

Awakening the Management of Coworking Spaces

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EDITED BY

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Ricarda B. Bouncken is Full Professor and Head of Chair for Strategic Management and Organization, University of Bayreuth. Her research focuses on alliances, specifically with the challenges of collaboration-competition “coopetition,” on innovative forms and spaces of work, for example, coworking spaces, and on mastering diversities (culture, perspectives, functional background, digital intelligences, and routines) within and among organizations. These perspectives are used to research challenges in the modern world, as for business model innovation and digital transformation and innovation. She was the Project Manager and Head of the coworking project *Hierda*.

Till Marius Gantert is Research Assistant and PhD student at the Chair of Strategic Management and Organization at the University of Bayreuth. Since 2019, his research focused on new business models, especially in the context of the ongoing digitalization. Additionally, he evaluates the influence of the digitalization on established organizational structures and the concomitant change thereof. He was a part-time member of the *Hierda* team.

Lars Görmar studied Business Administration at the Georg-August-University Göttingen and the Philipps-University Marburg. Since 2017, he is a Research Assistant and a PhD candidate at the Chair for Strategic Management and Organization at the University of Bayreuth. In his research, he investigates the design and orientation of coworking spaces as innovation hubs and the centralized,

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Alexandra Rese is Associate Professor at the Chair of Marketing and Innovation at the University of Bayreuth, Germany. She completed her dissertation in Sociology and Entrepreneurship at the University of Karlsruhe and her habilitation in Business Administration at Brandenburg University of Technology Cottbus-Senftenberg. Her works have appeared in journals such as *R&D Management*, *Creativity and Innovation Management*, *International Journal of Innovation Management*, *Review of Managerial Science*, *Journal of Knowledge Management*, *Technological Forecasting and Social Change*, *Research Policy*, *Computers in Human Behavior*, *Journal of Retailing and Consumer Services*, and *Journal of Marketing Management*. Her current research focuses on the acceptance of innovative applications in retailing, for example augmented reality or chatbots, as well as abilities and roles in innovation management. She was a member of the *Hierda* team.

1.2 External Experts

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Angelika Donhauser, Dipl. Ing. Innenarchitekt (FH), has more than 20 years of professional experience in various fields of interior design and is a Lecturer at the Coburg University of Applied Sciences. During the last 15 years, her personal planning focus has been in the area of “New Working Environments.” She accompanied various large international companies in the design of office spaces.

For these projects, she has received numerous design awards in the function as Head of Design for the Landau & Kindelbacher office. Since 2019, she has been managing the Kinzo Berlin office in Munich. Kinzo stands out as a professional specialist for user-oriented design of working environments. She has been teaching the subjects of project management and construction law since 2018 and regularly lectures on “New Working Worlds.”

Nikolas Müller, Dr.-Ing. Architect, is director of the interdisciplinary Track at EBS European Business School. He studied Architecture at TU Darmstadt, TU Delft, ETH Zürich, and Architectural Design Management Systems (technical and building process management) at TU Eindhoven. He holds a Ph.D. in Urban Sociology from TU Berlin and has several years of experience in consulting projects, research projects, and interdisciplinary real estate education. Next to freelance multi-layer research in combination with strategy consultancy for real estate companies, he is a member of the editorial board of the German Journal of Real Estate Research. With his cross-disciplinary background, he has a passion for user-centered design, digitalization and innovative business models.

Mark Nicholas Phillips is Full Professor for experimental space in the research field of design and architecture at the Coburg University of Applied Sciences and Arts since 2012. His research focus is on material and esthetics, especially in the context of new work environment. He has more than 20 years of practical and academic experience in the field of interior architecture, including planning and implementation of different office concepts with varying partners and customers.

Markus Urban, M.A. Architecture, is a PhD candidate at the University College London, where he researches Hybrid Workspaces. He has extensive experience in workplace design, consulting and change management. He works with global organizations to help them better understand and fulfil the needs of their employees and has led software-development projects to create next-generation workplaces. His practical and academic work is the fundamental backbone of Eviday, an Employee and Workplace Experience start-up he founded in 2019.

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Chapter 1

Introduction

Ricarda B. Bouncken

Taking on the sharing economy idea, coworking spaces are starting to mushroom all over the globe with the number of coworking spaces reaching more than 18,000 by the end of 2018. Most prominent are the open-space offices of large IT firms (e.g. Google and Facebook) and the franchise systems of specialized coworking space providers (e.g. WeWork has 562 coworking locations worldwide) that offer office-space to freelancers and companies. Coworking spaces change the way people work and interact. Studies show that coworking spaces have a positive effect on creativity and the overall well-being, but also might frustrate users, especially when incumbent firms are transforming their offices into open plan coworking spaces. Still, not much is known about coworking spaces: their forms, configurations, influences, challenges, and how to manage transformations of incumbents when establishing coworking spaces. Practitioners and researchers start to see the trend but need to better understand the phenomenon and consider management approaches to it.

For example, the design of the coworking space influences users' work routines, social and professional interactions, knowledge exchange and networking. These elements have a strong influence on business success of users and then recursively on the providers of coworking spaces. Consequently, the design of a coworking space as well as social factors play an important role in two ways: (1) improving business success and (2) increasing individual well-being in a changing digital work context.

Our book aims to combine a scientific approach with managing implications. We develop theoretic constructs, report qualitative and quantitative findings about challenges, potentials, effects, managerial solutions, and success stories. The authors are researchers and practitioners aiming at an easy read about understanding and managing coworking.

The book starts with an introduction to coworking, including definitions, relevance, and forms. The following chapters discuss instruments, tools, and templates to set up and manage a successful coworking space. Each chapter (see content

list in the following) starts with the challenge, the forms then offering solutions. Finally, each chapter gives practical examples in the form of case studies.

The book is the result of the four-year research project called “Hierda,” which was funded by German and European government institutions BMBF (Bundesministerium für Bildung und Forschung) and ESF (Europäischer Sozialfonds). Because of the complexity of the topic, we invited external researchers to contribute to this publication to better cover the heterogeneity of the phenomenon. For further information and digital access to the tool-kit, which complements the instruments presented in this book, visit www.hierda.net. Our website also gives an overview of the scientific publications that were published during the project.

Chapter 2

Coworking: Creative Spaces After the Pandemic Home Office

Mark Nicholas Phillips and Angelika Donhauser

For some years now, our working world has been experiencing a rudimentary and structural change. Due to increasing digitalization, we are evolving more and more from an industrial to a knowledge-based society and, as a result, are also changing our concept of work (Böschén & Schulz-Schaeffer, 2003). So, today we are moving away from our traditional and rigid working structures toward the new ways of working in the digital and global age. This development and the resulting new world of work is summarized under the term *new work* (Bergmann, 2019). *New work*, as the concept of self-determined working, has taken hold of the entire field of knowledge work in recent years; hardly any company can afford not to think about how and where work is being performed. The pandemic experience has further encouraged this self-reflection to the point where office buildings as such are being called into question. Nowadays, in the field of knowledge work, office buildings have long since ceased to be a collection of office cubicles with desks, but have become places with diverse opportunities for exchange and work. Especially now with the lessons learned from the home office with its limiting factors, the question arises, what will the co-creative spaces of the future look like and where will they be?

1. Home Office – Office Building – Third Place

Third places, as shown in Fig. 2.1, are places that we go to in order to work, which are not the desk in the company building or the desk at home, but places where we feel comfortable.

Modern knowledge workers spend a substantial part of their lives working indoors at home (first place), in meetings at the office (second place), on the road



Fig. 2.1. A third place for work for the company Amore Pacific by Kinzo Architects (photo: Schnepf).

and in a “third place.”¹ The indoor working environment in the office and also outside the classic office buildings are developing an increasing social and scientific relevance. Physical proximity, which is created by people coming together in offices, can increase interaction and communication between employees as well as the visibility of leadership roles. Moreover, spatial design of physical spaces can have an influence on creativity (Phillips, 2017). Similarly, the possibility of individualizing office spaces has a measurable influence on error frequency and the speed of employees in the office (Knight, 2015) and it is possible to establish correlations between movement and effectiveness in meetings (Waber, Magnolfi, & Lindsay, 2014). These correlations are clearly visible in the two studies mentioned above, in which better results were achieved when the study participants were able to organize their workplace individually or when they were continuously on the move.

In the last decade, this has led to large companies such as Apple (Foster + Partners, 2018), Facebook (Klelein, 2017), Amazon (nbbj, n.d.), or Google

¹“Third Place” is a term created in the figurative sense from “First Place,” “Second Place,” and “Third Place” in Ray Oldenburg (1999).

(Heatherwick Studio's, 2018) in the field of digitalization for planning and constructing modern architectural buildings to increase the likelihood of physical encounters and, as a result, collaborations between employees. This idea of promoting physical encounters stems, among other things, from the tradition of campus architecture, whose modern interior interpretation (an entire campus in one building) and implementation can be seen in examples such as the MIT research building of the 1940s (Building 20) (*infinite MIT*, 1998), or the Engineering Building for Leicester University by James Stirling (1959) (*Stirling & Gowan*, 2020), or the Rolex Learning Center by SANAA architects in Lausanne from 2010 (EPFL, n.d.).

In the wake of the global Corona pandemic, these efforts stood in contrast to the trend of employees working in home offices (“first place”) using groupware. Some activities can be better accomplished from home in a focused manner and without colleagues, for example, on a laptop. Sometimes, this in turn means distraction by the family who are also present. Current discussions also consider both advantages and disadvantages of the possibilities of working from home from the perspective of making working time more flexible. Right now, working in the office as well as in the home office is really being questioned for the first time. However, few new concepts are yet available. For years, both the academic and the practical world have been interested in which spaces promote creative work, what communication and informal exchange in office environments have to do with innovation, when would it make more sense to carry out an activity at home in peace or when would it make more sense to do it on site in the company, and how we would have to design optimal spatial conditions for this purpose.

2. Places for Informal Interaction

Both through our own practical experience as well as through our own research findings (*Doorley & Witthoft*, 2012; *Phillips*, 2017), we assume that creativity is fostered through informal encounters. In recent years, well-designed office projects have already included places for unplanned meetings in the space program or have already implemented them in the form of wide staircases for lounging, extensions of corridor zones, flexible and homely furniture in lobbies and lounges, etc. In fact, there are already good examples and products for all three places of knowledge work: the home office, the corporate headquarters, and coworking spaces as a third place. However, planned workplaces that promote creativity through unplanned exchange are usually found in the second and third places, and it is precisely there where they only work if they have been designed to avoid disruption as much as possible. This means acoustics, light, ergonomics, and many other interior design factors have to be taken into account.

The Corona crisis has accelerated a trend that has been foreshadowed in the office design profession: the reinterpretation of the office from a purely factual place of work to a place of social interaction. In future, employees will decide more carefully why they go to the office and for what purpose. In the digital age with the lessons learned in recent months, this decision can only be based on communication and interactive collaboration. The office as such is losing its

sovereignty as the sole place of work and is also undergoing a change in the planning process. In future, offices must primarily be social meeting places and promote communication and collaboration. After all, physical encounters are the driving forces behind innovation and creativity, and spaces designed for appropriate working methods will become increasingly important.

There are certain places in the office where creative work really happens. These are not places like the desk or meeting rooms no matter where they might be. Nor are these just the coffee machines or the table tennis tables in offices. The creative places are, above all, the corridors, the areas in front of the lifts, the stairways, and the entrance halls. It is the spaces in between the planned offices where chance encounters are possible that stimulate our intuitive system and thus make something new possible. For the intuitive system in humans is a decision-making system that enables fast decisions to happen and provides the means for dealing with unplanned meetings that are full of risks. Coincidences are the source of the creative impulse from outside that is needed to stimulate something new. For an idea or, one step further in the thought process, an innovation. The places for this to happen must be designed in such a way that they provide the support that is needed. Only then is an office creative. And only then will a creative meeting have an effect (Phillips, 2017).

While the traditional office concept before Corona was dominated by basic workstations and meeting rooms – including little space for retreat, co-creation, and community activities – the current so-called modern multispace office already has a balanced distribution of all areas. In the “post-corona office,” basic workplaces and the usual meeting rooms are being reduced enormously as they lose their relevance with the growth of home office and video conferencing. The new offices will be oriented toward focus zones, co-creation, and informal meetings. As a result, the importance of the spaces in between and the communal areas will increase (Designfunktion, n.d.).

The home office is as shown in Fig. 2.2 is one of the places where people can work and have worked mostly during the pandemic.



Fig. 2.2. Flexible Work from home setting (photo: Wilkhahn).

Work from home and home office as the place for it have been more successful than anyone could have foreseen. Many have reported that their productivity tended to increase in the first two months of the lockdown (DAK, 2020). But the most interesting thing about the Work from home debate is what kind of office employees want when they return there.

As early as 1968, designer Robert Probst conducted a study of knowledge work processes and concluded that the typical office “chokes off liveliness, blocks talent (and) prevents recognition” (Piña, 1998). Based on these insights, he developed the Action Office together with George Nelson, a modular office furniture system that allows flexible configurations as well as the possibility of switching between being more private or more public. Almost two decades later, architect Robert Luchetti developed a system with different locations that employees could go to for different activities. In doing so, he laid the foundation for what we understand today as activity-based-working. Both the Action Office as a furniture concept and the principle of activity-based working were intended to change the rigid working conditions at a desk in the office but ultimately failed like many other systems. Space is not a neutral system. It is full of meaning and emotional intelligence, full of possibilities. According to the research of Kerstin Sailer from the Bartlett School of Architecture, whether an office concept makes people lonely or promotes cohesion always depends on the spatial conditions, the organizational culture, identification with it, and the access people have to it. What is more, space can never be neutral, since it has been consciously developed by humans for a specific purpose and did not simply come into being (Sailer, 2020).

Research has shown how important unplanned face-to-face encounters are for new ideas and innovation, and likewise how these types of encounters have been reduced by the latest phase of the home office. This is why the concept of a common place of work for all employees – with diverse encounters – should be the goal for every company. In these places, discussions can take place again and again on what kind of design of space best fits the culture of the company as well as the employees and their individual needs for the development of creativity. In the office of Gensler in New York, for example, they have designed an entire floor as a “living lab” where teams can use sensor technology to test all kinds of systems of the office to find the one that suits them.

COVID-19 could be a wake-up call, questioning everything we have learned for years. From the way we work to the way we obtain information to organizational structures. The current extraordinary situation should be used to reflect on how we can achieve true resilience – not only in the sense of sustainability, but in the sense of robustness, adaptability, and the ability to emerge strengthened from such moments of shock. In order to achieve this goal effectively, we would need to be able to understand and measure whether concepts of new working work, and if so, which ones. Right now would be a good time to develop ideas that ensure a sense of well-being in creative spaces in the office and, as a result, innovative strength in the future.

For many employees, the Work from home experience in recent weeks and months has been less than ideal. The schools were closed, the children at home,

the internet – especially in Germany – very slow, especially in rural areas. It is hardly surprising that there is now a movement back to the office – even if large companies, such as Twitter, also offer permanent home office as an option. But this movement back into the existing office world cannot be the solution either. “Work from home” is a terrible term, precisely because it does not express the possibilities that go with it. However, the point – just as with corporate working – is not to nail everything down to work from home, but to find out individually how and where we are most creative and productive.

The flexibility that “work from home” offers us is a way of being able to work from anywhere. This can be at home, but just as well a café, a bench in the park, at a friend’s house, in a hotel or at the beach – and above all a coworking space. Flexibility does not mean using all these places in confusion all the time. It means that we can individually change and adapt our behavior in a way that makes sense for each single person. Being able to work from anywhere means that we can seek out and devise new places for creative work, on our own and with others. This has enormous potential, which of course also includes the home office or the workplace in the company, but goes far beyond the dualism of these two places as the only possibility. Because, first and foremost, that is what it should all be about when we look at such future third places for creative work: our well-being, an improvement in our everyday working lives and meaningful work. Not about the potential savings for companies by reducing workplaces and downsizing real estate or who pays for network access on the road or the use of a coworking space (Crichton, 2020).

Creative spaces are those places that deviate from the standards of office equipment in terms of design and function – whether at a home office or in a company like shown in Fig. 2.3.

The future creative spaces after the (Corona) home office will probably be precisely the third places that we work out for ourselves – because we want to use them, they stimulate us, support us, and simply do us good. The so-called “third place” is then a co-creative place for knowledge work, which will become more and more common as a third place in addition to the workplace in the company and the home office. The issue here is to offer employees an alternative both to the daily commute to a company headquarters and to a home office without social contacts. This “third place” is a combination of the advantages of both workplaces in the company and in the home office but also offers other positive aspects:

- Reduction in the size of company headquarters, as fewer workplaces are needed and these can be located at a greater distance.
- Reduction of commuter flows.
- A closer link between people and the social environment where they live.
- Enabling reactivation of services in rural areas.
- Access to skilled workers from rural areas for companies without them having to move to urban regions.
- Compatibility with different life models of different generations.