MORNING LARKS

VS

NIGHT OWLS

Overcoming the UK's Productivity Challenge

Contents

Britain's productivity needs work

Productivity is the single biggest economic challenge facing Britain today. We lag behind many of our global competitors by double digits. Britain urgently needs to up its game.

A major factor affecting productivity is our built environments – where we live, work and learn makes a big difference to how effective we are. Environments that don't work well are hindering productivity across all sectors.

Statistics from both the Office for National Statistics and the Organisation for Economic Co-operation and Development, who collate and publish a global productivity analysis, show that the UK's productivity is well behind those of our European neighbours. Why is that and what can we do about it?

Researching the issue

Much has been written about how we, as a country, can do more to overcome the reduction in national productivity and the different approaches we should take. As a group of specialists across the lifecycle of the built environment, we at Extentia Group wanted to understand the impact that the workplace environment can have on productivity.

Working with independent research agency Censuswide, we asked over 1,100 UK indoor workers about their working habits, including when they felt most productive and if their working environments ensured they could be as productive as possible.
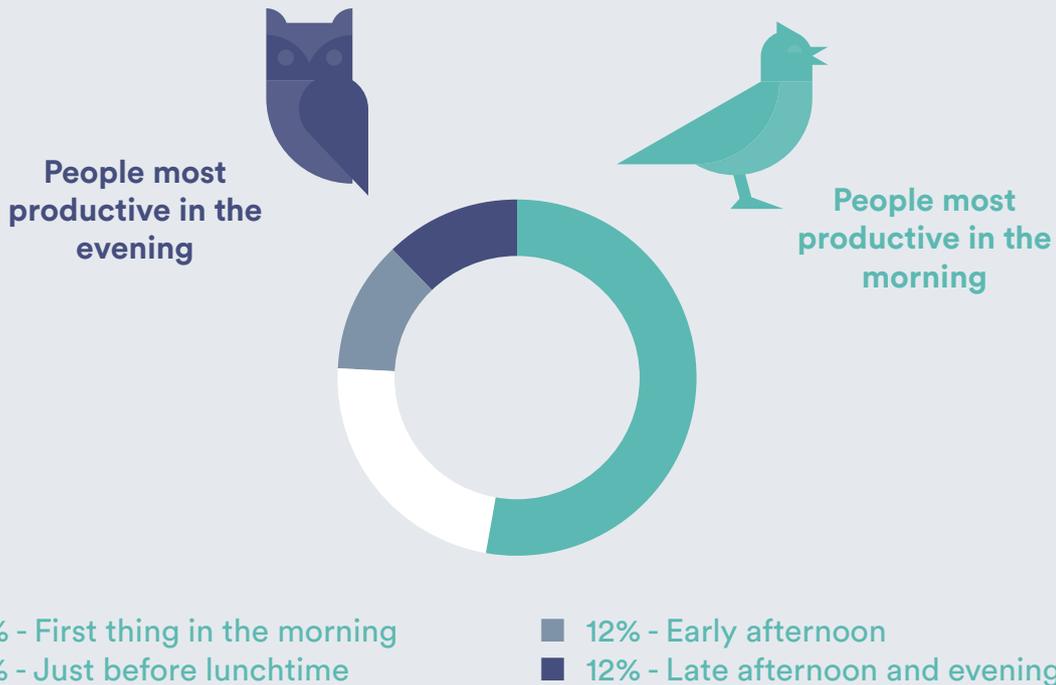
The research found that whilst over half of those surveyed (53%) felt they were more productive in the morning, a quarter of them don't go into work early. Of the 76% that do try and capitalise on this early morning productivity, nearly 60% are put off by inhospitable working environments.

Many industries are also in the midst of a growing skills shortage and attracting and retaining talent is a core part of the business strategy. Research by the University of Victoria, Canada shows that the workplace environment has a direct impact on employee wellbeing and absenteeism, the cost of which is expected to reach £21bn in 2020.

Evidence proves that better environments drive better productivity, so why are we still subscribing to outdated approaches to workplace design? And what should businesses be doing to help maximise the productivity of their workforce?

This report focuses on two distinct groups – Morning Larks (those who are more productive in the morning) and Night Owls (those who are more productive in the afternoon / evening). It will explore when these groups are most productive, how they prefer to work, and how we can adapt our workplace environments to maximise productivity.

We're a nation of Larks

People most productive in the evening

People most productive in the morning

- ■ 53% - First thing in the morning
- □ 23% - Just before lunchtime
- ■ 12% - Early afternoon
- ■ 12% - Late afternoon and evening

The idea that people are more productive at different times of the day is not a new concept, but how many managers, leaders or business owners know when their employees are most productive and have put measures in place to maximise this?

Our research identified two distinct groups – Morning Larks (those who are more productive in the morning) and Night Owls (those who are more productive in the afternoon / evening), taking a sample of 1,104 UK workers of all ages and genders from across the UK.

The research found that over half of UK indoor workers say they are most productive first thing in the morning, but of these 'Larks', only three quarters of them go into work early. More than half of those that do go in early feel frustrated by inhospitable working environments **(more later)** so can't take advantage of their most productive time.

The research looked at the gender splits and whilst there was no significant difference between the percentage of men and women

that identified as Larks or Owls, men were more likely to go in early and stay later to make sure they are working during their most productive time.

The research also showed that the younger generations (18-29) were more likely to go to work earlier or work later to take advantage of their most productive times compared with those in the 45+ age range.

External influences

Having to do the school run or find suitable childcare could be an impacting factor here, but we should also consider that many of the new employees (up to ages 25) are part of Generation Z – the 'always on' digital natives. This generation has grown up with access to services and information available at all times, so it should be no surprise that when it comes to working styles, they are not constrained by the normal 9 to 5.

The explosion of bring your own device (BYOD) policies and the use of personal technology for work has also blurred the lines

77% of Larks go into work early

43% of people aged 18 to 29 are Larks

58% of people aged 45+ are Larks

83% of young Larks (18-29) often go into work early

73% of older Larks (45+) often go into work early

80% of men who are Larks often go into work early

75% of women who are Larks often go into work early

59% of Owls stay at work late

14% of people aged 18 to 29 are Owls

10% of people aged 45+ are Owls

57% of young Owls (18-29) often stay at work late

43% of older Owls (45+) often stay at work late

63% of men who are Owls often stay at work late

55% of women who are Owls often stay at work late

between work and personal life, making it more natural for people to work outside of their core hours.

Health warning

The impact of this always on / always available culture can, however, have a serious impact on employee wellbeing. By blurring the lines between home life and work life, the workforce doesn't have the time to switch off and recuperate – potentially having an ongoing knock-on effect on their productivity and health.

Many organisations recognise this as an issue and have policies in place to ensure employees aren't receiving and responding to emails in their free time. In 2017 France took this one step further with their Right to Disconnect law. Applying to businesses with over 50 employees, this regulation makes it illegal to send work communications outside of set hours agreed by colleagues across the business.

In a recent study by Birmingham University, Night Owls having to work more traditional office hours, that meant them rising earlier than they would like, were at risk of a number of serious health issues. Other research has shown that disturbances to the sleep / wake system have been linked to a variety of health issues, including mood swings, increased morbidity and mortality rates, and declines in cognitive and physical performance.

Tips for personal productivity

We asked our Extentia Group colleagues for tips that they find helpful in getting the most out of their working day:

| "I try to only look/open Outlook at set points during the day, allowing solid working chunks of over an hour. Using the quiet time feature in Windows 10 also helps"
Dan Pickles

| "I find it difficult to concentrate in the afternoon, so a quick 5 minute walk around the block or a bit of fresh air really helps to settle me down. A change of scenery really helps as well – working from a different part of the office keeps you focused"
Lauren Watts

| "As a Morning Lark, I like to come in early as I appreciate the quieter time. In terms of workplace design I am not a fan of an open office and I tend to utilise break out spaces and booths to boost my productivity in the afternoon"
Rachel Morris

| "Utilise an online to do list (Wunderlist, Trello, etc) and use that to direct work, not your inbox. These all have mobile app versions for you to use when a task occurs to you out of working hours. These tools help to keep you focused and on track without reacting to incoming email"
Alex Mayes

| "I'm never more awake than after an early morning gym session plus caffeine to set me up for the day. Also helps if you haven't a long drive first thing or last thing"
James Howarth

Flexibility is key

Could flexible working be the key to unlocking your employees' productivity?

One size doesn't fit all

Our workforces are made up of a myriad of different people from different cultures, with different habits and needs. There is no one size fits all. So how can we adapt how our teams work to ensure healthy, happy employees whilst maximising their productivity?

Of the sample surveyed, 59% said they work outside of traditional working hours, with a quarter (24%) saying they work earlier and 32% working after hours. The remaining 44% said they worked both before and after their traditional working hours. When we take into consideration that only 12% of people say they are more productive in the afternoon / evening, that means we have a large amount of our UK workforce working outside of their most productive times. Is this impacting the UK's productivity? Could improving our productivity performance be as simple as working at times we're naturally productive?

One potential solution is shorter working hours, a concept that has been trialled by a number of different companies across the world. One of the highest profile cases was a 24-month trial in Sweden where workers on the trial saw their daily working hours cut from 8 hours to 6 hours. The results showed an 85% increase in productivity on average, with a reduction in staff sick days and absenteeism. The employees on the test also reported having much more energy and being less distracted at work. However, the study met with some opposition due to the extra staff costs to fill the hours gap, as well as the implications for service operators. There is no one size fits all, so the decision needs to be made based on your organisation and whether this would help it achieve its goals.

On average, employees lose 86 minutes a day to distractions

Costly distractions

When asked why they worked outside of normal hours, across the board respondents listed built environment factors such as being able to get more quiet time (36%) and struggling with colleagues distracting them (18%) above personal productivity reasons and external factors. A survey of over 10,000 workers across 14 countries carried out by UK-based research agency Ipsos found that, on average, employees were losing 86 minutes a day to distractions, which equates to 28hrs a month at the average cost of £538[1].

In our survey, other reasons that were given for wanting to work outside of their traditional hours were feeling more mentally active (29%) and having their best ideas outside of this time (19%). External factors included having too much work to fit into the working day (30%), avoiding rush hour traffic (27%) and working around other commitments (22%).

Flexible working

All these reasons seem to point towards one answer – flexible working. Again, this is not a new topic with a vast amount being published on the benefits. Research by Vodafone in 2017 of over 3,000 workers found 23% of respondents admitted to being "unproductive" at work. Around 71% said a flexible working policy would enable them to be more productive. In 2014, the government

introduced legislation that required all employers to consider flexible working requests from any employee that has more than 26 weeks service. So why does it still seem that so many businesses have yet to implement this?

Practice what we preach

Across Extentia Group, there are 11 different specialist businesses, from professional services to manufacturing, from software to engineering. In order to ensure our teams are as productive as possible, we operate a flexi-working scheme, where colleagues can start and finish between 7am - 7pm as long as they do their hours and cover the core hours of 10am - 3pm. There are some cases where this is not practical i.e. for our FM or software service desk teams or our manufacturing teams, but it offers the majority of our colleagues the flexibility they need to juggle lifestyles and commitments, with the added benefits for the business of increased productivity.

The established process of flexible working fits with the responses we received when UK workers were asked when they would prefer to start their days. Nearly half of respondents (46%) would prefer to start work earlier, with 37% of those wanting to start up to 2hrs before their official start time, in comparison to 17% that would like to start up to 2hrs later.

Workplace environment matters

Flexibility could be the key to unlocking the productivity of your workforce, but changes to policies and ways of working may not be enough to make this happen. Organisations also need to make sure the workplace environment is designed, built and furnished, with the right IT infrastructure in order to really make sure increased flexibility can help deliver an increase in productivity.

Why do people prefer to work outside traditional working hours?

Responses were mainly consistent across the board, for both women vs men and younger workers vs older workers.
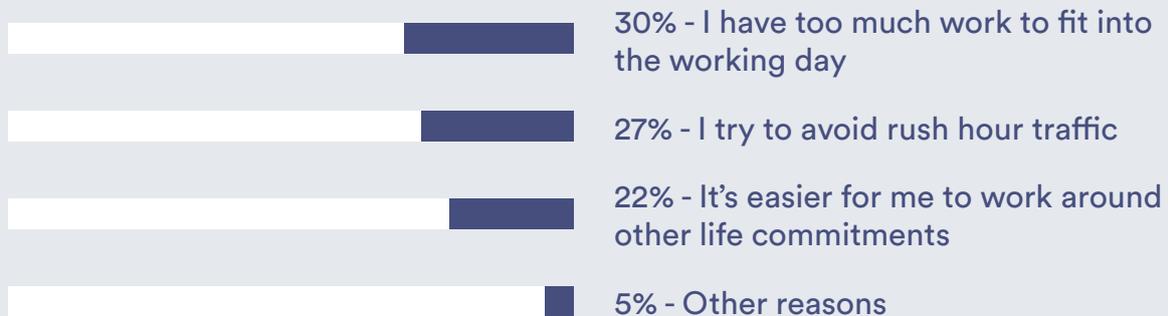
Built environment factors

36%
Because I get more quiet time

18%
Other people distract me

Natural productivity factors

29%
I feel more mentally active

19%
I have my best ideas outside of this time

External factors

30% - I have too much work to fit into the working day

27% - I try to avoid rush hour traffic

22% - It's easier for me to work around other life commitments

5% - Other reasons

What can employers do?

| Understand the change management needs within an organisation to support Larks and Owls alike – how does the workplace foster collaboration between the two? Consider expert help with this to get the productivity balance right.

| Encourage practical solutions – meetings to be scheduled at a time that works for everyone who might be at different points in their working day (avoiding just after lunch when our survey tells us most people are least productive).

| Larks and Owls may be responding to 'life issues,' such as caring or family obligations. How can an organisation ensure they are supported in their choices if this means working at times when they might be less productive? Things to consider include more natural light and encouraging regular breaks to avoid losing concentration. Having a range of facilities on site such as a well-stocked shop or even an exercise class means that people can make the most of their time at work.

| Run our **survey** to find out more about your staff and how you can support them to be more productive at work.

Optimising the workspace for productivity

In our survey, the working environment was identified as a key factor in limiting or boosting employee productivity. The research found that whilst over half of those surveyed (53%) felt they were more productive in the morning, a quarter of them don't go in early. Of the 76% that do try and capitalise on this early morning productivity, nearly 60% are put off by inhospitable working environments.

Limited by the workplace

Half of Larks who go into work early cited frustrations of the environment including the space being cold, eerie and depressing. 20% said whilst it may be when they are most productive, they get very distracted when colleagues arrive as their environment doesn't allow for quiet spaces.

At the other end of the day, our Owls also had similar complaints, 16% said that they get disrupted when the cleaning staff arrive, and over a quarter (26%) reported the space was depressing and not inviting. Access was also an issue, with 11% of respondents stating that their building's access controls meant there were very specific times they could gain access or had to leave the offices – further limiting their working hours.

Making simple changes

When asked how businesses could make spaces and workplace environments better, nearly a quarter (23%) said they would like more natural light in their workplace, 20% wanted amenities and refreshments available out of hours and 19% said they would like their office environments to be less gloomy and more homely.
Industry research also shows that the greenery and plant life within an office environment can have a significant effect on health and well-being, so biophilic elements could be an easy and low cost way of improving the work environment and improving employee productivity.

Connecting to nature through cleverly selected decor or furnishing with colours and patterns complemented by the use of indoor plants and views of greenery can enhance any workplace.

Flexible space

The only constant is change and workspaces can be kept flexible by designing them to cater for different users at different times. For example, quiet zones would allow Larks and Owls dedicated spaces to work without distractions. Whereas creating collaborative zones can bring together a sense of community.

> **Greenery and plant life within an office can have a significant effect on health and well-being.**

Don't forget furniture

Furniture plays a key role in wellbeing and productivity. Flexible and agile furniture can help offices accommodate changing needs as different configurations can be created to meet differing requirements as businesses and workforce evolve. Using acoustic screens

Early morning frustrations for Larks

- 20% - It's loud and distracting when people start to arrive
- 17% - It's always cold first thing in the morning
- 12% - The space is depressing
- 11% - It's not inviting
- 10% - The empty space is eerie
- 8% - It's too quiet before people arrive
- 8% - Refreshments aren't available
- 8% - Automatic lighting means that it's dark until the office is busy
- 2% - Other

Evening frustrations for Owls

- 16% - It's loud and distracting when cleaning starts
- 13% - The space is depressing
- 13% - It's not inviting
- 11% - It's too quiet after people leave
- 11% - People need to leave as the building locks
- 10% - Automatic lighting means that it's dark unless the office is busy
- 9% - It's always cold because the heating is turned off
- 9% - The big empty space is eerie
- 7% - Refreshments aren't available
- 2% - Other

or meeting pods can create spaces that offer privacy yet can be used in a multitude of ways.

Desks and chairs should be comfortable and able to adjust to meet individual needs. Standing desks are increasingly popular as standing at work improves posture, burns more calories than sitting down and can increase energy. In a recent study by the British Medical Journal, standing desks were proven to reduce tiredness and increase productivity.

The perfect temperature

With soaring energy costs, it's difficult to accommodate heating and cooling requirements for a workforce that works beyond the traditional 9 to 5 without losing control of energy bills.

A common complaint in our survey was workplaces that are too hot or cold outside standard office hours. This can be easily managed with smart building controls. Smart building controls are a way of overcoming traditional set-time heating and cooling systems, as they heat or cool different areas of a building at different times during the day. Implementing an intelligent buildings strategy will ensure energy usage reflects the actual demand for heating and cooling, balanced with the need to optimise energy consumption to manage utility bills.

61%
of people think that their working environment doesn't cater for people who want to come in early

66%
of people think that their working environment doesn't cater for people who want to stay after hours

42%
of people think that their working environment doesn't cater for everyone

The environment – top tips

| Reconfigure layout to put desks nearer to windows for natural light, rather than meeting rooms that aren't used as regularly.

| Design spaces that transition from home to work and vice versa to suit people who are working when they're not the most productive – soft seating area before going to sit at your desk, sofas with built in charging points or TVs, for example.

| Create quiet spaces away from doors and kitchen areas where people won't be disturbed while the rest of the workforce arrives or leaves or provide furniture booths for privacy and quiet.

| Design spaces that make staff feel they're not alone in an office if they are the first or last one there.

| Use soft furnishings and colour to add homely, comfortable touches to make an out of hours workplace feel less austere.

| Provide a kitchen or communal space with a home-based theme – comfort to the bleak, eerie mornings – benches, tables, breakfast bar to grab coffee or sit and eat breakfast to get fuelled for the day.

| Create small scale neighbourhoods so people don't feel 'exposed' in a vast open plan office.

| Consider the safety of users working in partially occupied buildings at either end of the day – perhaps 'locking down' remote floors to concentrate employees into key suitable co-working areas.

| Improve building surveillance and security – making sure people feel safe before and after core hours.

| Arrange cleaning services for later at night or very early in the morning. If this is cost-prohibitive, agree a cleaning schedule so people can take themselves away to avoid noise and disruption. Or ask the cleaners to reorder what they do – disrupting people last.
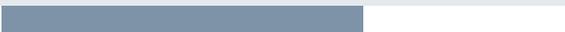
Hotdesking - help or hindrance?

Hotdesking is often seen as an easy way to introduce flexibility, whilst also reducing overheads by freeing up desk space. But what impact does it have on your employees?

We asked over 1,110 UK indoor workers what they thought about hotdesking and the impact it has on them and the way they work. The results match what we are seeing across our clients' businesses.

Nearly two thirds (64%) of those with a hotdesking policy at work thought the majority of their co-workers come into work early just to get a good seat. Just under half of those that work in an office with a hotdesking policy think this forces people to work outside of their normal working habits which could affect their productivity.

29%

of people work in a business with a hotdesking policy

Research by consulting firm Brickendon earlier this year highlighted that the average hotdesker wastes 18 minutes per day looking for a suitable workplace, with nearly 25% of workers spending more than 30 minutes a day looking for the right seat. This adds up to nearly 66 hours a year of wasted time looking for a seat - that's almost 2 full-time working weeks on top of the 86 minutes a day that are already wasted due to distractions.

Shared or flexi-spaces could be the answer. By taking away the reliance on standard desks and opening all areas up to be used as potential working spaces, employees can work in a way that make them most productive whilst removing the wasted time each day looking for a desk.

42% of people think that their workspaces don't have the correct number of desks

64% of people with a hotdesking policy think the majority of co-workers come into work early to get a good seat

47% of people think hotdesking policies force people to work outside of their normal working habits by forcing them to come in early

Extentia Group

Evidence proves that better environments drive better productivity. The challenge is finding a trusted partner who can deliver the change that's needed.

We create better environments for productivity

| Extentia Group is a group of specialists from all aspects of the built environment
| Uniquely placed to deliver end-to-end, joined-up thinking
| Each specialist recognised as a leader in its field
| Creating holistic long-term strategic property solutions to manage and optimise organisational environments
| The result? Happier, more productive people, more operational efficiencies, and stronger business performance.

Want to know more?

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