Coworking from the Company’s Perspective - Serendipity-biootope or Getaway-spot?

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Abstract The phenomenon coworking has been around since 2005. While the initial drivers and beneficiaries where microbusinesses and freelancers, corporations have recently started to develop interest in the topic. Not because they see in coworking spaces a candidate to substitute their corporate office with, but because they are interested in the opportunities it offers in addition to the primary and secondary (home office) work location – be it from an innovation management or employee wellbeing standpoint. A pilot project with two Swiss ICT companies analysed the coworking movement from the perspective of corporations and identified value propositions as well as obstacles. Based on the different needs and behaviours of the experiment participants, four personae were identified. The study showed that although utilization by the pilot participants was on a very low level, the signal for change of the organizational culture is an interesting side effect of introducing coworking as an alternative work scenario.

Keywords: • Coworking • Virtual Collaboration • Remote Work • Boundary Management •
1 Introduction

The emergence of new technologies has changed the nature of work since the early 1980s in two ways. Firstly, the ongoing transformation has an impact on work relations and lead to an increase in nonstandard work arrangements (Kalleberg 2000). Secondly, even within standard work relations, the organization of work is undergoing a significant change, resulting in new ways of collaborating with stakeholder groups inside and outside of organizations. Although the changed nature of work relations is the driver for the phenomena coworking, the focus of this paper is not on the rise of the freelance or gig economy, but on the question how traditional organizations deal with the new work scenario coworking and how they integrate it in the portfolio of existing ones. It is thereby of particular interest, in which ways their usage scenarios are different from the ones of freelancers and microbusinesses and how the collision of the two entities in these third places (Oldenburg 1989) could be beneficial for both. Since coworking is a rather new phenomenon it is not yet elaborately discussed in the academic literature; this is even more the case for coworking from a company’s perspective, where only few articles exist, e.g. Ross & Ressia (2015) who look at coworking as an alternative for “home-based telework” in the public and private sector. The focus of this article is however not on the potential for replacing a work scenario, but on adding it to existing ones.

1.1 The changing nature of work

Remote work scenarios are not new - it was the first oil crises in 1973 that helped telework and telecommuting to its triumph (Bailey & Kurland 2002; Nilles 1975). However, today’s highly mobile and connected digital nomads have little in common with these early teleworkers, who completed work outside of the office in an isolated manner, supported by stationary computers, fixed telephones and fax machines (Makimoto & Manners 1997, Messenger & Gschwind 2016). The emergence of mobile devices, cloud computing as well as social software is drastically transforming the way in which companies conduct work and organize collaboration (see also Eagle 2004). Today, work is no longer tied to a time or place which makes the assignment of all employees to a fixed space obsolete (Spreitzer, Garrett & Bacevice 2015).

1.2 The emergence of coworking

When Brad Neuberg\(^1\) coined the term coworking in 2005 in San Francisco (Spinuzzi 2012) he can’t have foreseen to which significant movement he acted as midwife; at least when it comes to the naming of this new phenomena encompassing the disentanglement of time and space for knowledge work. Looking at coworking from a broader perspective, it has become the symbol for an economy, where non-standard forms of work (an extensive overview of these forms is provided by Capelli & Keller 2013), as alternatives to traditional full time-employments mushroom and force management as well as social
science to rethink existing models and assumptions. The focus of this article is however not on new forms of employment – which have beyond doubt been the catalyst of the whole coworking movement – but the question, which value proposition coworking offers from the perspective of established firms. While “working alone together” (Spinuzzi 2012) is one of the main promises for freelancers and microbusiness, coworking spaces only represent an alternative work scenario for established firms, at least in a short-term view. The relevant question from their standpoint is therefore how these third places (Oldenburg 1989; Gandini 2015) will complement the existing work scenarios – in contrast to freelancers and microbusinesses, who chose coworking as primary work location. These user groups have been subject to various studies in the last decade (Spinuzzi 2012, Capdevia 2013, Moriset 2013). The key question to expand the existing studies on coworking is therefore “what is it for whom?”.

![Figure 2: Work Scenarios from a Company’s Perspective](Amstutz & Schwehr 2014; Ross & Ressia 2015)

### 1.3 Definitions of Coworking

As coworking is only since recently discussed in the academic literature, various definitions coexist. The most cited one is the one captured in the Coworking Wiki\(^2\): “...independent professionals and those with workplace flexibility work better together than they do alone. Coworking spaces are about community-building and sustainability. Participants agree to uphold the values set forth by the movement’s founders, as well as interact and share with one another. We are about creating better places to work and as a result, a better way to work.”. This definition is based on the five values described in the Coworking Manifesto.
As this definition focuses strongly on ideologic goals, the definition has limited validity from a company’s perspective. Based on the accurate overview of the most important aspects of coworking provided by Bouncken and Reuschl (2016) the following own definition shall be used in this article:

“Coworking spaces are neutral places, where affiliated and unaffiliated professionals work side by side or in collaboration. The spaces are used by individuals, teams or other cross-organizational groups, during a specific project phase or for an unlimited period, in addition to other work scenarios or exclusively.”

The most significant difference between coworking as envisaged by freelancers and microbusinesses in the early years and companies, who only started developing interest recently, is the community aspect. Whereas participating in an active diverse community is for most companies an important benefit, it is not an exclusion criterion. As the present field experiment suggests, coworking also offers attractive opportunities from a boundary management perspective, where the benefit of individual flexibility is more important than mingling with others and fostering “accelerated serendipity” (Chris Messinas, Co-Founder Citizen Space quoted in Moriset 2013).

Coworking is far more than a hype, as a look at the growth rate since 2005 confirms. According to Deskmag (2017), both the number of coworking spaces and members continue to grow rapidly; by the end of 2016, 11 300 Coworking Spaces and 835 000 coworking members were counted worldwide, thereof 70 in Switzerland, where the experiment took place. Not included in these numbers are coworking spaces and seats offered by companies – it can be expected that the number of corporate powered workspaces (Schürmann 2013) will also rapidly increase, as can for example be seen in
Switzerland with the Büro Züri\(^4\) powered by ZKB, the Welle\(^5\) from Migros, the BusinessPoint\(^6\) from Witzig the Office Company or the public Coworking Space of Microsoft Switzerland\(^7\). Although these offers look at a first glance similar, it’s important to distinguish between companies, who offer coworking as part of their product range in separate locations and those, who open up their own workspaces to a wider community (Kojo & Nenonen 2016) with the goal to foster new ways of interacting within their ecosystem.

Summarized, companies interested in coworking have the following options available:

1. **Coworking as an alternative work scenario**: Companies offer their employees coworking as an additional work scenario, complementing the corporate office, home office and mobile work.

2. **Replacement for the corporate office**: Companies refrain from operating their own offices, e.g. for a subsidiary in a specific region, and use a coworking space as an office.

3. **Coworking as a new offer**: Companies offer coworking as part of their product range and/or open their own workspace for collaboration with externals.

### 2 Research Methodology

This research was undertaken with two main goals. The first was to understand the value proposition that coworking offers from the perspective of companies who operate corporate offices, but are interested in alternative work scenarios in addition to the existing ones. The second was to identify different usage scenarios and based on these to derive insights, how companies can integrate this new work scenario in the existing ones. Research was done in an exploratory way, as both the subject coworking and in particular the perspective of established companies is relatively new in the academic literature and not all relevant aspects are yet discovered (Stebbins 2001). In-depth, semi-structured, qualitative research interviews were conducted. This methodology was chosen as the focus was on understanding the new scenario from the point of view of the participants of the field experiment.

#### 2.1 Study participants

The basis for this study is a field experiment, in which voluntary participants of two Swiss ICT companies, 9 from the smaller (a local subsidiary from a global corporation) and 16 from the bigger one (headquartered in Switzerland), took place. During 4 months the 25 volunteers were asked to try out coworking. No specifications were made regarding the expected frequency of usage, the combination with existing work scenarios or the visited coworking spaces; they could choose from over 100 coworking locations within Switzerland\(^8\). The participants were informed about the project via social intranet, email, face-to-face discussions with their managers and an optional kick-off event. As all participants volunteered, the group was very heterogenous and consisted of members
from different teams and with different job profiles; most of them were in marketing or sales roles. All participants came from a company and team culture where it was normal and accepted that work was also done outside of the corporate office or the client’s facility. Except for two participants all were employed with a fulltime contract. They varied quite strongly in their degree of mobility – about half of them (11) still had their personal desk, the others worked with a shared desk concept with (11) or without (3) a clearly assigned home base. Some of them had already been in coworking spaces (workshops, meetings, visits) but no participant was experienced with coworking. As the boundaries between mobile knowledge workers and more stationary knowledge workers are blurring (Jarrahi & Thomson 2016), no further distinction regarding degree of mobility was made. During the four months field experiment a few interventions were made (reminders via social intranet and email or personal by line manager) as the utilization of the coworking spaces was on a very low level from the beginning. The interviews were done at the end of the experiment.

2.2 Data collection

The study is a qualitative inquiry based on semistructured interviews with 25 participants of a coworking field experiment. The interviews were mostly done in person in meeting rooms provided by the respective employer, a few were done via Skype. Prior to the interview, the interviewer briefly explained the most relevant facts about the field experiment and the focus of the study. This information was already provided in written beforehand in the process of recruiting the voluntary participants.  The interviews were audio recorded and transcribed; they ranged in length from 40 to 65 minutes and were conducted in German or English.  The interview protocol was open-ended with the goal, to get a detailed understanding of the person’s work disposition (standard workstyle, work arrangement, role, work preferences, strategies for dealing with mobility, use of technology etc.) as well as of their experiences with the new work scenario coworking.

2.3 Data analyses

Data analyses was done based on the exploratory grounded approach chosen as methodology for this study. The audio recordings of the interviews were transcribed, imported in to ATLAS.ti and coded in an open way. Based on the first interviews the interview guidance was slightly adapted, however after 15 interviews a certain saturation could be remarked, where no new themes related to the core focus came up. The usage scenarios, personae, and recommendations were done based on the interviews and an extensive literature research on coworking and new work scenarios from the perspective of companies.

3 Findings

The findings are presented as follows: first the insights into factors that were analysed by means of the semi-structured interviews are presented in the form of a general evaluation.
It is then followed by the identified benefits and obstacles of coworking from the perspective of companies, which is derived from the interviews in combination with literature research.

3.1 General Evaluation

- **Utilization**: The most surprising finding of the coworking experiment was the low utilization figures. On average the participants went 2.9 times in the coworking spaces within the four months and spent 3.6 hours per visit there. It can be expected that the utilization would have been on an even lower level without the interventions which reminded the participant of the project. Whether the low utilization was based on the short experiment duration, the low eagerness to experiment or the schedules of the participants, which did not allow for more time spend in coworking spaces, was not inquired.

- **Perception of the experiment**: Despite the low utilization, the general feedback of the participants towards the project was throughout positive. Most of them interpreted the pilot project as a sign, that their employer not only tolerated working outside of the office (for example in the home office, where cost savings might be a motivation for the employer) but also invested in new ways of working.

- **Individual productivity**: A small majority (12 vs. 9) stated that they were more productive in the corporate office compared to the coworking spaces. It is noteworthy that most of the participants who said they were most productive in the coworking space, do not like to work from home. It might be interesting to do further research on the question, in which ways the personal boundary management strategies (Gisin, Schulze & Degenhardt 2016) and the individual coworking use cases are interlinked. Since all participants used the coworking spaces for individual work and not for team collaboration, only the individual productivity could be observed. The results of the study might be different if whole teams use (the same) coworking space.

- **Individual creativity**: The participants rated the corporate office followed by the home office as the location where they were most creative, coworking only ranked as third. Given that coworking spaces are often referred to as creative hubs, at least from the perspective of freelancers and microbusinesses, it was surprising to see that the corporate workers did not choose them as preferred location for creative work. Nonetheless mentioned a small majority when asked that they had gained new impulses in the coworking spaces - be it by meeting new people or stumbling across new ideas. Some interviewees attributed the lower creativity to the fact, that they did not have whiteboards, flipcharts or other or other visualization tools available in the coworking space or they did not want to transport them after use to continue working with them.

- **Use of technology**: All interviewees stated that they used the same communication and collaboration technologies as they use in the corporate office, at home or when working mobile. What was different was the amount of
time they spent in calls compared to the corporate office. A lot of participants went to the coworking spaces especially to make calls or to conduct virtual meetings – this was in particular the case, when they were traveling the whole day and tried to use time in-between external meetings in a productive way. This usage scenario – coworking as a “filler” for productivity - conflicts with the original purpose and focus of most coworking spaces, which is to bring people together and not to foster undisturbed work and retreat. Besides the disturbance by noise or the fear of disturbing others when doing a call in the open space zone, the participants raised concerns regarding data privacy and protection.

Online and offline community management: Belonging to an active community is one of the main reasons for freelancers and microbusinesses to engage in coworking. One aspect of the interview was therefore, whether this element was also looked for by the participants of the experiment. When asked about contacts with other coworkers in the space, the majority reported that they were hardly any exchanges with others, although most of them did not actively look for new encounters, they saw in networking and informal exchanges with new contacts a big advantage of coworking compared to other work scenarios. Some interviewees mentioned, that they would plan their coworking journey differently in the future, e.g. having lunch with the community, participating in local events or blocking time for informal discussions instead of spending the whole day in virtual meetings or working rigidly through their task lists. Most participants were in contact with the coworking host for the check-in procedure; however, they did not notice any community management measures (Capdevila 2013; Spreitzer, Garret, Bacevice 2015), such as an active introduction to other members.

Professional Coworking chains such as WeWork offer also a virtual community management platform, which is mainly used to communicate with the members or to facilitate the exchange between the members. The project team in charge of the field experiment set up a group on the enterprise social platform Yammer, which could be accessed by employees of both participating companies. The goal of using an enterprise social network was to facilitate the project coordination between the project leads and the participants, but also to enable networking amongst the participants, for example to coordinate physical meetings in the coworking spaces. Despite the users’ familiarity with enterprise social networking, the group did not attract any interest from the participants and was not used except by the project leads to share background information about the experiment in the beginning.

3.2 Benefits and Obstacles

The following table aims at summarizing the gained insights by listing the most important benefits of coworking as well as the perceived obstacles from the point of view of
established companies, who look at coworking as an additional work scenario complementing the existing ones.

Table 1: Summary of Findings, References and Mitigation

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<tr>
<th>Benefits of Coworking</th>
<th>Relevance</th>
<th>References</th>
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<td>Signal for change and trust</td>
<td>A lot of companies are experienced with remote work and do already grant their knowledge workers a certain flexibility regarding time and place, which can be interpreted as a signal of trust. In the interviews the argument was brought up, that the signal for change and an output oriented innovation culture was much more convincing in the case of coworking, because it was a conscious investment in the work culture. Many employees suspect that their employers’ tolerance for home office is motivated by potential infrastructure savings in the corporate office. Coworking is therefore a much stronger signal than just allowing remote work.</td>
<td>Weibel et. al. 2016; Messenger &amp; Gschwind 2016; de Kok 2016; Leclercq-Vandelannoitte &amp; Isaac 2016; Nicklin, Cerasoli &amp; Dydyn 2016; de Leede &amp; Kraijenbrink 2014</td>
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<td>Networking, serendipity and knowledge exchange</td>
<td>Although the interviewees were not deeply involved in the exchange with the local community, the aspect of knowledge exchange and networking with external stakeholders is interesting from an innovation management (serendipitous encounters, open innovation process), diversity (different backgrounds &amp; experiences) and marketing (access to new target groups) perspective.</td>
<td>De Kok 2016; Simula &amp; Ahola 2014; Parrino 2015; Nonaka 1994; Anand &amp; Singh 2011; Eagle 2004</td>
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<td>Flexibility and efficiency</td>
<td>From the individual worker’s perspective, coworking helps to increase the personal efficiency; it offers spatial flexibility which helps to cope with mobility (e.g. participating in virtual meetings while traveling). From the company’s perspective, an interesting scenario is to temporarily outsource certain activities, phases of projects or teams to coworking locations, which in</td>
<td>Spreitzer, Garrett &amp; Bacevice 2015; Johns &amp; Gratton 2013</td>
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**Boundary management**

Knowledge workers differ in their boundary tactics, with work-life integration and separation at the two extreme poles. The findings in the study suggest that the two types see different usage scenarios in coworking. For separators, who do not want to work from home, coworking is an interesting option to practice flexibility and safe commuting time without mingling work and private life.

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**Obstacles of Coworking**

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<th>Possibility of retreat</th>
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<td>The interviewees were missing separate spaces for calls and virtual meetings. Because of their spatial separation from internal and external stakeholders, this is an obvious need; however it showed at the same time, that most of them did not adapt their behaviour and work schedule to the new space concept during the observed phase.</td>
<td>Coworking spaces should increase their repertoire of work scenarios, in particular with regard to rooms for retreat, if they want to be more attractive for corporate coworkers. To gain a maximal benefit of this new space concept, it is important that coworkers also reflect their work behaviour and prioritize other, more creative and collaborative activities in the coworking spaces.</td>
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<th>Data protection &amp; privacy</th>
<th>Relevance</th>
<th>Mitigation</th>
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<td>A lot of interviewees were insecure about the correct handling of delicate data and information in coworking spaces, for example if they had to take their laptops with them during breaks or if they could sit next to strangers while reading confidential emails. Even if</td>
<td>It’s important that the employees are fully aware of data sensitivity and confidentiality classifications. Privacy shields for the</td>
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rooms for confidential phone calls are available, the insecurity remains, as these settings are not always soundproof.

**Coordination within organization and team**

Despite the positive attitude towards the new work scenario, a lot of interviewees mentioned their fear of increased coordination efforts within the team and the organization. Some of them mentioned, that complexity was already high because one fraction of the team was always traveling or working from home. This concern raised the question, whether the reduced face time for formal and informal interactions within the organization would not lead to a decrease of team productivity, connectedness and identification with the organization.

The introduction of new work formats should be well accompanied by corresponding measures and team discussions. Team chats and enterprise social platforms can support the coordination.

**Equipment of space and workplaces**

Whereas about half of the experiment participants expected to have the same equipment available in the coworking space as in the corporate office (monitor, ergonomic furniture, flipcharts etc.) the other half was indifferent; most appreciated the variety and “used what was there”.

Coworking spaces should actively communicate about their equipment to facilitate the selection of the right space.

Other important success factors mentioned by many interviewees as important requirements were the network quality and ease of access, a simple booking and billing process for the coworking hours consumed (most stated clearly that the billing should be done via the corporation directly and not via expense management), the geographical location and the proximity to public transportation as well as good quality of coffee. As these factors do not differ from the needs of freelancers and microbusinesses they were not in the focus of the study.

### 3.3 Coworking Personae

Based on the interviews and literature research, the study author tried to identify different poles of usage and expectations and grouped them into different personae. The goal of the personae is not to identify a distinct behavior, but to visualize the different needs which in turn allows to build different coworking journeys. The personae might also be
helpful when it comes to discussing different situational preferences and spatial needs in the corporate office. A similar attempt to classify the different users was done by Bilandzic & Foth (2013), who distinguish in their studies about coworking in libraries between those who use coworking-spaces mainly because of the offered infrastructure, learners who use coworking-spaces to acquire knowledge and have an exchange with peers, and socializers who search for recognition and acknowledgement.

As Figure 3 shows, the interviewees diverged most regarding the two following axes:

- Connectedness: are coworking spaces primarily used to get access to a (different) community or to dissociate from the team/office or family/home?
- Disposition: are coworking spaces primarily used to get inspiration from the different space and community or with the goal to increase of efficiency, e.g. bridging time between meetings.

4 Discussion

The duration of the observed experiment was a rather short period when it comes to analyzing the acceptance and embedding of this new work scenario into existing ones. It is above all too short to observe the changed behavior based on new interpretations of coworking, which in turn will also lead to new interpretations of the corporate office, home office and mobile work. Orlikowski’s (2008) practice lens addresses changes in technology use over time, where users “may, deliberately or inadvertently, use it in ways not anticipated by the developers”. These new interpretations lead to new work practices – and as these work practices change, interpretations of the technology’s function change too (Leonardi, Treem & Jackson 2010). It would therefore be interesting to observe and discuss theses multiple interpretations and associated changes in work practices over a
longer period. One of these new interpretations was the reason for the title of the study: whereas the experiment leads and study author would have expected, that participants were most interested in new serendipitous encounters, several felt like one participant who stated: “I like coworking. It gives me a rest from my superior and my family.” Addressing these different expectations and perceptions and dealing with the multiple interpretations over time as mentioned is an important management aspect – when companies want to benefit from new work practices, they also need to assume responsibility for the organizational learning process. One concrete example is to address whether it makes sense to go to a coworking space when the agenda is fully booked with calls and virtual meetings.

The measured utilization figures are also an interesting point of discussion. Whether they were so low, because the pilot duration was too short or because the participants schedules did not allow much time for experimentation or if they preferred working from home or on the road instead of discovering new scenarios is unclear. The conclusion, that they were not interested in coworking or that it offers no value to companies falls short also with regard to the very positive reactions they expressed in the interviews.

5 Conclusion

The biggest consensus amongst all study participant was reached with the question, whether they would like to trade in their corporate office for coworking. None of the interviewees opted for this scenario; most of them mentioned the importance of their office as center of gravity and/or identification. Part of this reaction can be explained, that they were scattered to over 100 locations and participated as individuals, not as teams in the pilot project.

One element which came out clearly in the study is that networking, serendipitous encounters and informal knowledge exchange with other members do not come for free in coworking spaces – it needs concrete measures if these benefits are the main motivation for companies to invest in coworking. These findings are in line with other research, e.g. Parrino (2015) who showed in two case studies that co-location does not automatically lead to interactions and knowledge exchange between individuals. Both the focus of the coworking space (community versus business service etc.) as well as the policies that promote interactions amongst members are decisive factors that determine whether interaction and knowledge exchange takes place (Parrino 2015). Similar findings are presented by Spinuzzi (2012) who differentiates between “good neighbours” and “good partners”, depending on whether people just work side by side on their own projects or collaborate in a more intense way.

The interviews also highlighted the relevance of the work and leadership culture for the successful adoption of new work scenarios. As Possenriede & Plantenga (2014) demonstrated, both schedule and location flexibility have a positive impact on job satisfaction. However only schedule flexibility has a positive impact on work-life
balance; location flexibility has a neutral impact. It is therefore important, that coworking is not only seen as an attractive additional work location, but that also a certain autonomy to plan the work schedule is granted.

Coworking is not only interesting as a new work scenario outside of the corporate office. Many learnings can also be used for the redesign of the corporate offices and the collaboration culture or as Spreitzer, Bacevice & Garett (2015) comment the current transformation of many corporate offices: “the company is reverse-engineering its office into a coworking space.”

Notes
1 see also http://codinginparadise.org/ebooks/html/blog/start_of_coworking.html
2 http://wiki.coworking.org/w/page/16583831/FrontPage
3 http://coworkingmanifesto.com/
4 www.buero-zueri.ch
5 www.welle7.ch
6 www.witzig.ch/de/find/businesspoint
7 https://blog.hslu.ch/crealab/2016/11/30/wie-innovationsfaehigkeit-und-unternehmenskultur-zusammenspielen/
8 By the end of 2016, Coworking Switzerland counted 70 Coworking Spaces. The facilitator of this project, the Swiss booking platform Popupoffice.ch, offers over 100 locations, since also spaces that do not fall under the definition of coworking in a narrow sense are included (e.g. single desk in PR agency).

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Papers


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Web Pages