

Why companies are getting rid of cubicle walls



Michael Lokner / Creative Commons

Businesses are moving away from individual offices and high-walled cubicles to more open environments. Fitting more workers into a smaller space also slashes rent costs.

by **Annie Baxter** (<http://www.marketplace.org/people/annie-baxter>)

[Marketplace for Tuesday, May 21, 2013 \(/shows/marketplace/marketplace-tuesday-may-21-2013\)](http://www.marketplace.org/shows/marketplace/marketplace-tuesday-may-21-2013)

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A growing number of companies are packing their workers into ever smaller workspaces. They're ditching offices and cubicles in favor of a more open office plan. Some companies say they're creating a hipper, more collaborative work environment. But there may be an even more important strategy in play: cost-cutting.

Before they became a dystopian symbol of the American office, cubicles were meant to be ... nice. You know -- a slick and sophisticated place where the average worker and her, um, machines... could have a little privacy. It was all part of a concept that the furniture maker Herman Miller called "the action office."

"She needs a special, easy-to-get-to place to work...she needs space for her machines along with room for herself," says the announcer in one vintage Herman Miller ad. "She's an action secretary and she needs action office."

<http://www.marketplace.org/topics/life/do-shared-work-spaces-increase-bottom-line>

But collaboration is where the action is today. Cubicle walls are coming down so workers can communicate more easily.

That's the case at the Minneapolis office of Cassidy Turley. It's a commercial real estate services firm. The company recently moved into a new space with a more open floor plan. In the old days, most of the staff had private offices. Now, only three do. Everyone else sits or stands at desks -- with no cubicle walls separating them.

Noam Newman is an associate broker there. He says he doesn't mind overhearing his colleagues' phone calls, because he can take pointers on deal-making.

"If I am hearing them, it's probably a positive, because I'm hearing how they interact with clients," says Newman.

He may not mind the energetic chatter around him, but the office can get pretty loud with people working elbow-to-elbow in some cases.

Still, lots of companies are overhauling their office plans in a similar way. Over the last couple decades, the average worker has gone from having 90 square feet of space to just 75. That's according to the International Facility Management Association.

One of the biggest factors driving the trend is this: less space means lower costs. Dennis Panzer is the managing principal of Cassidy Turley. He says his company chose to go with an open plan for a lot of reasons. But there was a big savings. In the company's old office, which occupied way more square footage, the rent was 50 percent higher.

"If you can save a dollar in cost, there's no additional revenue that needs to be produced, and it can fall right to the bottom line," Panzer says.

But Susan Cain says, "There is a hidden cost, in productivity and in morale." Cain is a former Wall Street attorney turned author and speaker. And she's not a big fan of open office plans. She says they make it hard for workers to concentrate.

She's not advocating sticking with the lonely cubicle. Instead, Cain thinks companies should have a healthy mix of collaborative spaces, like cafes, and quiet places, like libraries.

"Make sure you are building in zones of privacy throughout, quiet places where people can go by themselves or with one other colleague to really focus," she says.

That might be wishful thinking, though, given that some companies are doing extreme office makeovers, and nixing employee workspaces altogether. Dennis Panzer at Cassidy Turley says some accounting firms assume their workers will embed at clients' offices and not need a desk back at the mothership.

Panzer says it's all fair game when you're looking to cut costs.

"The way we say it our office: if you show me one company that's expanding I can show you five that are

downsizing,” he says.

If workers aren't thrilled about all the downsizing, there might be some comfort in knowing that at least it's just their cubicles getting whacked, and not them.

About the author

Annie Baxter is a reporter for Minnesota Public Radio.

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11 COMMENTS



Mick replied on May 24, 2013 [PERMALINK \(/COMMENT/128561#COMMENT-128561\)](/COMMENT/128561#COMMENT-128561)

Sounds great ... as long as you're an extrovert. Some of us need our space.



rhirsh replied on May 22, 2013 [PERMALINK \(/COMMENT/128086#COMMENT-128086\)](/COMMENT/128086#COMMENT-128086)

Ah, but so worth it when the top executives get to share in the open environment! You see them crawl into conference rooms for every call. Very entertaining!



nikmar12 replied on May 23, 2013 [PERMALINK \(/COMMENT/128056#COMMENT-128056\)](/COMMENT/128056#COMMENT-128056)

Thank you NPR for once again telling more than one side of the story. Not everyone is a fan of the open floor plan.



Qev_N replied on May 22, 2013 [PERMALINK \(/COMMENT/127951#COMMENT-127951\)](#)

“If you can save a dollar in cost, there's no additional revenue that needs to be produced, and it can fall right to the bottom line,” Panzer says.

“Panzer says it's all fair game when you're looking to cut costs.”

Ah yes, the modern face of business strategy and leadership.

No need to demonstrate any actual business talent or acumen. Forget about focusing on increasing profits by....I don't know, maybe, INCREASING YOUR MARKET SHARE?

No. Instead, CUT and CUT some more. As Mr. Panzer himself stated, “it's ALL fair game”...regardless of the detrimental effects to the very company you're depending on for those profits. All you need do is find ways to further concentrate those stagnate (or falling) profits at the top and you're considered a “star CEO” – Laughable.

As the saying goes: A monkey can do that...and for a lot cheaper.



I Insist On Privacy replied on May 22, 2013 [PERMALINK \(/COMMENT/127901#COMMENT-127901\)](#)

Here's my way of dealing with open office formats: I refuse to work for anybody who insists on them.

I'm an experienced computer and database guy, and there's enough opportunity for me in telecommuting jobs and jobs with companies who haven't jumped on the ridiculous open-office bandwagon that I just don't have to put up with it and I don't!



I Insist On Privacy replied on May 22, 2013 [PERMALINK \(/COMMENT/127896#COMMENT-127896\)](#)

BTW: the research on this subject is sketchy and there are others who refuse to consider open offices without being as vocal about it as I am:

<https://mcwiggins.backpackit.com/pub/2940758-open-office-pathology>



klee_lady replied on May 21, 2013 [PERMALINK \(/COMMENT/127826#COMMENT-127826\)](#)

Working currently for a company that has downsized cubicles for contractors. The IT contingent are working in 4' desk spaces, with cubicle wall that extend only 24" above desktop, and only to the edge of the actual desk. No real physical separation between workers.

Noisy? Heck yes. Productive? Not proven that the "collaboration" exceeds the distraction factor. And let's talk about the rapid spread of germs during cold and flu season ... the workers in this area went down like dominoes. Once one person is coughing and sneezing, it's the entire 48-person pod.

Facilities did put in two small rooms to be used for 2-3 person discussions. Hardly enough. Oh, and since your manager has to purchase a headset, which most are refusing to do, citing budget constraints, there is no hope of noise reduction.

I'm still in a larger cubicle on a different floor (doing a different work role), but if I ever get shifted to one of these call-center size desks, I'll be out the door. Can't work like a laboratory rat.



jake3_14 replied on May 21, 2013 [PERMALINK \(/COMMENT/127816#COMMENT-127816\)](#)

"The way we say it our office: if you show me one company that's expanding I can show you five that are downsizing,' he says."

That statement's a veiled threat. Managing by intimidation doesn't promote collaboration or productivity.



Will Loving replied on May 21, 2013 [PERMALINK \(/COMMENT/127796#COMMENT-127796\)](#)

Thank you for including Susan Cain in this report. Her book "Quiet: The Power of Introverts in a World That Can't Stop Talking" goes into detail about this issue and cites a number of studies that show that "collaborative"

can also mean "distracting" especially for the introvert half of the population that require focused, uninterrupted alone to do our best creative work. The mix of private and collaborative work spaces that she describes is critical to giving introverts in particular the quiet space they need. And, the studies listed in her book show how productivity and creativity can go down when private space is taken away.



narcoossee replied on May 21, 2013 [PERMALINK \(/COMMENT/127791#COMMENT-127791\)](#)

The Race-To-The-Bottom continues apace. With so much "collaboration" being between people not even in the same time zone, the need is for MORE privacy, if for no other reason than so you don't have to hear your neighbor drone endlessly about "leveraging the organization's DNA synergies in a big-data cloud environment".

Seriously, it's like we all live in a Dilbert comic strip.
