The Critical Influence Approach to Effective Work Environments™
A WHITE PAPER INTRODUCING RESEARCH ON PREVENTING WORKPLACE STRATEGY FAILURE
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“Diane Stegmeier’s landmark findings on workplace behavior in the corporate setting will prove vital in determining workplace strategy over the next ten years.”
- Dr. Prentice Knight, CEO, CoreNet Global

“One of the most difficult aspects of facility management is the inability to link environmental improvements with measureable productivity results. Stegmeier’s observations in this area are based on hard facts and real research, not just abstract theories. Her work is an essential tool for any professional looking to justify facility improvements that can actually support and advance the mission of the organization.”
- Heidi Schwartz, Editor, Today’s Facility Manager

Diane Stegmeier, Author
Innovations in Office Design: The Critical Influence Approach to Effective Work Environments
Nominated for the International Facility Management Association’s Award of Excellence 2008, Distinguished Author

Research Findings
The foundation of Critical Influence Design™ lies in research findings surrounding the impact of physical space on behavior in the workplace. This research was initiated in 1996 by Diane Stegmeier, a consultant in change management & organizational effectiveness, and involved 140 organizations, in 24 industries over a 10-year time span. Organizations studied represented diverse groups including professional services, banking and finance, legal, high tech, nonprofit, manufacturing, energy, consumer products, communications, pharmaceutical and healthcare, education and research, transportation, government and others.

In compiling data for Innovations in Office Design: The Critical Influence Approach to Effective Work Environments, Diane Stegmeier gathered insight from a broad range of architects and interior designers throughout North America and Western Europe. The organizations selected for case studies in the book were chosen strategically to demonstrate the universal impact the Critical Influence System™ has on behavior in the workplace—regardless of the type of business or the size of the organization. With a strong emphasis on the role of business leaders in driving sustainable organizational change, the book features lessons learned drawn from winners of Fortune Magazine’s Best Companies to Work for in America and the Great Places to Work® Institute’s Best Small and Best Medium Companies to Work for in America.
Throughout the study, many of these organizations’ attempts to implement new workplace strategies were failing due to overwhelming employee resistance to change. Putting that resistance into context revealed the strongest push-back to workplace transformation often stemmed from middle managers up to, and including, the senior executives. At the highest levels of the organization—where the decisions were being made—business leaders often felt exempt from the behavioral changes expected of the balance of the workforce. At mid-levels of authority, managers were ill-prepared to drive the edicts for workplace change being handed down, and like their peers, direct reports and subordinates, often did not receive communication linking the new workplace design to how those physical space changes supported shifting business conditions and overall organizational goals.

Architects, interior designers, facilities and corporate real estate managers, and other workplace professionals in these diverse enterprises were handed pre-determined goals, and in many cases, the objectives were driven by cost reduction: reduce real estate holdings, close unprofitable facilities, consolidate locations, move managers from private offices to the open plan, reduce the square footage of workstations, or switch from dedicated to shared workspaces. These workplace goals often conflicted with other organizational objectives they were expected to support: increase productivity through teamwork and collaboration, provide staff more choices and control over the work environment, increase organizational innovation, improve employee morale, create an environmental showcase to attract and retain talent, accommodate the needs of the multigenerational workforce, or support organization-wide branding of the enterprise. This examination of workplaces that “did not work” was not about critiquing the competencies of the architectural and design firms or the design integrity of the failed workplace transformation projects. The investigation was centered on why appropriately-designed workplace solutions failed. What barriers existed—overtly or covertly—that were not being recognized and addressed by the client organization?

Many organizations’ efforts in implementing new workplace strategies have produced less than optimal results—or have failed altogether—due to other critical influences that business leaders may not know are linked. The physical workplace has a strong impact on employee behavior, yet those charged with developing workplace solutions must understand that employee use of the workplace is also influenced by other key factors. Over the course of Diane Stegmeier’s 10-year research initiative, these influences on human behavior in the workplace were identified and analyzed. Research included an examination of the impact of transformation on the human capital of the organization, studying the dynamic relationship between organizational goals and expectations, and employee behaviors and emerging norms. The resulting Critical Influence System™ theory explores that relationship in depth. The two forces can exist in harmony, or can co-exist in great conflict, causing loss of productivity, damage to morale, and increased employee turnover. As new changes in the organization are introduced, the relationship often changes, and is a function of the magnitude of change and the level of employee resistance to the change itself.

The Critical Influence System™ is comprised of the interdependent tangible and intangible factors that can enable or hinder the achievement of organizational goals. Employee behavior, and the success of workplace strategies, are influenced by Leadership Behavior, Knowledge Management, the formal Compensation system as well as informal Rewards & Consequences. Barriers can form between the Physical Workplace and the Vision & Mission of the enterprise, as well as a mismatch with its Core Values, Culture and Image. The workplace strategy may fail
due to incongruence with Business Processes, Technology or the organization’s Performance Management system. Lastly, the physical workplace may not be maximized due to the Autonomy & Authority in the enterprise, Communications or the Organizational Structure. The physical workplace is only one of fifteen elements in this holistic system, albeit the one of most concern to professionals charged with workplace strategy. When the workplace strategy is not aligned with one or more of the other factors, the incongruence can create barriers to the optimization of the facilities.

Benefits of Research Findings

Significant benefits can be realized by workplace professionals increasing their knowledge of the Critical Influence System™ and creating awareness with the business leaders of the organization:

- Prevent workplace strategy failure
- Ensure the physical space solution does not bear 100% of the burden of transforming the way people work
- Enable the workplace professional to be involved earlier in the decision-making process relevant to significant organizational changes
- Support the workplace professional in operating on a holistic level & serving the organization more proactively as a strategic business partner

Critical Influence System™

Key Factors Influencing Human Behavior in the Workplace

- Vision & Mission
- Core Values
- Culture
- Image
- Leadership Behavior
- Compensation
- Rewards & Consequences
- Technology
- Knowledge Management
- Organizational Structure
- Autonomy & Authority
- Business Processes
- Communications
- Performance Management
- Physical Workplace

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Education & Experiences Contributing to the Practical Application of Research Findings

Diane Stegmeier is a consultant in change management and organizational effectiveness, and has been engaged by clients throughout North America and Western Europe seeking to leverage human capital and pursue performance optimization in the workplace. She is best known for her research exploring the Critical Influence System™ affecting behavior in the workplace, in particular, the impact of physical space on human behavior. She is founder of Stegmeier Consulting Group, headquartered in Cleveland, Ohio, and is also an associate of The Ivy Faculty Consortium, the network of prominent professors and select practitioners respected for successes in research, organizational theory or data interpretation.
In 2004, Diane Stegmeier was approached by the architectural and design division of global publisher John Wiley & Sons, Inc. expressing interest in publishing a book that would feature her research findings and unique approach to supporting workplace transformation. The end results of that request—*Innovations in Office Design: The Critical Influence Approach to Effective Work Environments*—was released February 20, 2008. The book (ISBN: 978-0-471-73041-5) examines the key factors fostering a sustainable platform for change and introduces the 15 Critical Influences™ that can enable—or hinder—the development, execution and outcomes of workplace strategies. The author shares insight on when workplace transformation projects are most susceptible to the Critical Influence System™ and addresses both ongoing and emerging issues that challenge professionals charged with creating and implementing workplace strategies: restructuring, mergers and acquisitions, cost reduction as the primary driver of workplace change, high velocity environments, physical space as a currency, competitive / territorial office environments, telework, supporting the multi-generational workforce, emphasis on work-life balance, attraction and retention strategies, workplacelessness, and organizational branding initiatives.

"*Innovations in Office Design: The Critical Influence Approach to Effective Work Environments* is a reference book written for workplace professionals unlike any one I’ve ever read. The author takes a truly comprehensive approach to understanding the business barriers to the successful implementation of physical space design—whether the workplace strategy is focused on cost reduction, supports the blended workforce resulting from a recent merger, centers on attracting and retaining talent, or aims at accommodating the multigenerational workforce. The Critical Influence methodology identifies areas of resistance to change and addresses them, enabling the architectural and design firm to do what they do best—create the appropriate workplace solution."

- from the Foreword by Greg Bendis, Global Real Estate Strategist

Diane Stegmeier’s writing is rich in academic research, drawing connections between graduate research on *Leading Organizational Change* conducted for her MBA at Kent State University and post-graduate study on *Innovation and Organizational Change* at Harvard University, *Managing Customer Value (CRM)* at Duke University, *Balanced Scorecard Applied to Organizational Development* at Bowling Green University, and *Whole System Approach to Change* at Case Western Reserve University. The book applies academic theory to her more than 20 years of experience working with the architectural and design community on workplace transformation projects. Threaded throughout the book is the business imperative of improving innovative outputs as a competitive advantage for organizational success. Stegmeier addresses the dichotomies of the innovation-friendly workplace and reinforces the principles of behavioral psychology often overlooked by workplace strategy professionals in developing physical space solutions intended to foster creativity and innovative results. *Innovations in Office Design* takes the reader step-by-step through the essential elements for establishing an infrastructure for innovation. The author proposes to the reader a new approach to meeting the organization’s increasingly complex business requirements—the Critical Influence Design Model™. Emphasizing an interdisciplinary approach to workplace strategy, the book shares a simple
business model which is capable of growing to keep pace not only with issues that continue to perplex workplace transformation teams, but with emerging challenges predicted for the future.

Definitions of change management are as diverse as the challenges clients may face with the ever-accelerating rate of change in today's business environment. Diane Stegmeier’s approach to helping clients manage change is defined as the “practice of strategically guiding organizational transformation while maintaining human psychological stability and minimizing business process disruption.” Clients may request long-term involvement onsite for complex organizational changes being driven, complete with conducting productivity studies prior to—and following—change initiatives to establish baseline metrics and quantify the degrees of success of improvement efforts over time. Stegmeier Consulting Group also offers Virtual Change Advisory Services™ for business leaders interested in remote support in managing organizational change. Other clients may choose to simply select from various short-term educational programs to enhance their internal change initiatives. Diane has developed customizable workshops including: Path Forward to Change™, Straight Talk About Reorganization™ (STAR), Surviving Change™, Teams Back on Track™, Team eXcel Laboratory™, Enabling Innovation™ and Customer Centricity™. How to Maximize the Impact of Presentations™ is essential for individuals seeking to increase their level of comfort in speaking in large and small group environments, improve their ability to influence others, and gain acceptance for their ideas by internal and external audiences. Business Communications Boot Camp™ (BC²) addresses the complexities of communication with the increasingly-diverse workforce and in the multigenerational workplace.

Diane Stegmeier has been invited to share her research and expertise with diverse audiences at numerous venues. The author has been named a Distinguished Speaker for the American Society of Interior Designers' (ASID) 2009 continuing education program series. Speaking engagements for 2008 include the AIA National Convention & Design Exposition, AIA Ohio Convention, NeoCon, NeoCon East, TFM Show, TFM Forum Think Tank, and IFMA World Workplace. She has been featured in the IFMA LIVE Webinar Series on the topic Critical Influence Design™: Preventing Workplace Strategy Failure. Other engagements have included the CoreNet Global Summit in Denver, IIDEX in Toronto, Facilities Management Exposition in Orange, California, and Business Facilities LiveXchange in Houston. She facilitated the Foundation for Interior Design Education Research (FIDER) Future Vision, and has presented lectures and workshops throughout the United States for the American Institute of Architects (AIA). Ms. Stegmeier was invited to speak at the Futures in Property and Facilities Management II Conference in London, England. Selected as one of only two speakers representing the United States, she presented to the Futures academic conference her work entitled Critical Influence Systems: Understanding the Key Factors Enabling a Sustainable Platform for Change.

Diane was featured in an interview on the topic of Internal Branding in the Context of Change Management in the December 2006-January 2007 issue of Human Resources Management Magazine. Published in Moscow, the magazine (www.hrm.ru) is the largest Russian media resource for the personnel management market. She was interviewed for Network World Magazine on the importance of change management in supporting telework strategy implementation, and for Perspective: Journal of the International Interior Design Association (IIDA) on responsibilities in driving change. She contributed to Best Practices in Change Management (Prosci Research, 2003 and 2006). Her thought leadership was published in the book, Facilities Planning & Relocation, by author David D. Owen. She is affiliated with the American Institute of Architects, International Facility Management Association (nominated for the IFMA Award of Excellence 2008, Distinguished Author Award), CoreNet Global (she is a

The growing demand for Stegmeier Consulting Group’s services has resulted in a focus on expanding offerings in the future by sharing its ongoing research findings in new publications, workshops, and toolkits. John Wiley & Sons will offer an online continuing education course on Innovations in Office Design beginning September 2008. Ms. Stegmeier’s second book, From Resistance to Results: A Business Leader’s Guide to Managing in the New Workplace™ (working title), is being focused on overcoming managers’ resistance to workplace change. The author’s goal is for this book to become a primer for the broad group of managers within the typical corporation who often feel exempt from the behavioral changes expected of the rest of the workforce. Stegmeier seeks to prepare managers to help their direct reports through the frustrations of physical workplace change, as well as overcome their own resistance to change. In 4th Quarter 2008, Stegmeier Consulting Group will begin offering the From Resistance to Results™ workshop. This addition to the firm’s portfolio of educational programs is in response to increasing client demand for assistance in driving change at managerial levels within the enterprise. 2009 is targeted for the introduction of the From Resistance to Results™ Train-the-Trainer Program, whereby select personnel within the client organization can earn certification, allowing that company to implement its workplace strategy on a global scale, utilizing SCG-developed tools and the client’s own internal resources.

Diane Stegmeier is available for speaking engagements to share concepts from Innovations in Office Design: The Critical Influence Approach to Effective Work Environments to individual organizations as well as to audiences at international, national or regional association events. Under the Influence™ executive strategy sessions can be facilitated for the business leaders of organizations embarking on workplace transformation projects to contribute to the success of the new work environments being developed.

Stegmeier Consulting Group

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