <a href="http://www.tpsgc-pwgsc.gc.ca/biens-property/mt-wp/faq-eng.html">http://www.tpsgc-pwgsc.gc.ca/biens-property/mt-wp/faq-eng.html</a>

3. The Way We Work – Connect, Collaborate, Communicate: The application of new technologies such as wireless connectivity and notebooks to encourage mobility, having meetings using high definition technology, and connecting with others through social media.<sup>2</sup>

The work is part of the Government's wider Blueprint 2020 vision and is guided by four principles<sup>3</sup>:

- An open and networked environment that engages citizens and partners for the public good;
- A whole-of-government approach that enhances service delivery and value for money;
- A modern workplace that makes smart use of technologies to improve networking, access to data and customer service; and
- A capable, confident and high-performing workforce that embraces new ways of working and mobilizing the diversity of talent to serve the country's evolving needs.

#### 1.3.2 Initiative Objectives and Expected Outcomes

The Accommodations Services Update<sup>4</sup> presented to the Human Resources and Workplace Services Management Committee in June 2015, outlined the Department's overall target for implementing Workplace 2.0: "It is expected that INAC will have Workplace 2.0 fully implemented by 2019-2020<sup>5</sup>, with a total space reduction of 15,037 m.<sup>2</sup> The total estimated investment of retrofitting space [to date] in compliance with Workplace 2.0 was \$33 million."

#### 1.3.3 Initiative Management, Key Stakeholders and Beneficiaries

The following subsections provide a summary of the key stakeholders, beneficiaries and their roles.

#### **Public Services and Procurement Canada**

Public Services and Procurement Canada is the lead department in implementing the Workplace 2.0 initiative across the Government of Canada. The mandatory Government of Canada Workplace 2.0 Fit-up Standards were developed by Public Services and Procurement Canada employees, departments, agencies and the private sector with direction and guidance on the fit-up of federal office accommodations. The Public Services and Procurement Canada's Framework for Office Accommodation and Accommodation Services states that client departments and agencies share responsibility with Public Services and Procurement Canada for applying standards for the quantity and quality of office accommodation, and that Public Services and Procurement Canada is funded to provide office accommodation to departments only to the level of the Fit-up Standards. The Framework further states that allocated space should be the minimum necessary to support the functional requirements of the occupant.

<sup>&</sup>lt;sup>2</sup> PWGSC. Workplace 2.0. http://www.tpsgc-pwgsc.gc.ca/biens-property/mt-wp/mt-wp-eng.html

<sup>&</sup>lt;sup>3</sup> PCO. Blueprint 2020. https://www.canada.ca/en/privy-council/topics/blueprint-2020-public-service-renewal.html

<sup>&</sup>lt;sup>4</sup> Presentation to INAC Human Resources and Workplace Services Management Committee, Accommodations Services Update. June 2015.

<sup>&</sup>lt;sup>5</sup> This timeframe has been extended to 2023, based on the "National Accommodations Strategy 2015-2020 Update" presented to INAC FMC in March 2016.

<sup>&</sup>lt;sup>6</sup> PWGSC. Workplace 2.0 Fit-up Standards http://www.tpsgc-pwgsc.gc.ca/biens-property/amng-ftp/index-eng.html <sup>7</sup> Ibid

#### **Shared Services Canada**

Shared Services Canada is chiefly responsible for implementing Workplace 2.0's Information Technology components across the Government of Canada. It has the authority to "provide services related to the acquisition and provision of hardware and software, including security software, for end user devices" and is responsible for the acquisition and provision of end-user device software for its customers. Shared Services Canada initiates the standardization and consolidation of workplace technology devices, which focus on software (e.g., desktop virtualization technologies, mobile device management, etc.), hardware (e.g., mobile workstations such as laptops, notebooks, tablets, etc.), and associated services (e.g., configuration and installation, service desk support, customer printing services, etc.).

#### Treasury Board of Canada Secretariat

The Treasury Board Secretariat is responsible for the general management of government initiatives, issues, and activities to ensure value-for-money and to provide oversight of the financial management functions in departments and agencies. With respect to the implementation of Workplace 2.0, the Treasury Board Secretariat provides leadership and direction to help partners (e.g., Public Services and Procurement Canada, Shared Services Canada, and other departments) align their strategic plans with that of the Government of Canada as a whole. Treasury Board Secretariat also monitors the progress of Public Services and Procurement Canada in implementing Workplace 2.0. Responsibility for decisions affecting the cost of office accommodations is shared among Public Services and Procurement Canada, departments, and Treasury Board Secretariat. Decisions for those projects that exceed the delegated authority of the Minister of Public Services and Procurement Canada must be approved by Treasury Board Secretariat.

#### Indigenous and Northern Affairs Canada

As a line department, INAC works with Public Services and Procurement Canada and Shared Services Canada to deliver Workplace 2.0. Leadership is provided by the Accommodation Services Unit within the Human Resources and Workplace Services Branch (HRWSB), one of INAC's five corporate services branches. HRWSB's key areas of responsibility are multi-faceted and encompass corporate and regional (National Capital Region) responsibilities in the areas of human resources, values and ethics, accommodations, and security services.

The Accommodation Services Unit, housed under HRWSB along with Security and Occupational Health and Safety, is responsible for lease management, coordinating the maintenance of a variety of facilities across the Department, and retrofitting facilities as needed. With respect to implementing Workplace 2.0 within the Department, Accommodation Services is responsible for developing and implementing strategies that aim to maximize Treasury Board Secretariat space allocations and the Expansion Control Framework (space beyond the departmental space envelope<sup>9</sup>). The Unit collaborates with Public Services and Procurement Canada and Shared Services Canada, coordinating a variety of its facilities, locations, and staff across Canada.

<sup>&</sup>lt;sup>8</sup> Shared Services Canada - Functional Direction for SSC Service Lines, p. 25.

<sup>&</sup>lt;sup>9</sup> Space envelope refers to the total amount of rentable square meters departments can occupy by fiscal year based on authorities received by PWGSC to provide accommodation in accordance with standards, policies and guidelines.

# 2. Evaluation Methodology

The evaluation triangulated findings across multiple lines of evidence, described below. Data were collected from three different phases in order to reflect the whole of Workplace 2.0 implementation: the pre-transition phase, the in-transition phase, and the post-transition phase.

#### 2.1 Data Sources

- Literature Review A literature review of over 35 Canadian and international journal articles, media reports, and publications were reviewed to provide broad information about the concept of workplace renewal. The findings shed light on the context in Canada and abroad and the characteristics of effective workplace renewal initiatives in other jurisdictions and organizations.
- Document and File Review Fifty documents and files were reviewed, including Public Services and Procurement Canada and INAC publications and presentations, communication materials, project planning and operational records, financial records, and others. In addition to these files, evaluators searched the Government internet and intranet for information relevant to Workplace 2.0, such as comments, ideas, and discussion feeds shared on GCpedia and GCconnex, as well as questions and inquiries sent to the dedicated Workplace 2.0 email account (MT2.0-WP2.0@)tpsgc-pwgsc.gc.ca), managed by Public Services and Procurement Canada.
- Key Informant Interviews Given limited documentation available detailing Workplace 2.0 impacts at INAC, substantial effort was directed at carrying out key informant interviews, discussion groups, and site visits within both INAC Headquarters and regions. Key Informant Interviews were conducted with both Workplace 2.0 implementers and recipients to elicit knowledge and perspectives with respect to the Workplace 2.0 initiative in general and its implementation within INAC. Interviews were held with INAC officials in the National Capital Region, and at regional offices (i.e., Vancouver, British Columbia, Regina, Saskatchewan; and Winnipeg, Manitoba). Interviews with other government departments were held within the National Capital Region. A total of 51 interviews were conducted with the following groups:
  - INAC Implementers (Officials responsible for INAC's Workplace 2.0 activities) (n=15);
  - INAC Recipients (Senior officials of recipient organizations within INAC who are responsible for facilitating the transition to Workplace 2.0) (n=17);
  - INAC Senior Management (n=7); and

• Implementers of Workplace 2.0 in other federal departments and agencies<sup>10</sup> (e.g. Public Services and Procurement Canada; Employment and Social Development Canada; Innovation, Science and Economic Development Canada; Health Canada; Export Development Canada; and Treasury Board Secretariat) (n=12).

• Discussion Groups — A total of 11 discussion groups (three to 15 participants each) were conducted with INAC employees in the National Capital Region and regional offices in Vancouver, Regina, and Winnipeg. Participants were employees with a diverse range of job duties who already transitioned, or were in the process of transitioning, to Workplace 2.0. Employees who could not participate were given the opportunity to provide written responses with respect to the questions in the discussion guide.

4

<sup>&</sup>lt;sup>10</sup> Shared Services Canada was not able to provide interviewees for this evaluation. However, the Department provided written correspondence regarding its roles and responsibilities in implementing Workplace 2.0.

- Site Visits Three regional offices and a regional processing unit were selected based on implementation status and to reflect both Headquarters and the regions. Interviews with senior officials responsible for implementing Workplace 2.0, as well as discussion groups, were held with employees impacted by the implementation. The follow sites were visited:
  - Regina, Saskatchewan: Relocation and implementation completed in April 2014;
  - Vancouver, British Columbia: Relocation and retrofit completed in August 2015; and
  - <u>Winnipeg, Manitoba</u>: Transition to Workplace 2.0 was not yet scheduled at the time of the evaluation; Application Processing Unit, Resolution and Individual Affairs: Relocation and transition to Workplace 2.0 expected in early 2017.
- Workplace 2.0 Survey Data Analysis A National (INAC) Employee Survey on Workplace 2.0 was administered by the HRWSB in April 2016 to obtain feedback from INAC employees on their experiences, and ideas about Workplace 2.0. A total of 1,683 completed surveys were received from employees who were either not, or already, in a 2.0 environment. Employees expected to move to a 2.0 environment in the next two years also had an opportunity to participate. The evaluation team performed a secondary analysis of the survey responses.
- Financial Review Information was obtained from INAC's Planning and Resource Management, Chief Financial Officer Sector. A summary of the financial information is cited in Section 6.7.
- *Bioecology* Bioecology is the study of interaction of life in an environment. For over two weeks, evaluators worked full time in INAC's Workplace 2.0 cubicles to generate an experimental assessment of Workplace 2.0 at INAC. Evaluators relocated to cubicles on a densely-occupied area of the 8th floor of INAC (National Capital Region).

#### 2.2 Considerations, Strengths and Limitations

INAC undertakes a wide variety of tasks to achieve its strategic outcomes, such that employees are engaged in functions that may not be conducive to Workplace 2.0. Thus, alterations to such factors as the physical layout or configuration of space, and the provision of office facilities and services, may conflict with Workplace 2.0 and can have considerable effects on how individuals or teams go about their work. Consequently, the evaluation carefully considered the impact of the implementation at both INAC (National Capital Region) and a sample of INAC regional offices.

An NVivo encoding process used to analyze the qualitative data helped evaluators capture information about Workplace 2.0 user behaviours, needs, desires, routines, and other themes.

The methodology was limited by a lack of detailed implementation documentation. While some high-level information was available regarding Workplace 2.0 (e.g., mandate, operating approach, policies and standards), limited information was available on the specific details, particularly with respect to governance, decision making, and consultations. In addition, there were few recent (e.g., last two years) documents. In many cases, documents were outdated and had limited applicability to the implementation of Workplace 2.0 in the Department.

#### 3.1 Significance of Workplace 2.0

The Workplace 2.0 initiative was developed in response to changing dynamics and new opportunities in the world of human resources and physical facilities, both in the broader work context and in the federal public service. The drivers of change include: generational shifts (retirement of the baby-boom generation and the introduction of a new generation to the workforce); increased emphasis on the environmental performance of the workplace; and the growing need for cross-departmental collaboration on challenging issues.<sup>11</sup>

Workplace 2.0 aims to rebuild and refine the workplace of the future for the Government of Canada through its vision of workplace renewal – a modern, streamlined, flexible and sustainable work environment. It offers multiple opportunities: to serve citizens better; to engage and motivate employees; and, to operate in an environmentally and fiscally sustainable manner. Workplace 2.0 is pursuing this vision through an obligatory government-wide program and providing a solid foundation from which departments develop their implementation plans.

#### 3.2 Business Context – Today's Workplace

Today's global business environment is characterized by high competition and increasingly mobile talent and capital. Businesses are increasingly revisiting their traditional workplace strategies given the view that traditional work arrangements at best provide little to the organizations and at worst impede their creative and competitive advantage. The need for more flexible workplace strategies has intensified, driven by the opportunity to capitalize on rapid technological advancements. A well-connected and mobile workforce is not well served by bricks, mortar and a 9-5 workday. The federal government is not immune to these change drivers and stiff competition for talented staff. Federal government employees are coming to expect that their work environment will mirror the private sector, including working in collaborative office spaces as teams, accessing and leveraging technology, and more flexible and meaningful work. Workplace 2.0 aims to meet these challenges.

#### 3.3 International Context – Workplace Changes

In the documents reviewed for this evaluation, the design of the workplace (i.e., offices) is typically described as either traditional (also known as enclosed or cellular offices) or open-plan. The traditional workplace often has one or two individuals in private, wall-enclosed rooms, which contain most of the amenities required for their job. <sup>13</sup> Open-plan workspaces feature either short or no interior walls and larger floor plans. <sup>14</sup> Individual workstations tend to be arranged in groups. <sup>15</sup>

<sup>&</sup>lt;sup>11</sup> Public Policy Forum Conference Report (2011). Workplace 2.0 – The changing Nature of the Workplace.

<sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Danielsson, C.B., & Bodin, L. (2008). Office type in relation to health, well-being, and job satisfaction among employees. *Environment and Behavior*, 40(5), 636–68.

<sup>&</sup>lt;sup>14</sup> Marquardt, C.J.G., Veitch, J.A., & Charles, K.E. (2002). Environmental Satisfaction with Open-Plan Office Furniture Design and Layout. Institute for Research in Construction, National Research Council Canada

Globally, the work environment has been transitioning for decades to an open-plan workspace and, in response, private and public organizations have been investing in innovative office designs. Open-plan workspaces have been leveraged to accommodate the mobile, group-based, flexible, or remote working styles of today's workforce. The literature finds human capital and organizational objectives to be the driving forces of office transformation. One study found the top drivers to be: reduced real estate costs (18 percent); employee attraction and retention (16 percent), communication and collaboration (15 percent); employee productivity (14 percent); and, creativity and innovation (10 percent).<sup>16</sup>

Regarding real estate, one study estimates that, in the United States, the average square foot of office space per person dropped from 225 to 176 between 2010 and 2012 and is predicted to drop to 151 square feet per person by 2017.<sup>17</sup> Other literature notes that in both the United Kingdom and North America, office design is typically driven by cost and open-plan layouts remain the norm.<sup>18</sup>

Though the open plan concept was invented in Europe in the 1960s, a declining trend in its use has been observed in Europe in the past few decades. Since as early as the 1970s, the "co-determination" movement swept across Europe where legislation in Germany, the Netherlands, Sweden and Italy gave workers a say in how companies were run and offices were designed. The movement led to the rejection of open office landscaping in Germany and in Scandinavia.

Several decades of research confirm that both traditional and open-plan offices have their advantages and disadvantages. Open workspaces coupled with traditional work arrangements are generally associated with greater employee stress, poorer co-worker relations and reduced satisfaction with the physical environment.<sup>19</sup>

#### 3.4 Historical Context – Federal Government Workplace Initiatives

In the Canadian federal government, demographics, technology, and mobility have all impacted how and where public servants work. Workplace 2.0 reflects one initiative in this evolution and exists adjacent to other federal government initiatives related to workplace design.

Budget 2010 announced of a number of cost containment measures to reduce the rate of growth in operating expenditures in 2010-11 and in the following two years. This eventually led to the implementation of the Deficit Reduction Action Plan (DRAP) in 2012. Budget 2011 re-announced a "strategic and operating review", also referred to as DRAP, as a strategy to contain resource activities and translate these into ongoing savings of at least \$4 billion by 2014-15.<sup>20</sup> In implementing

<sup>&</sup>lt;sup>15</sup> Brennan, A., Chugh, J.S., & Kline, T. (2002). Traditional versus open office design: A longitudinal study. *Environment and Behavior*, 34(3), 279–99.

<sup>&</sup>lt;sup>16</sup> Cushman & Wakefield (2014). Workplace Transformation Survey – A global view of workplace change.

<sup>&</sup>lt;sup>17</sup> CoreNet Global (2012). Global Benchmark Survey.

<sup>&</sup>lt;sup>18</sup> Kremer (2013). The Pleasures and Perils of the Open-plan Office.

<sup>&</sup>lt;sup>19</sup> Cohen, S. (1980). After effects of stress on human performance and social behavior: A review of research and theory. *Psychological Bulletin*, 88, 82–108.

<sup>&</sup>lt;sup>20</sup> Office of the Information Commissioner of Canada, *Deficit Reduction Action Plan*, (Ottawa, 2014), <a href="http://www.oic-ci.gc.ca/eng/abu-ans-cor-inf-inf-cor-drap-pard.aspx">http://www.oic-ci.gc.ca/eng/abu-ans-cor-inf-inf-cor-drap-pard.aspx</a> (accessed December 21, 2015).

cost containment and efficiency improvement strategies, these reviews directly influenced the implementation of Workplace 2.0.<sup>21</sup>

In the Eighteenth Annual Report to the Prime Minister on the Public Service of Canada from 2011, the Clerk of the Privy Council stated:

"A modern, healthy workplace supports greater productivity, a more engaged workforce and better results for Canadians. Deputies and managers have a responsibility to create workplaces that support the well-being, wellness and productivity of our employees." <sup>22</sup>

Workplace 2.0 was introduced by Public Services and Procurement Canada (Public Services and Procurement Canada) to support the Clerk's commitment to workplace renewal. While DRAP was focussed almost exclusively on cost-saving measures, Workplace 2.0 was (and is) focussed on modernizing and improving the federal work environment through the use of technology and more flexible work arrangements.

Budget 2012 noted, under the heading of Office Accommodation and Portfolio Impact, that "The [government] will...introduce new office space standards in Crown-owned and federal government occupied buildings...consistent with industry best practices." Public Services and Procurement Canada, in concert with departments, was tasked with implementing this renewed, however significantly different, focus on office accommodation. The Budget introduced two major workplace modernization initiatives, namely: Space Standards Modernization and Space Recapture. The Space Standards Modernization initiative involves modernizing (i.e., transforming) the federal government's workplaces to ensure that they are in tune with prevailing industry trends in office accommodation. Space recapture is about savings through elimination or repurposing of surplus space due to staff complement reductions under DRAP and more efficient program delivery methods.

As part of an ongoing Human Resources Modernization process, the Treasury Board introduced the Common Human Resources Business Processes in 2012 and departments were given until March 31, 2014, to fully implement the directives. The Common Human Resources Business Processes standardized the delivery of core Human Resources functions across the federal public service, including processes from planning and staffing to compensation and performance management.

Released in June of 2013, Blueprint 2020 laid out a vision for building a world-class public service to serve Canada and Canadians. In order to achieve this, four guiding principles were established:

- 1. an open and networked environment that engages citizens and partners for the public good;
- 2. a whole of government approach that enhances service delivery and value for money;
- 3. a modern workplace that makes smart use of new technologies to improve networking, access to data and customer service; and
- 4. a capable, confident and high-performing workforce that embraces new ways of working and mobilizing the diversity of talent to serve the country's evolving needs.<sup>24</sup>

<sup>&</sup>lt;sup>21</sup> INAC, HRWSB, *Corporate human resources plan, 2014-2020*, (Gatineau: December, 2014), http://intranet/DAM/DAM-INTRANET/DAM-INTRA-HR/STAGING/texte-text/hR\_hrp\_chrp2020\_1423774563322\_eng.docx (accessed December 21, 2015).

<sup>&</sup>lt;sup>22</sup> PCO (2011). Eighteenth annual report to the Prime Minister on the public service of Canada.

<sup>&</sup>lt;sup>23</sup> Economic Action Plan 2012. p. 279.

<sup>&</sup>lt;sup>24</sup> PCO (2011). Blueprint 2020. http://www.clerk.gc.ca/local\_grfx/bp2020/interim/pdf/BP2020-eng.pdf

From 2013 to 2014, senior management across government engaged staff in a variety of fora, including discussion groups, social media, contests, surveys, etc., to solicit their ideas and engagement on how to make real Blueprint 2020. The result was Destination 2020, which was released by the Clerk of the Privy Council in May of 2014.<sup>25</sup> The ideas and actions flowing from Destination 2020 are integral to the success of Workplace 2.0.

#### 3.4.1 Evolution of the Current State of the Physical Federal Workplace

In 2009, Public Services and Procurement Canada introduced the 2009 Fit-up Standards: Technical Reference Manual, an integral part of the development of the first pillar of Workplace 2.0 (the Workplace). Public Services and Procurement Canada also introduced the initial concept of space based on the functional requirements of workers and the amount of time spent in the workplace. Federal Fit-up Standards have been reviewed and updated continuously to ensure they respond to the needs of the modern office environment and respect government policy and priorities.

A major revision in 2012 aligned the 2009 Fit-up Standards with Workplace 2.0 principles in order to improve upon the design and function of the workplace. Before this alignment process, space was routinely assigned based on availability and status. The "new" space was not necessarily retro-fitted to support the changing nature of the work or the needs of a knowledge-based workforce. Outdated or aging phone and computer systems adversely impacted productivity and limited the ability of staff to work from remote locations. Such workplace issues made it difficult to incorporate new approaches and reduce operating costs. The 2012 revisions were designed to address these challenges and bring additional structure to the accommodation planning process.

#### 3.4.2 Evolution of INAC's Workplace Initiatives

The INAC Accommodation Services Strategy was approved in June 2012, resulting in the implementation of a five-year space consolidation and optimization plan to ensure the longevity, operational and cost-effectiveness of departmental space on a national level. Between June 2012 and October 2012, INAC implemented Phase 1 of its Workplace 2.0 strategy, the National Capital Region Office Space Consolidation Project, to consolidate its office footprint in the National Capital Region. The 2013-14 and 2014-15 Departmental Performance Reports stated that the Department intended to "Put in place its National Accommodation Space Optimization Strategy to conform to the Government Workplace 2.0 standards and reduce/optimize existing space" noting that 11 Retrofit projects and seven National Capital Region Reconciliation projects were implemented. <sup>26</sup>

In response to DRAP, and also in order to align human resources service delivery with the Common Human Resources Business Processes<sup>27</sup>, the Department re-engineered its Human Resources delivery model between 2012 and 2014. The application of Common Human Resources Business Processes resulted in significant changes to the structure, capacity and service delivery methods of the HRWSB. Overall, these changes reduced the ability and capacity of the Branch to effectively coordinate and implement Workplace 2.0.

<sup>&</sup>lt;sup>25</sup> PCO (2014). Destination 2020. http://www.clerk.gc.ca/local\_grfx/d2020/Destination2020-eng.pdf

<sup>&</sup>lt;sup>26</sup> INAC Departmental Performance Report, 2013-14. (http://www.aadnc-aandc.gc.ca/eng/1403268280586/1403268381797)

<sup>&</sup>lt;sup>27</sup> TBS, Office of the Chief Human Resources Officer, "What is the Common Human Resource Business Process?"

#### 3.5 Current Status – The Open-Concept Government Workspace

#### 3.5.1 Workplace 2.0 Benefits

The three pillars of Workplace 2.0 – the Workplace (buildings and workspace), the Back Office (information management and Human Resources policy), and the Way We Work (digital technology) – are expected to provide defined benefits, such as:

- Cost savings, by using space more efficiently to reduce property costs and assist in meeting the Government's occupational density target;
- Work-life balance and increased worker mobility;
- Modern, healthy, sustainable workplaces;
- Attracting, retaining talent;
- Increased collaboration, productivity and worker satisfaction;
- Optimizing flexibility and mobility to support teleworking; and
- Environmental benefits, by reducing the size of the Government's property portfolio.

#### 3.5.2 Workplace 2.0 Innovations

Workplace 2.0's innovative workplaces are intended to be cost-effective, flexible, and sustainable work environments that support organizational change and collaborative work styles. The end goal of the innovative workplace is to provide high-performance environments that maximize employee productivity and reduce long-term operating expenses. The Workplace 2.0 environment is expected to consist of the following support areas: kitchenette; quiet rooms; meeting rooms (with audio-teleconferencing capabilities); shared equipment areas; printer stations; and open collaborative space.

Workplace 2.0 workstations (which may vary in size up to a maximum of 4.5 m<sup>2</sup>)<sup>28</sup> are characterized by Worker Profiles, which are to be identified during the planning phase of a project. To aid its clients, Public Services and Procurement Canada developed a Worker Profile questionnaire to help employees determine their profile. A Worker Profile is a snapshot of the type of workers that exist in the workplace and is based on how often they are at their desk, their job type, and their preferences or needs in terms of mobility. For example:

- 1) Leadership, with  $10\text{m}^2 21\text{m}^2$  office space: Leadership workers can be allocated an enclosed office but it is not mandatory and it is an allowance not an entitlement, EX level or higher, i.e. Director, Director General or higher.
- 2) Fixed, with  $4.5\text{m}^2 5.9\text{m}^2$  office spaces: Employees who are at their desk more than 60 percent of the day, i.e. Policy Analyst, Administrative Assistant, Call/Contact Centre operator, translator.
- 3) Flexible, with  $3.0\text{m}^2 3.7\text{m}^2$  office space: Employees who are at their desk approximately 40 percent of the day, i.e. Account executive, Auditor, part-time tele-worker, inspector.

 $<sup>^{28}\</sup> https://buyandsell.gc.ca/cds/public/2013/07/24/eca34fffc77113b8f3f89360169bfa75/workplace\_2\_0\_manual.pdf$ 

4) Free-address, with  $1.5\text{m}^2 - 1.9\text{m}^2$  office space: The nature of their work does not require them to have a dedicated workstation as they generally drop in for short amounts of time on a periodic basis, i.e. Consultants, remote workers, regional employees, full-time tele-workers. It should be noted that the free address workstations are not assigned to any specific employee.<sup>29</sup>

Work environments are compliant with Workplace 2.0 standards when the retrofitted space is accredited by Public Services and Procurement Canada. In order to entrench Workplace 2.0 across government, clients, space designers, building architects, engineers, information technology specialists, policy experts and others involved in workplace renewal need to know what specific elements define an environment as Workplace 2.0. The accreditation process is designed to help facilitate that understanding<sup>30</sup> and departments can "identify the level at which [they] would like the project accredited (e.g., Bronze, Silver, Gold)."<sup>31</sup>

#### 3.5.3 INAC Workplace 2.0 – Current Status

Within INAC, some open design concepts may have preceded Workplace 2.0. Examples include: telework; printer stations; open collaborative areas, etc. Although initially developed informally, some of these innovations supported and promoted open design and have since been formalized and legitimized by sectors in their bid to adapt to Workplace 2.0.

It was unclear to evaluators if, or to what degree, the Worker Profile was utilized in the implementation of Workplace 2.0 as there was no supporting documentation available. Interviewees and discussion group participants indicated they were not aware of the Worker Profiles and that they had not been consulted in either completing a profile or in the design of their work environments. Moreover, the use of Accreditation appears to be limited at INAC as only one site has been accredited. In Regina, the project has been completed and "accredited," to the Bronze level. INAC implementers largely perceived the accreditation process as inconsequential, and did not view the process as resulting in improvements. While Public Services and Procurement Canada states that "It is mandatory that for each project, a completed evaluation grid be sent" to the Department, the evaluation did not find evidence that the documentation for completed INAC projects had been provided to Public Services and Procurement Canada.

According to the HRWSB's Quarterly Report – fiscal year 2013-14, Q4, January – March 2014, "Accommodations Services continued to work towards the reduction and optimisation of current space within the National Capital Region and regional offices. In Q4, a number of retrofit projects at 10 Wellington have been completed." The document noted that its national accommodations space optimization strategy was to "Manage, coordinate and oversee National Capital Region and regional accommodations projects to conform to the Workplace 2.0 standards and to reduce/optimize existing space in light of Public Works and Government Services Canada's seven-year space recapture reduction initiative." These projects require the involvement of not only INAC Headquarter and regional offices but also Public Services and Procurement Canada and Shared Services Canada.

<sup>30</sup> Workplace 2.0 – Milieu de travail 2.0. Understanding Workplace 2.0. Spring 2013, Public Works and Government Services Canada. Slide 20.

<sup>&</sup>lt;sup>29</sup> Ibic

<sup>&</sup>lt;sup>31</sup> PWGSC. Instructions for completion of a Client Accommodation Requirements Questionnaire (CARQ) http://www.tpsgc-pwgsc.gc.ca/biens-property/sngp-npms/bi-rp/formulaires-forms/instruction-eng.html

# 4. Findings – Design and Delivery

Design and delivery were examined as part of the evaluation to identify areas of strengths and weaknesses and to support improvements to the implementation of Workplace 2.0. Design and delivery often involves creating the linkages with other stakeholders (e.g., individuals and organizations) to more effectively and efficiently address the identified need.

The evaluation identified and analyzed relevant elements of the Department's model in comparison to models employed by others departments (Health Canada, Employment and Social Development Canada, Innovation, Science and Economic Development Canada).

#### 4.1 Overview

At its core, Workplace 2.0 is about the modernization of the workplace and requires that significant time and energy be paid to transformation planning and change management. The transformation planning for this initiative requires a process, which includes the development of a strategic plan for changing the organization's business processes by modifying policies, procedures, and processes to move the Department from its "as is" state to a "to be" state.

In implementing Workplace 2.0 at INAC, a key success driver is that stakeholders are involved in determining and recognizing the need for the change. Consultations at all levels and stages would provide HRWSB with the opportunity to review and analyze the responses regarding plan design, governance, implementation and administration. Engagement should occur throughout the design and delivery process, from "getting started" to post-occupancy in order to create a "common ground" and assist in determining the scope, timing, and viability of the initiative. The process encourages such activities as establishing a recognized and effective structure to steer and manage both the design and redesign processes; data collection to measure performance; and developing a transition plan, which will indicate to affected employees consideration of their workplace welfare in the implementation process.

The existence of a Workplace 2.0 Accommodations Framework that sets the direction, accountabilities, decision-making structure and responsibilities for the management of Workplace 2.0 office accommodation, including sections on accommodation planning, office space acquisition, fit-up, management, maintenance, and physical security was not evident to the evaluation team. Such a framework would have facilitated the understanding and assessment of management principles, accountabilities and monitoring, and their effectiveness. As a communications tool, the Framework could have promoted a broader awareness of INAC's Workplace 2.0 office accommodation policies, including any existing departmental accommodation Standards, Directives and Procedures.

#### 4.2 Objective Setting

In its implementation effort, INAC focused largely on the physical components of the initiative. In 2012, the Department implemented the first phase of its Accommodation Services Strategy, which sought to consolidate National Capital Region employees centrally and build more meeting space<sup>32</sup>. The strategy briefly mentioned the integration of the other two pillars of Workplace 2.0.

In its 2014 and 2015 presentations to the Human Resources and Workplace Services Management Committee<sup>33</sup> and the Financial Management Committee, the Accommodations Unit focused almost exclusively on the physical conversion of departmental space. It noted in a May 2014 presentation to the Human Resources and Workplace Services Management Committee that the guiding principles of the Space Strategy were to modernize current space to meet the new Workplace 2.0 standards, reduce occupied space to compensate for an incremental reduction in the space envelope, and consolidate programs to save time, reduce travel costs, and ensure effective operations<sup>34</sup>.

Each presentation during this time frame contained comprehensive details on upcoming Workplace 2.0 projects, the amount of space that would be reduced and the resulting savings that would be generated<sup>35</sup>. The Department planned to have its space envelope reduced to 117,759 m<sup>2</sup> by the end of 2014-15, but by November 2015, it still had a space envelope size of 121,374 m<sup>2</sup>.

Initially, the Department expected to have Workplace 2.0 fully implemented by 2019-20.<sup>36</sup> At the time of writing, consideration was being given to "briefcase moves" in which the Department would be only be allowed to reorganize employees within the existing office footprint. Such moves would delay the National Capital Region Workplace 2.0 projects until 2019. As a result, Workplace 2.0 fit-ups are now anticipated to be completed by 2023.<sup>37</sup>

Apart from meeting the DRAP commitments and ensuring compliance with the Workplace 2.0 Fit-up Standards, there is only one other measure available to assess how INAC is progressing in implementing Workplace 2.0, which is also focused on space reduction objectives. The space utilization rate refers to the amount of space occupied by a full time equivalent. As per the 2012 *Space Allocation Standards*, Public Services and Procurement Canada reduced the national average allocation of office accommodation from 16 m² to 14 m² per full time equivalent³8. As of October 2015, the Department's space utilization rate ranged from 17.3 m² to 20 m² per full time equivalent³9. By April 2016, this figure had improved to 15.2 m² per full time equivalent, which is lower than the national portfolio average of 16.3 m² per full time equivalent, but still 8.6 percent over the target of 14 m².

<sup>&</sup>lt;sup>32</sup> 2012 Accommodation Services Strategy – Communications Strategy, p. 1.

<sup>&</sup>lt;sup>33</sup> Among its responsibilities is the review and approval of strategies and implementation plans of departmental and government-wide led change initiatives that may have an impact on the workforce and the workplace.

<sup>&</sup>lt;sup>34</sup> Presentation to Human Resources and Workplace Services Management Committee, Accommodation Services, May 2014.

<sup>&</sup>lt;sup>35</sup> See May 2014, Dec. 2014, May 2015, Sept. 2015, and Oct. 2015 presentations to Human Resources and Workplace Services Management Committee and FMC as examples.

<sup>&</sup>lt;sup>36</sup> May 2015 Accommodations Presentation, p. 4, 6

<sup>&</sup>lt;sup>37</sup> March 2016 Accommodations presentation to FMC, p. 5

<sup>&</sup>lt;sup>38</sup> PWGSC Workplace 2.0 Fit Up Standards, p. A-2

<sup>&</sup>lt;sup>39</sup> October 2015 Accommodations Presentation, p. 5

#### 4.3 Communications

The Accommodations Unit has been involved in marketing the initiative to employees. For instance, in 2013-14, approximately 700 employees attended presentations by Accommodations on Workplace 2.0, including those in sectors that were eventually transitioned to the initiative.<sup>40</sup> Regional discussion group participants and interviewees who transitioned to Workplace 2.0 recalled visiting sample floors and attending meetings. Interviewees recalled hearing about more flexible work environments with options to telework, more collaborative spaces and appropriate furniture, and improved technology, such as laptop computers and Wi-Fi. While there was some information available regarding Workplace 2.0, interviewees stated that were not aware that these were parts of the other two pillars.

The evidence suggests, however, that employees do not have a common understanding of what is meant by Workplace 2.0 and that, where there is a convergence of understanding, it is on its physical aspects. Interviewees and discussion group participants indicated that their experience of Workplace 2.0 was very different from what was communicated to them by the Department. Telework and Information Management/Information Technology (IM/IT) were cited as examples where there was an expectation that there would be simultaneous implementation along with the reduction in workspace size. It should be noted that in cases such as the implementation of mobile technologies such as Wi-Fi, the Department relies on Shared Services Canada to fulfill its roles and responsibilities.

The overarching goal of Workplace 2.0 is to "create a modern workplace that will attract, retain and encourage public servants to work smarter, greener and healthier to better serve Canadians". However, communications on this message were inconsistent. HRWSB management and interviewees impacted by Workplace 2.0 noted that contrary to this stated goal, cost reduction was (and is) the primary driver behind the initiative.

At the time of writing, the Department was preparing to implement a client engagement strategy on the Workplace 2.0 initiative. This will prove helpful as interviews with INAC employees responsible for the implementation of Workplace 2.0 noted INAC did not have a comprehensive strategy to engage impacted staff impacted. Indeed, Senior Management acknowledged this was an area where HRWSB management could improve. Management also noted that it was important for managers of staff impacted by Workplace 2.0 to ensure employees understood the impact of the initiative on their daily routine, such as an increase in noise levels.

#### Recommendation #1:

The Human Resources and Workplace Services Branch review and update its Workplace 2.0 Implementation, Communications and Engagement strategies. The Implementation Plan should address identified gaps in advancing the technology (The Back Office) and policies pillars (The Way We Work). Approval of these strategies should be sought from the Deputy Minister.

<sup>&</sup>lt;sup>40</sup> Human Resources and Workplace Services Branch, QUARTERLY REPORT - FY 2013-14; Q4: January - March 2014.

#### 4.4 Governance and Oversight

INAC's Human Resources Workplace Services and Management Committee is mandated to assist senior management in fulfilling its obligations related to overall human resources management, including executive resourcing, workforce and workplace related matters. It provides a forum to advance the Government of Canada's Public Service Renewal agenda. It is unclear, however, the extent to which the Committee was (is) involved in strategic or operational decision making for Workplace 2.0, or which body is providing oversight for the initiative.

An explicitly-defined governance structure for Workplace 2.0 is a key area of opportunity. Interviews with management in the National Capital Region highlighted that their involvement in the initiative had been largely limited to the role of "client" and did not have any formal involvement in the planning and design of the processes associated with implementing Workplace 2.0. Interviewees noted their desire to be involved formally in future decisions.

The implementation process was championed by INAC's Accommodation Services Unit within the HRWSB. The Unit has not been adequately resourced to implement an initiative on the scale of Workplace 2.0. It has been challenging for the Unit to secure consistent and dedicated resources from areas such as Occupational Safety and Health, Information Technology, Policy and Security in order to advance the initiative is a coordinated manner. Staff turnover over the past several years has compounded the capacity issue.

Despite limited capacity, the Unit led the largescale initiative across the decentralized department. Regional offices were generally satisfied with their relationship with the Unit, which is located in the National Capital Region. Implementers with regional offices were generally satisfied with their relationship with the Accommodation Unit. However, they noted that more engagement and direction would be helpful as there are ongoing challenges to implementation. The challenges of decentralisation to implementation were noted by the Accommodations Unit staff as there have been instances where they were unaware of the projects in progress or completed in the regions. With no formal governance body to report to and to monitor the progress on a departmental scale, staff in both the National Capital Region and regions were left to obtaining updates and information through informal channels<sup>41</sup>.

Interviewees emphasized the need for an integrated team, comprised of representatives from the corporate support units (e.g., IT). IM/IT is not presently engaged with the Accommodations Unit with regards to the design and implementation of Workplace 2.0, or when moves are planned, and sometimes communications between Shared Services Canada and the Accommodations Unit bypasses IM/IT. Similarly, Shared Services Canada is not sufficiently engaged with INAC.

#### Recommendation #2:

Human Resources and Workplace Services Branch form a team specifically responsible for the implementation of Workplace 2.0. This team should include representation from Accommodations, Occupational Health and Safety, Information Technology, and Security.

<sup>&</sup>lt;sup>41</sup> Workplace 2.0 Evaluation, 1827 Albert Street, Regina, SK, Aboriginal Affairs and Northern Development Canada. October 31, 2014.

#### 4.5 Working with Federal Partners

Implementers were generally satisfied with the relationship with Public Services and Procurement Canada. They found officials accommodating and helpful, albeit with minor difficulties in coordinating moves. One region found support from the Department very limited, and that their needs were not well responded to or met. INAC implementers had some challenges in working with Shared Services Canada in the implementation of Workplace 2.0 in both Headquarters and regions. Implementers on the technological side found Shared Services Canada objectives for the implementation of Workplace 2.0 unclear, and implementers in all areas of the Department found that the integration of technological components into their projects was untimely. The challenges noted by INAC implementers were echoed by officials interviewed at other federal departments.

#### 4.6 Needs Assessment

The Accommodations Unit has identified a need to review the existing accommodation standards in order to effectively communicate new design options for workstation sizes and layouts<sup>42</sup>. It has recently begun developing a comprehensive communication strategy, including an employee survey, designed to obtain feedback from employees on how to improve Workplace 2.0. The revised Accommodations Strategy is anticipated to be completed in 2016-17<sup>43</sup>.

INAC retrofitted the physical space according to Public Services and Procurement Canada's mandated "Fit-up Standards." The Worker Profiles established by Public Services and Procurement Canada are based on the amount of time an employee spends at their desk and not on the actual work to be performed. Employees noted that the functions of certain employees (e.g. policy analysts) may require quieter, predictable, and private spaces than employees who more regularly needed to collaborate with colleagues and clients. The challenge of ensuring that form follows function is noted in the literature as the central to ensuring employees move into the right type of environment for work that they are performing. The Department can identify special purpose space that is required, such as a library, an Indigenous Elders' Lodge, or a storage room for historical files; it is required to pay for these unique spaces out of its budget. However, the Department is not required to document how it will meet the specific needs of such employees as financial analysts, data entry clerks, or cartographers.

The evidence suggests that, until recently, the application of a process to identify and understand the needs of employees regarding Workplace 2.0 was minimal. The Accommodation Strategy of 2012 focussed on the impact and timing of the National Capital Region space consolidation exercise i.e., moving employees from Ottawa to Gatineau. The Strategy is, however, silent on how it assessed the needs of these employees and how those needs would be addressed in the new accommodations. Follow-up presentations to the Human Resources and Workplace Services Management Committee and the Financial Management Committee in 2014 and 2015 on the status of the Strategy continued to be focussed on the physical aspects of the moves and the reduction in the departmental footprint. While the focus on the reduction of the departmental footprint was an important (and mandatory) part of the implementation of Workplace 2.0, the fact that the other two pillars did not receive as much attention has resulted in those additional benefits not yet being realised.

<sup>&</sup>lt;sup>42</sup> Accommodations Client Engagement Strategy – Workplace 2.0 – Feb. 2016

<sup>&</sup>lt;sup>43</sup> March 2016 Accommodations presentation to FMC, p. 11

<sup>&</sup>lt;sup>44</sup> Ferro (2015). To Work, Open Offices Need to Be A Little Less Open.

# Workplace 2.0



Indigenous and Northern Affairs Canada Affaires autochtones et du Nord Canada

## INDIVIDUAL WORKSPACES

# SHARED SPACES





A traditional workstation (left) vs. a 2.0 workstation (right), BC Region









Efforts to fit into 2.0 workstation: ergonomic screen (upper), jacket mini closet (lower), BC Region



Creative panel extensions, created independently by employees, BC Region









Common kitchen (upper-left), shared workspace (upper-right), private meeting room (lower-left), private phone room (lower-right), Saskatchewan Region



Shared meeting space, Manitoba Region

# Workplace 2.0

# @ OTHER DEPARTMENTS





Shared individual workstations, Employment and Social Development Canada





Common kitchen (left), openconcept individual workstation (right), Health Canada











# 5. Findings – Outcomes

#### **5.1 Implementation Progress**

To date, INAC has made significant progress in implementing Workplace 2.0 in its Headquarters and regional office locations. Approximately half of the National Capital Region employees and nearly one third of regional office employees have transitioned to the Workplace 2.0 environment.

#### 5.2 Pillar 1 - The Workplace

The literature suggests that in designing the physical workspace, consideration should be given to the fact that there are considerable risks (as well as an opportunity for gain) for organizations in terms of financial, organizational, and human interests. The literature suggests that organizations often overlook these risks and pay only limited attention is paid to the interaction between workspace and individuals in the redesign. This makes the design and implementation of new, refurbished, or retrofitted work environments a relatively mitigated risk. One means of mitigating these risks is to evaluate whether the proposed open-concept format satisfies both the user and the organization's needs.<sup>45</sup>



#### 5.2.1 The Open Office Concept

When asked of their opinion of the open office concept, many participants of the interviews and discussion groups acknowledged their appreciation of the aesthetic elements, such as the lighting, the openness, and the look and feel of the new design. The opportunity to have more exposure and impromptu interaction among colleagues was also well recognized. However, such an opportunity was more about "socializing" rather than "collaboration". At the same time, many also acknowledged the potential disruptive effect on others.

#### 5.2.2 Workstations

The evaluation team relocated to the 8<sup>th</sup> floor of 10 Welling Street - one of INAC's retrofitted floors in the National Capital Region for a two-week period. The team noted that the lighting conditions in the Workplace 2.0 environment were an improvement over that of a traditionally configured floor, due to increased natural light. Conversely, the team experienced a high level of distraction stemming from nearby conversations and noises, as well as visual distractions and storage space challenges.

The mandatory Workplace 2.0 Fit-up Standards from Public Services and Procurement Canada suggest a maximum cubicle size of 4.5m<sup>2</sup>. With the exception of some early implemented sites (British Columbia regional office 8th floor, Saskatchewan regional office in Regina), the Department fitted-up cubicles with a smaller footprint of only 3.34 m<sup>2</sup> (6 ft x 6 ft). Many participants noted that the 6x6 workstations were uncomfortably small and in many cases, impractical.

<sup>&</sup>lt;sup>45</sup> Vischer, J.C. (1996). Workspace Strategies: Environment as a Tool for Work. New York: Chapman and Hall.

The challenges of working in such a confined space were illustrated, in part, by the following examples provided by staff: desk chairs had to be backed out into the hall way in order to open the desk drawers; there was no room for personal items such as winter clothing and footwear; ergonomic furniture could not fit in the cubicle; smaller computer screens had to be requested in order to allow for a comfortable viewing distance. Limited desktop space was another commonly reported issue, especially for those whose work involved dealing with non-electronic. Interviewees also noted that there was inconsistent implementation and inefficient design of spaces. A common observation was that the revised floorplans did not lend themselves to adapt to changing work realities in which there are staff vacancies resulting in dead or unused space on the floor – the workstation sizes and configurations remain fixed.

Each employee will adapt to a new environment differently. Personal preferences in physical comfort, noise levels, use of technology and privacy will impact an employee's opinion about and productivity in Workplace 2.0. Elements beyond the employee's control will also impact his/her perspective. The evaluators' differences in experience in a Workplace 2.0 environment highlight the role that personality plays adapting to those changes. Overall, the observations and experiences of the team corroborated the feedback collected from the discussion groups.

#### 5.2.3 Acoustics

Noise was one of the major complaints among 2.0 users. It created interruption and frustration, especially for those who required a great level of concentration for their work. The increased proximity between people, reduced height of workstation partitions, and open collaborative spaces were seen as the major contributing factors to increased noise levels. As one of the Workplace 2.0 fit-up standards, sound masking systems were installed to reduce noise distractions as well as to protect speech and acoustical privacy. Some participants found the sound masking systems counter-effective as generated noise themselves and seemed to produce employee aggravation and fatigue. The efficiency of noise dampening systems is not confirmed in the literature.<sup>46</sup>

Quiet rooms are one of Workplace 2.0's support spaces. They are intended for the shared use of personnel who normally occupy open workstations. They are supposed to provide an enhanced acoustical environment for private telephone calls, to support work requiring a high level of concentration, or similar functions. However, the walls of quiet rooms were not sound-proofed and, as a result, voices could be heard from outside or in adjacent offices.

#### 5.2.4 Privacy

The lack of privacy was consistently noted as a major issue for many employees in the Workplace 2.0 environment. Lower workstation panels are used in Workplace 2.0 cubicles to allow for increased light distribution, airflow, and to provide seated privacy. The Workplace 2.0 fit-up standards for the panels provides for a maximum height of 1.37 m (54 inches). In INAC's retrofitted spaces, panels of various heights have been used, ranging from a low of 48 inches to the maximum of 54 inches. The height of the panels also did not provide enough privacy, particularly for those using standing desks. Employees are starting to employ creative means to improve their sense of privacy, such as decorative items to heighten their cubicle walls. Lack of privacy was further compounded by the nature of work performed by the employees, such as client phone calls with

<sup>46</sup> Navai & Veitch (2003). Acoustic Satisfaction in Open-Plan Offices. National Research Council Canada.

survivors from Indian residential schools or calls of a legal nature. The lack of privacy has had a greater impact on regional offices than on Headquarters as the regions provide a range of front-line services to their clients - the Indigenous population. Clients visit the INAC regional office daily for various reasons – including estates, treaty payment, elections on-reserve, family and community issues – as they prefer face-to-face interaction with INAC officials.

#### 5.2.5 Collaboration

The Workplace 2.0 concept features more open collaborative areas, designed for quick informal or team meetings, brainstorming and problem solving sessions.<sup>47</sup> However, many collaborative areas were located in the middle of a work area and caused distractions to those working nearby. Most open collaborative areas also had no phone or internet connectivity, thereby limiting the types of collaborative activities that could be performed in these areas. The spaces seemed to limit the ability of employees to focus, a basic requirement for today's knowledge workers and a key driver of workplace effectiveness.<sup>48</sup> INAC's National Employee Survey on Workplace 2.0 found the majority of respondents said they spent more than 75 percent of their time performing tasks that require focus (44 percent) or privacy (nine percent), while only 27 percent reported that they spent more than 75 percent of their time performing team-based or operational tasks that require constant consultations.

#### 5.2.6 Conclusions

Overall, the perception of Workplace 2.0 by the evaluation participants was predominately negative. Many participants reported feeling crowded, squeezed, distracted, and frustrated, and that collaboration was promoted at the cost of the ability to focus on and complete complex tasks. In addition, participants felt a strong lack of control of their own workspace, hindering employee morale and work productivity. Workplace 2.0 was seen as an initiative with a fiscal prudence rationale that resulted in a loss of privacy and efficiency.

A number of 2.0 implementers, both from INAC and other federal departments, identified as a best practice giving people certain choices over how their work space is set up (within defined parameters) to help employees to better adapt to the new environment. The potential benefits of such practice have been confirmed by the literature. General Services Administration (2006)<sup>49</sup> found that workers are less distracted and more productive and satisfied with their jobs when they have some control over their workspace. Lee and Brand (2005)<sup>50</sup> and Hoskins (2014)<sup>51</sup> also support this, and that choice and autonomy can drive motivation, performance, and employee happiness.

Support spaces such as collaborative areas, kitchens, and business centres, should be located to concentrate noisier activities away from the workstation area so as to minimize disruption. Behavioral protocols should also be developed to support the appropriate use of various spaces.

<sup>&</sup>lt;sup>47</sup> Workplace 2.0 Fit-up Standards.

<sup>&</sup>lt;sup>48</sup> Gansler (2013). 2013 U.S. Workplace Survey – Key Findings.

<sup>&</sup>lt;sup>49</sup> GSA (2006). Innovative Workplaces: Benefits and Best Practices.

<sup>&</sup>lt;sup>50</sup> Lee and Brand (2005). Effects of control over office workspace on perceptions of the work environment and work outcomes.

<sup>&</sup>lt;sup>51</sup> Hoskins (2014). Employees Perform Better When They Can Control Their Space.

#### 5.3 Pillar 2 - The Back Office

The policy development process that supports the second pillar of Workplace 2.0 is not officially part of the 2.0 project, though their existence supports the holistic goals of 2.0. The second Pillar of Workplace 2.0 involves the renewal of a range of policies, processes and systems, however, the evaluation focused on the policies and applications of telework – one of the most discussed elements of the "The Back Office". It should be noted that the HRWSB is not involved in the implementation of telework arrangements. These arrangements are made between the employee and manager.

The Treasury Board Secretariat defines telework as "a flexible work arrangement whereby employees have approval to carry out some or all of their work duties from a telework place," while INAC's Telework Policy (2009) defines it as "a flexible work arrangement whereby employees have a written agreement



to carry out some or all of their work duties away from their official workplace on a regular basis". The Treasury Board Secretariat implemented a Telework Policy in 1999, recognizing the need to allow employees to achieve a better balance between their work and personal lives by allowing them to work at alternative locations. A key element of this Policy is that telework arrangements are approved on a case-by-case basis at the discretion of management. The Policy encourages departments to clarify and publicize their approval criteria for telework requests.

Literature on organizational innovation has widely recognized that adopting telework strategies is an effective way to increase organizational flexibility. According to such literature, implementing telework strategies "...will dramatically increase organizational flexibility and enable workers to more completely embrace the 'work anywhere, anytime' mentality of many of today's knowledge-based business models..."<sup>52</sup> The literature review highlighted the advantages of telework in achieving cost and organizational efficiencies.

According to the results of the INAC National Employee Survey on Workplace 2.0, almost half of the respondents (45 percent) identified that the ability to telework is "important" or "very important" to them. From the perspective of INAC implementers of Workplace 2.0, telework is a crucial component. It allows employees the flexibility to work remotely, eases their transition to their new physical space, therefore improving their perception of Workplace 2.0 and negating some of the noise and privacy concerns. However, based on responses from interviewees and discussion group participants, it appears that management is reluctant to pursue telework as an option at present due to a seemingly potential loss in employee productivity, and employees were also not sure if telework was a possibility for them. Results from the interviews and discussion groups also point to a lack of consistency in how telework is applied across INAC. Employees noted that the provision of teleworking opportunities was largely dependent on the discretion of their individual manager, as opposed to any official policy. Many participants expressed their frustration over this, including those that had entered into teleworking arrangements.

<sup>&</sup>lt;sup>52</sup> GSA (2006), p. 15. Innovative Workplaces: Benefits and Best Practices.

Some participants also noted that their telework days were used to deal with more complex files due to distraction and decreased productivity in the Workplace 2.0 environment. Some participants also recognized that, although essential for Workplace 2.0, telework should not be used as a solution to the issues resulting from Workplace 2.0.

Health Canada developed a formal telework guide for its employees in 2015, and INAC evaluators were referred to the Department as taking a leading stance on telework. Health Canada acknowledged that "teleworking can allow employees to achieve a better balance between their work and personal lives, while continuing to contribute to the attainment of organizational goals". Further, the guide was created to form a consistent and standardized approach for telework arrangements to assist employees and managers. Health Canada acknowledged that the guide has only been recently implemented; consequently, telework is still discretionary, but the guide has been assisting managers assess telework requests with better guiding principles and parameters.

#### 5.4 Pillar 3 – The Way We Work

Workplace 2.0 calls for new, mobile technology as part of the transition to the initiative. Mobile phones, laptop computers and Wi-Fi allow employees the flexibility to work and collaborate in different areas of the workspace, as opposed to remaining sedentary at one station. Implementing Wi-Fi has been a challenge at the government-wide level. The Real Property Institute of Canada identifies it as one of the key challenges of implementing Workplace 2.0.

Shared Services Canada is leading the technological component of the initiative. As part of its role in renewing the Government of Canada's IT infrastructure, the Department is working to ensure that Wi-Fi is installed across the public service by 2020. At present, Shared Services Canada is working with INAC to implement several projects related to Workplace 2.0. As a first phase of its Wi-Fi deployment, Shared Services Canada is

The Way
We Work

Connect
Communicate
Collaborate

Web 2.0
Collaboration tools
Mobility
Laptop / notebook / smartphone
Videopresence
Next generation
videoconferencing

installing wireless capabilities into deputy minister boardrooms in the National Capital Region. The next phase of Wi-Fi deployment will occur in 2016-17, and will focus on regional offices. The Department's services are fully cost recoverable – this means that INAC will have to decide on the best areas to enable Wi-Fi. Other projects led by Shared Services Canada that are underway within INAC include replacing landline phones with cellular devices, and enabling videoconferencing.

The evaluation study included INAC managers with key technological responsibilities for the Department. As evaluators learned, these implementers did not appear to have been assigned a key role in the implementation of the technological aspects of Workplace 2.0, in spite of their expertise and experience in the subject matter. Moreover, Shared Services Canada did not establish or communicate clear technological objectives related to Workplace 2.0. A number of unresolved issues were noted – it was unclear how new technology will be secured, enable communication with clients, and allow employees to send and receive documents across different applications and systems.

<sup>53</sup> Health Canada Telework Guide. November 2015. (p.3)

Many INAC employees were still equipped with desktop computers at the time of this evaluation. This reduces the flexibility of employees, and decreases their mobility. Lacking the necessary technological tools decreases the enthusiasm and ability of employees to perform in a Workplace 2.0 environment. At present, departmental policy is to allocate a laptop or desktop computer based on business requirements that centre on the roles of employees. Employees who mostly occupy a stationary role are allocated a desktop computer; employees who spend more time away from the office to perform their duties are allocated laptop computers. INAC implementers explained that laptop computers cost more. However, implementers of Workplace 2.0 consulted by the evaluation team at Employment and Social Development Canada and Innovation, Science and Economic Development Canada disagreed.

#### 5.5 Integration of the Three Pillars

Overall, many recipients of Workplace 2.0 were not aware that the three pillars of the initiative existed. Some expressed frustration that the only change they experienced as a result of the initiative was a reduction in physical space and workstation. Implementers stated that it was challenging to simultaneously integrate all three pillars by pointing to a number of reasons. First, while they emphasized that Workplace 2.0 cannot be completed in a piecemeal fashion, they added that there were difficulties engaging other parties in bringing the three pillars together while respecting the requirements to implement the initiative before 2020. It is difficult to determine whether simultaneous integration of the three pillars is in fact feasible for a client department such as INAC. The Real Property Institute of Canada breaks down implementation stages by people, space and technology perspectives. It notes that in terms of the physical transition, it may be beneficial to implement Workplace 2.0 at the end of a Public Services and Procurement Canada occupancy agreement or lease, or when consolidating programs and offices. From a technological standpoint, it recommends implementing the initiative when opportunities such as Wi-Fi arise. These events may not arrive at the same time. For instance, the need to consolidate a program may require a retrofit to Workplace 2.0 standards, while the implementation of Wi-Fi is the responsibility of Shared Services Canada. The evaluation's findings showed that opportunities from people, space and technology perspectives occurred at staggered time.

The evaluation found that the transformation of the physical aspect of Workplace 2.0 had progressed furthest since the inception of the initiative. The failure to integrate all three pillars simultaneously has impacted the perception of Workplace 2.0 amongst employees. Without the integration of back office policies such as telework and new technology, employees perceive Workplace 2.0 as only a physical change designed solely for cost saving purposes. Some interviewees and discussion group participants, most of whom were critical of the initiative, admitted that Workplace 2.0 would work well if all three pillars were implemented simultaneously.

#### Recommendation #3:

Human Resources and Workplace Services Branch identify and revise, as appropriate, the policies required to successfully implement and realise the benefits of Workplace 2.0. The updating of policies should be presented to the Human Resources Senior Management Committee, be submitted to the Deputy Minister for approval, and then be clearly and widely communicated to all staff once approved.

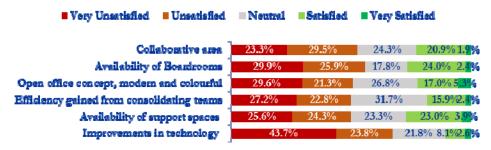
#### 5.6 Findings from the National Employee Survey on Workplace 2.0

In April 2016, HRWSB administered a National Employee Survey to collect feedback from 1,683 INAC employees on their input, experiences, and ideas about Workplace 2.0.

#### 5.6.1 Employees Already in a Workplace 2.0 Environment

Dissatisfaction is high among those in a Workplace 2.0 environment (n=620) – open workspaces and enclosed offices. Half or more reported dissatisfaction on all assessed areas: improvements in technology, i.e., Wi-Fi, laptops (68 percent "unsatisfied" or "very unsatisfied"); availability of boardrooms (56 percent); collaborate area (53 percent); open office concept, modern and colourful (51 percent); efficiency gained from consolidating teams (50 percent); and, availability of support spaces (50 percent).

Chart 1: Satisfaction Rates for Workplace 2.0

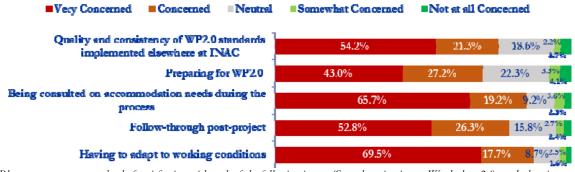


Please rate your current level of satisfaction with each of the following items. (Sample: those already in Workplace 2.0 workplace)

#### 5.6.2 Employees Transitioning to a Workplace 2.0 Environment

Concern is very high among those identified as going into a Workplace 2.0 setting in the next year or two, on all assessed areas: having to adapt to working conditions (87 percent "concerned" or "very concerned"); being consulted on accommodation needs during the process (85 percent); follow-through post-project (79 percent); quality and consistency of Workplace 2.0 standards implemented elsewhere at INAC (76 percent); and, preparing for Workplace 2.0, i.e., obtaining information on WP 2.0 (70 percent).

Chart 2: Concern Levels by Those Impacted by Workplace 2.0



Please rate your current level of satisfaction with each of the following items. (Sample: going into a Workplace 2.0 workplace in next year or two)

#### 5.7 Findings on 2.0 Investments and Cost Savings

Public Services and Procurement Canada and client departments share responsibility and accountability for the cost of office accommodations. Public Services and Procurement Canada is responsible for costs associated with expanding or replacing new locations and ensuring major renovations adhere to Workplace 2.0 requirements. As a client department, INAC is responsible for costs related to retrofitting additional space used for special purposes (e.g., library, call centre).<sup>54</sup>

From 2012-13 to 2015-16, the estimated cost to retrofit departmental space to Workplace 2.0 was \$13.5 million. The table below presents both the estimated and the actual costs invested by the Department into the Workplace 2.0 initiative.

Table 1: Workplace 2.0 Estimated and Actual Expenditures, 2012-13 to 2015-16<sup>55</sup>

		2012-13	2013-14	2014-15	2015-16	Total
Estimated (\$)	Total	2,000,000	4,000,000	4,500,000	3,000,000	13,500,000
Actuals (\$)	Vote-1 Salary	633,061	522,079	426,967	318,790	1,900,897
	Vote 1 Salary (Overtime)		100,000	103,500	10,334	213,834
	Vote-1 Operation and Maintenance	2,190,213	4,000,000	3,968,583	649,919	10,808,715
	Vote-5 Salary					
	Vote-5 Operation and Maintenance			1,760,960	206,954	1,967,914
	Total	2,823,274	4,622,079	6,260,010	1,185,997	14,891,360

Public Services and Procurement Canada controls the use of space through "space envelopes" - the authority provided from the Treasury Board to provide the space required by client departments to deliver their programs. Public Services and Procurement Canada provides accommodation and fitup free of charge to departments, up to their approved space envelope. Any space occupied beyond the Department's space envelops is referred to as the Expansion Control Framework, paid by the Department.

Table 2: INAC Occupancy, 2011-12 - 2015-16.56

	2012-13	2013-14	2014-15	2015-16	Total
Space Envelope (m²)	123,479	117,955	109,710	106,422	-
ECF (m <sup>2</sup> )	8,226	12,566	16,158	18,391	-
ECF Cost After Retrofit Gain	\$4.9M	\$4.4M	\$4.8M	\$5.7M	\$19.8M
ECF Cost If No Retrofit/Consolidation	\$6.4M	\$5.9M	\$7.5M	\$8.5M	\$28.3M

ECF - Expansion Control Framework

<sup>54</sup> A detailed breakdown of the costs shared between PWGSC and AANDC is provided in section A3.2 of the Workplace 2.0 Fit-up Standards. (http://www.gcpedia.gc.ca/gcwiki/images/8/85/WP\_2.0\_Fit-up\_Standards.pdf) <sup>55</sup> Workplace 2.0 Funding Pressure A6989. HRWSB.

<sup>&</sup>lt;sup>56</sup> Accommodations Services Update. Presentation to Human Resources and Workplace Services Management Committee June 2015.

In 2015-16, INAC's total occupancy level was 124,814 m². Total annual lease cost paid by INAC (Expansion Control Framework cost) was \$5.7 million, including \$1.8 million in National Capital Region and \$3.9 million in the regions. This cost can be reduced by Workplace 2.0 retrofitting, lowering footprint requirement such as building multifunction space to maximize usage, consolidating and reducing overall occupancy, and exploring alternative work arrangements such as telework. Savings realized can be measured in both space (m²) and dollars.

From 2012-13 to 2015-16, the Department spent a total of \$19.8 million on its Expansion Control Framework. The estimated Expansion Control Framework cost for this period, had there not been any retrofit or space consolidation, would have been \$28.3 million (a saving of \$8.5 million). In an HRWSB presentation to the Financial Management Committee in September 2015, an estimated INAC occupancy trend was proposed for up to 2019-20. In this estimation, a total Expansion Control Framework cost after retrofit gain for the period from 2012-13 to 2019-20 is \$38.7 million, compared to \$64.6 million if there was no retrofit (a potential saving of \$25.9 million).<sup>57</sup>

In 2015-16, a number of Workplace 2.0 projects have generated cost savings and will further promise additional savings in the upcoming years. For example, Phase I of a Vancouver relocation project has saved 688 m² in space, equivalent to \$318,669 in rent savings for the fiscal year 2015-16. When completed, the project is expected to return up to 3,500 m² or \$1.4 million in savings. Similarly, Phase I of a Winnipeg relation project has saved 975 m² in space, equivalent to \$120,536 in rent savings for 2015-16. Phase II of the project will save an additional 708 m² or \$30,555 in 2017-18.<sup>58</sup>

In its presentation to the March 2016 Financial Management Committee, Accommodation Services proposed a total of 36 Workplace 2.0 projects from 2016-17 to 2022-23. The forecasted total space reduction for these projects is 16,634 m². Using a national lease average of \$341/ m², this total space reduction translates into a total saving of \$5,672,194. Investment costs to retrofit Workplace 2.0 and divestitures to achieve this target range between \$11.5 million to \$16.5 million, depending on the choice of timelines.

27

<sup>&</sup>lt;sup>57</sup> Accommodation Strategy Update. Presentation to Financial Management Committee September 2015.

<sup>&</sup>lt;sup>58</sup> Correspondence on financial review.

#### 6. Conclusions and Recommendations

#### 6.1 Conclusions

While INAC does not control all the factors that impact the implementation process of Workplace 2.0, there are several issues/challenges facing the Department that it can address. In terms of change management, there is a significant culture shift that has to be undertaken. A more robust governance framework is required in order to provide leadership to this change management initiative and to encourage buy-in from all management levels. All staff require assistance in adapting to the idea of flexible work locations (telework), "de-cubing" of the workplace (i.e., more open collaborate environment), and understanding the needs and benefits of having mobile employees.

Moving forward, it will be beneficial for INAC to identify an INAC governance structure that integrates internal and external partners; a modernization plan with potential Workplace 2.0 projects; and develop a Technology Roadmap in preparation for future Workplace 2.0 implementation. The Department will have to focus more heavily on the second and third pillars of 2.0 – policies and processes, and technological tools – to see the full benefits of the initiative.

Workplace 2.0 delivery plans should be coordinated with the Department's change management plans in order to improve the way that implementation is done. In addition, the plans should have clear timelines and targets designed to drive Workplace 2.0 innovations. These plans should be clear and be openly and regularly communicated to employees (impacted by, or about to be impacted by Workplace 2.0) to ensure that all employees understand, are able to participate and advance change.

#### 6.2 Recommendations

It is recommended that:

- 1. The Human Resources and Workplace Services Branch review and update its Workplace 2.0 Implementation, Communications and Engagement strategies. The Implementation Plan should address identified gaps in advancing the technology (*The Back Office*) and policies pillars (*The Way We Work*). Approval of these strategies should be sought from the Deputy Minister.
- 2. Human Resources and Workplace Services Branch form a team specifically responsible for the implementation of Workplace 2.0. This team should include representation from Accommodations, Occupational Health and Safety, Information Technology, and Security.
- 3. Human Resources and Workplace Services Branch identify and revise, as appropriate, the policies required to successfully implement and realise the benefits of Workplace 2.0. The updating of policies should be presented to the Human Resources Senior Management Committee, be submitted to the Deputy Minister for approval, and then be clearly and widely communicated to all staff once approved.