Short-distance relocation management approaches: 5 Cases from Finland

Author Details (please list these in the order they should appear in the published article)

Author 1 Name: Peggie Rothe
Department: Built Environment Services Research Group
University/Institution: Aalto University
Town/City: Espoo
Country: Finland

Author 2 Name: Chris Heywood
Department: Faculty of Architecture, Building and Planning
University/Institution: University of Melbourne
Town/City: Melbourne
Country: Australia

Corresponding author: Peggie Rothe
Corresponding Author's Email: Peggie.rothe@aalto.fi

Please check this box if you do not wish your email address to be published

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Biographical Details (if applicable):

Structured Abstract:

Purpose: Corporate short-distance relocation is a significant event in the course of an organization’s lifetime. While these kinds of relocations happen frequently, they are an infrequent event from the perspective of a single organization. Therefore, few organizations have experience and knowledge on relocation management, which can result in improvised ways of managing the process. The purpose of this paper is to describe different short-distance relocation management approaches applied by organizations in Finland.

Methods: The paper uses a multiple-case study approach where the relocation management of five organizations are assessed post-relocation. Different aspects of the process, such as process phases and tasks, the organization involved, level of outsourcing, and employee participation, are scrutinized through 32 interviews with company representatives, and documents provided by the organizations.

Findings: The study describes 5 unique relocations and identifies 4 different models of managing the process. The study concludes that the most appropriate relocation management approach depends on the organization’s needs and situation, and that there is no one solution that fits all purposes.

Originality: While previous studies have focused on either site selection decision making or design of an already chosen space, the study describes 5 relocation processes which start from the relocation trigger and end when the organization has relocated and settled into their new space.

Keywords: Corporate real estate, Finland, Management, Office, Relocation,

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Introduction

Corporate short-distance relocation is a significant life event for organizations. Decisions concerning location and office solution have strategic impact as they determine the organization’s future operating environment with possible effects on productivity, workforce satisfaction, and meeting the overall business objectives (Laframboise et al., 2003; Morgan and Anthony, 2008; Nourse and Roulac, 1993). In fact, in relocation, organizations are forced to take a stand on many of the factors where Corporate Real Estate Management (CREM) adds value to the organization (see for example Lindholm and Leväinen, 2006). Additionally, how accommodation change is delivered will also affect how it is received by the organization’s employees (Bull and Brown, 2011; Vischer, 2011).

While short-distance office relocations, which are here defined as relocation within the same general area where much of the work force is retained, happen frequently, they are an infrequent event for any single organization. Therefore, few organizations have experience and knowledge on relocation management, resulting in improvised management processes. However, little is known about how organizations carry out the relocation process, which starts when the first thought of potentially relocating occurs and ends when the organization has moved and settled into the new space. While several streams of CREM research have looked at elements that are related to relocation, there is still a gap that describes the entire relocation process from the perspective of the occupier organization. Therefore, this paper aims to describe different short-distance relocation management approaches applied by organizations in Finland.

Literature

Relocation is a CREM activity, however, relocation management is not a part of the day-to-day responsibilities. Relocation is a complex process that consists of numerous tasks, involves several stakeholders, and requires a large number of decisions. The tasks include, but are not limited to:

- Identifying the business need;
- Specifying space requirements;
- Deciding whether a new building is required, or whether an existing real estate product might be suitable as is, or with adaptation;
- Searching for possible premises;
- Evaluating possible premises;
- Negotiating with landlords;
- Disposal of old premises;
- Canceling and setting up new agreements (e.g. utilities and services);
- Designing new buildings and/or workplaces;
- Managing the employees through change;
- Physically moving;
- Moving the IT infrastructure; and
- Fine-tuning the new workplace and its workplace practices.

CREM’s role in relocation has, as such, not been widely studied. However, several other more developed research areas more or less directly linked to CREM in relocation look at a specific part of the process, most often either the location and site selection or the development of the new workplace.
First, many studies look at the location and site selection decision making. This research stream approaches relocation as a process culminating in the location decision, and it often aims to predict and explain where certain organizations are likely to relocate and how they came to that decision. Tendency to relocate has been shown to decrease with the organization’s size (Brouwer et al., 2004) and the choice of property type depends on the type and size of the organization and the extent of their market (Leishman and Watkins, 2004). Studies also show that, depending on the organization, the decision making processes apply different sophistication levels (Greenhalgh, 2008; Leishman and Watkins, 2004) and that, for example, smaller organizations rely more on external contacts and networks (Greenhalgh, 2008). Further, the relative importance of different location, building, and space attributes in decision-making has received a good deal of attention. Authors have found factors such as image and prestige of location (Sing et al., 2006), costs (Adnan and Daud, 2010; Elgar and Miller, 2010; Leishman et al., 2012), and suitability and quality of space (Appel-Meulenbroek, 2008; Elgar and Miller, 2010) among the most important attributes for occupants, while recent studies have unanimously concluded that, compared to other factors, sustainability is not a driving issue in occupiers’ building selection process (Dixon et al., 2009; Leishman et al., 2012; Levy and Peterson, 2013). However, in the decision situation, comparison of building factors might not always be as straightforward as it might seem and it is believed that “[t]he power of individuals and their associated ego’s within the decision-making process will always be a factor in this [decision making] process” (Nunnington and Haynes, 2011, p. 110) where location selection is linked to problems of objectivity of decision making and focus on building supply instead of organizational demand.

Although most often studied separately as an investment decision, also the lease versus buy (LVB) -dilemma is rather relevant to the location decision. Location characteristics, size of operations, and physical attributes of the real estate have been identified as strategic determinants in the LVB decision and it is believed that organizations are more likely to choose buying as the preferred method of tenure for example when the required space characteristics demand a high level of customization and for long-term operations (Barkham and Park, 2011). However, when it comes to office space, it is more common for organizations to lease than to own the space they use.

Another research area closely linked to relocation is the design of the (new) workplace to meet organization’s needs. Often expressed as workplaces for “new ways of working”, historical analysis shows that the concepts are, in fact, not new at all (Meel, 2011). These studies often go hand-in-hand with assessments on changes in the user experience as a result of the accommodation change for which various Post Occupancy Evaluation (POE) methods exist (Maarleveld et al., 2009; Turpin-Brooks and Viccars, 2006). Documenting changes in user satisfaction and productivity are essential to understand the effects of different workplace concepts and their suitability for different organizations and users. Successful accommodation changes have been reported to improve creativity and teamwork (Morgan and Anthony, 2008) while relocation from one type of office setting to another has decreased user satisfaction (Brennan et al., 2002).

Even when the change is larger, achieving increased efficiency and productivity requires changing user behaviour. However, this is not automatic, as has been shown in cases where a large majority of the users that have transited to an activity-based workplace concept (ABW) do not switch work setting at all during an average day (Appel-Meulenbroek et al., 2011), and thus the workplace concept’s desired benefits are lost. Changing user behaviour and achieving user acceptance and satisfaction requires change management. The impact of which has perhaps not been as frequently studied as the impact of the physical environment, however, authors agree that communication and user participation are important in workplace change (Bull and Brown, 2011; Spreckelmeyer, 1993; Vischer, 2011).
Little literature can be found on how organizations manage their relocations from a sourcing perspective. According to Hartmann et al. (2010), whether responsibility of space acquisition and dispositions, and site selection and space planning is given to the business unit occupying the premises, a centralised CREM-unit, or external service providers, depends on the organization’s CREM model. This applies to larger corporations while it is evident that a majority of organizations are too small to have a separate CREM function or to even have these tasks outsourced. Occasional findings can be found on responsibility of location decision making, for example Greenhalgh (2008) found that important decisions are typically taken by the proprietor or owner of a business in small firms while hierarchical structures of large organizations usually lead to high level decisions being made by people at a lower level. Bull and Brown (2011), on the other hand, present ideas for how decision making authority can be delegated from manager to subordinates in the workplace change process. They provide a continuum with 1 being autocratic management where the manager makes decisions and announces them, and 7 being the most democratic where the manager permits employees to make decision within prescribed limits. Nonetheless, there is to date no studies shedding light on the entire process from the perspective of the occupier organization and how, organizations might coordinate the entire process’ tasks among internal or external resources.

**Methodology**

The research is qualitative and was done as a multiple-case study with 5 organizations that had relocated within the greater Helsinki Metropolitan Area within the previous 18 months. The case study approach was selected as the most appropriate method as this study aims to “describe an intervention and the real-life context in which it occurred” (Yin, 2009, p. 20). The case study has a distinct advantage over other methods when “[a] ‘how’ or ‘why’ question is being asked about a contemporary set of events, over which the investigator has little or no control” (Yin, 2009, p. 13). As in qualitative research in general, the intent of the research is not to generalize findings to individuals outside of those under study. Instead, the value lies in the description and the themes developed in a specific site context (Creswell, 2009).

The main data was collected in 2010 through semi-structure interviews with 32 representatives from the 5 organizations: 15 interviewees were company representatives who were actively involved in the process of relocation, making decisions and executing the relocation of their organisation; 17 were employees who did not have an assigned role in the process. Additionally, written documents, such as memos, emails, and presentations, were received from 4 of the 5 cases to supplement the interview data.

The interviews were structured around four themes based on sets of questions prepared by the researcher and sent to the interviewees before the interviews.

The themes were:

1. The relocation process and the phases related to it (for example, what caused the need to look for new premises, and what where the search criteria);
2. The organizational process in the decision-making and implementation (for example, who made decisions, and what kind of role did different parties have);
3. Communication and employee participation; and
4. Thoughts concerning the outcome (for example, employee reactions, and whether the project was successful).

All interviews were recorded and later transcribed for analysis. The analysis was done using qualitative data analysis software (Atlas.ti). First, the interviews were read through and coded. The assigned codes were of
descriptive nature which means they included little interpretation (Miles and Huberman, 1994); instead they served the purpose of describing and summarizing what the subject had said. The codes were simultaneously arranged into predefined categories which reflected the themes of the interviews, and which would help forming a comprehensive description of the relocation of each case. The categories were:

Theme 1:
   a) Relocation drivers;
   b) Location and facility search criteria; and
   c) Search process.

Theme 2:
   d) d) Decision-making (location and building);
   e) e) Decision-making (space planning); and
   f) f) Organization involved and their roles.

Theme 3:
   g) g) Communication; and
   h) h) Employee participation.

Theme 4:
   i) i) Employee reactions;
   j) j) Thoughts concerning the outcome; and
   k) k) Thoughts concerning the process.

Minor changes were made to the predefined categories during coding, due to the codes that emerged from the data. For example, categories d) and e) were originally one category, but this was split into two during the coding process. After coding, descriptive narratives were written using the summarized data that the categories provided and the supplementing documents in the cases where these were available.

Five relocation stories

Next, a narrative of the five case organizations’ relocation process is presented. The descriptions are all based on the interviews and supporting documents when available.

Case A – “A new beginning in a new space”

Case A is a Finnish retailing organization that relocated its headquarters with approximately 200 employees. The 10-year lease agreement was ending in 2 years which offered an opportunity to review its current situation. The organization occupied approximately 8000sqm of space consisting of traditional private offices, and which started to be outdated and in need of a renovation. Because of the private offices, the space efficiency was very low, and the spaces were inflexible and did not support team work. Therefore, the organization decided to assess other options.

First, the Real Estate director was asked to make a simple market study to get an idea of the current office market, what kind options are on offer and roughly what the price level was. This lead to an official assignment to start a project with the purpose to assess what the organization needs, what the actual options are, and what the costs would be. Pretty soon it was decided that the new space would have to be within the same area in order to minimize the impact on staff commute, and also because there was really
no reason why any other area would have been better. At this point the option to renew and renegotiate
the lease was also kept as an option.

The organization appointed a tenant representative to help search for options, and also a separate
workplace consultant to bring knowledge on workplace transformation to the project. For example, the
latter was used also to give an expert opinion on one of the space options and to say whether it had
potential to meet the organization’s needs.

The organization had approximately a dozen options on the first long-list which was then reduced to 6.
Discussions were held with these options, after which 4 options were taken to the last comparison: 3 new
space options or renegotiation with current landlord. At the end, a space in a soon-to-be constructed
building was chosen. The reasons were the location (less than 1km from the previous), the flexibility and
possibility to carry out all plans, and also a significant cut in costs compared to the previous inefficient
space. The cost per square meter was significantly higher but because the organization managed to drop
the leased area from 8 000sqm to 4 000sqm, they achieved significant saving. The time schedule was also
an important issue and, for example, another option was excluded because, without other tenants, the
builder could not guarantee that the construction would start on time.

As soon as the site had been chosen, some 4 months after the official search had begun, a workplace
development project was started. A formal project group was formed with a steering committee, a project
leader, and project group members who all were in charge of their own separate sub-project (space
planning; workspace and policies; ICT; fittings and physical move; communications). Formal aims were set,
with the strategic aim being “A new beginning – in new spaces”, and the functional aims were to enable a
smooth relocation that does not disturb the core business, create a new work environment concept with
supporting ICT- and furniture solutions, and to achieve new ways of working. Team work, increasing
communication, and employee satisfaction were essential.

At this point, the relocation was approximately 1.5 years away. When the space was being planned,
different solutions were presented but the real estate director pushed for an open plan solution with as
few private rooms as possible. At the start, the plan included 50 private offices but at the end only 7 were
done. Four different ways of designing space modules at the team level, and the team leaders then got to
choose which solution was the most appropriate for their team. The solutions all supported a different level
of team vs. individual work, with either a big shared table for the teams that work mainly together and own
private tables separated by shelves for the teams where work was mainly done alone.

Also the individual employees were engaged in the process through workshops, questionnaires, and events
such as a site visit and official cleaning days. Throughout the project, the employees were kept informed
through the intranet, CEO information events, and staff meetings. The open workspace concept was
presented early on, for example, visual images of different team level spaces were shown at a staff meeting
over a year before relocation. Focus was put on proactively answering possible questions that would arise
and also encouraging the employees to ask questions if something was bothering them.

In all, the interviewees were of the opinion that the project had been very successful. The project was
initiated early, which made it possible to plan and execute things well, although it was mentioned that
sometimes it was challenging to stop planning, make a decision and start executing. The initial budget was
exceeded but it was due to some decisions to increase the quality and standard. The project seemed very
well managed and the responsibilities were clearly divided between the people involved. The relocation
also supported the name and brand change that the organization went through, and thus the feeling of a
new start was really strengthened. Also the interviewed employees were of the opinion that the project was well executed, that the employees were well engaged in the process and that the relocation really felt like a fresh start. One person even thought that there was too much communication and that sometimes all the instructions made you feel like a child.

The new space and way of working was claimed to have brought people closer to each other and improved internal communication. Despite initial worries about moving from private offices to shared spaces, the transition went quite smoothly. While no POE had been made after relocation that would focus on the spaces, general employee satisfaction surveys had shown an increase in employee satisfaction. When asked about needs for improvement, the interviewees who were involved could name some minor things that did not quite work out as planned. For example, the smart boards were not being used and the moveable walls that can be used to divide meeting rooms into smaller spaces are not soundproofed. Also, the HR manager speculated that next time around, instead of placing employees who already collaborate close to each other, new networks could be produced by placing teams that do not already collaborate next to each other.

Case B – “Merger and Acquisition (M&A) supported by relocation”

Case B is a global pharmaceutical organization that consolidated two sites with approximately 110 employees altogether as a result of an M&A. However, one of the merging organisations was already searching for new premises before the M&A was announced because the lease agreement was coming to an end without renewal possibility (the landlord needed the space).

The Chief Financial Officer (CFO) had responsibility for finding new spaces. It was quite evident from the start that the organization wanted to stay in the same part of the Helsinki Metropolitan Area, in order to minimize the impact on employees’ commutes. While also looking for other options, the CFO held discussions with the landlord of the spaces they were occupying, as they had new developments that were being built about 4.5km from the previous office. Timing was an essential issue, thus continuing with the same landlord was thought to make the timing and transition smooth. The CFO selected a space in the landlord’s new development, convinced the CEO who then proposed the solution to the Executive Board. The US-based Group level Real Estate manager came to Finland twice to inspect the site and construction and to meet the landlord. According to the CFO, getting the RE manager’s acceptance was crucial in order to get the investment approved at the Group level. Thorough financial analysis and comparisons with other options were made, and after a long process, finally an investment decision was received from the Group. This had taken some 6 months and required 18 signatures. A month later the M&A was announced, which meant all investments were put on hold.

The need to relocate was, however, still there but now the organization needed even more space. When permission to proceed was eventually given, the organization renegotiated with the landlord about a bigger space. At this point the Group had a new space policy which meant all new office had to be open plan. In the first stage, a private office solution had been selected, so the new policy meant that also the layout plans had to be changed. At the end, the organization got approximately 2 000sqm consisting of mainly open plan, while the space occupied in the previous two sites were some 2 600sqm in total, both with private offices.

At this point, a task group was established to take care of the space planning. In order to support the merger, the group had members from both merging organizations who held a range of different positions in the organization. The task group was completely in charge of the design and fitout, and had the authority to make most decisions themselves, even selecting interior designer. The task group made a big effort to
engage also the rest of the staff in the process through workshops, email polls, and feedback channels on the intranet. Furniture options were brought in for testing and voting, and samples of selected interior materials were kept on display. A project update was delivered monthly at staff meetings in addition to the information that was distributed through the company intranet.

During the process, the employees reacted differently to the forthcoming changes. While some where excited about the move from a private room to shared spaces, others did not like it at all. Concerns were raised about different things, for example the amount of storage space and giving up the personal printers. However, after relocating and settling in, the resistance decreased. All interviewees said that people realized that the open plan solution was not so bad after all, and that it is in fact easier to communicate. Some expressed a sense of pride of what they had accomplished as the office not only turned out nicely decorated, but also the organizational culture had changed into a more equal environment where everyone worked together towards the same goal.

The organization conducted a POE after relocation. The majority (76 %, n=50) of the respondents were satisfied with the outcome while a smaller number had some complaints, mainly about not being able to concentrate in the open plan. An amazing 96 % were satisfied with the communication during the process and 69 % were satisfied with how their opinions were taken into consideration. Someone criticised not getting a private office despite asking for it, while another had commented on not getting a chance to comment on the location.

This case was an excellent example of how the process could be used to support a larger organizational change. While the M&A caused some additional turns in the site search process, the space design phase was successfully used as a tool to bring the two merging organizations together. The only thing in the relocation execution that was not smooth was an unequal division of tasks. Apparently, some task group members had been extremely busy when taking care of the relocation related tasks while carrying out their normal workload.

While this study was ongoing, a second M&A occurred. The case organization was bought by another company and as a result, they were going to relocate to the acquiring organization’s premises just down the street. This time, they were relocating back to an office with private or shared rooms. The interviewees were unhappy having to leave the spaces they liked so much and to take a step backwards to a more closed environment. One of the interviewees who had not been officially involved in the process said it was sad to give up the environment that they had all together created.

Case C – “More space”

Case C is a global organization in the energy industry. The organization had grown in a short time and, as a result, the office in Helsinki was getting very cramped. The organization had occupied the same space since the start with 3 employees, and at the time of relocation it had some 45 employees. All possible measures to get new space and turn meeting rooms into working space had been taken, and so the main trigger to relocate was a need for more space.

The organisation did not have any sort of separate facilities function, and because there was currently no large ICT-project ongoing, the Chief Information Officer (CIO) was asked by the Chief Financial Officer (CFO) to take care of the search for premises. First, space criteria were listed under different heading such as “must”, “important but not a must”, and “other things to consider”. Among the “must” criteria, the organization listed a certain amount of square meters and a maximum rent. In order to determine which
geographical areas would be suitable, the CIO also scrutinized where the employees live, their current and preferred commuting method, and where they would prefer the new office to be located.

The organizations used three brokers to find appropriate options. Based on the initial search, the CIO delivered a proposal to the Chief Executive Officer (CEO) and CFO where he presented a Business Park location and space as the best option. However, no decision was reached and the project ended up on hold.

Almost 6 months later, the search was continued. This time, the CFO took the main responsibility and also involved the management assistant in the process. Together with the CEO, they inspected some 10 properties in 3 months until, quite unexpectedly, one space became available that immediately “felt right”. The CFO and CEO presented this option to the board and got it approved. In the interview, the CIO explained how he still did not quite know why that space was selected as it was more expensive than what the original budget had been, and he thought it was a bit too prestigious for the organization with its ocean view. He also did not understand why the space he had proposed was not selected, but only speculated that the CFO and CEO had not considered it fancy enough.

Some 3 months after the lease agreement had been signed the organization relocated its approximately 45 employees 5km within the HMA, from approximately 500sqm to 900sqm. Not a lot of effort was put on the layout planning. Both the old and the new offices were a combination of open and private space, but the share of people sitting in open space was bigger in the new premises. The decisions were mainly made by the CFO. Later on, it was realized that too much space had been allocated for meeting rooms for external meetings, especially since there were shared meeting rooms in the first floor of the business park that could be used.

The management assistant took care of the practical arrangements of the move and the CIO was responsible for planning and executing the ICT relocation. The physical move was done during a weekend and when the employees arrived to work on Monday morning, everything was in order.

Communication to the employees was kept at a bare minimum during the entire process. According to the management assistant, it just did not happen due to a lack of time. The employees had been notified when the search for new spaces initially started, but there was no communication during the project freeze. Next time an official email was sent out was when the space had been selected, after which the employees were informed about the move schedule, also by email. Information did, however, spread through the grapevine and rumours were not uncommon. The employees who participated in the study called for more communication next time. Further, even though the change in space concept was quite minimal and the new space was more modern than the previous, some employees were not completely satisfied with the outcome. The assignment of private rooms and desks in the open plan caused some dissatisfaction, especially because the allocation was never explained.

The success of the process and the outcome depends who is asked. For example, as mentioned above, the CIO was not completely satisfied with the selected space, as he thought there would have been more affordable options available. The management assistant, on the other hand, liked the prestigious location and the image it had. The space layout caused some problems as it was already getting cramped when the interviews were made, 7 months after relocation. The CIO thought that “more logic” should have been used when allocating space for open plan, private rooms, and meeting rooms, indicating that there should have been a bigger portion of open space.

A big challenge for Case C was the time schedule. The interviewees agreed that the process, in total, took too long. When asked what could have been done better, the responses included putting more time and
effort on assessing space options and asking for more proposals, and communicating more to the employees. The interviewees were, on the other hand, satisfied with how well the physical move and the ICT relocation went.

According to the company website, the organization relocated again 2 years later to the business park that the CIO initially proposed.

**Case D – “Engaging site-selection”**

Case D is a globally operating Finnish organization in the IT-industry. The organization had a new CEO who initiated a change in the ways the organization operated. There was a need for more team work and better communication which also called for a change in the physical environment. At this point, the organization, with 50 employees at its Helsinki-based headquarters, operated in a traditional private office layout with approximately 2 500sqm. Thus, there was an urgent need to also reduce space. The approaching end of the lease agreement offered an opportunity to assess other options.

The organisation did not have a separate facilities function; instead the general counsel had the responsibility of facilities operations and also human resources. When the relocation project was initiated, the general counsel was put in charge of the process. At this stage, a task group consisting of employee representatives was established to participate in the search process, to gather space requirements of their respective teams, and collect ideas from employees. The group was led by the general counsel who was also assisted by the office manager.

The organization used a tenant representative to long list space options. The entire task group visited 17 spaces with different solutions and of different quality. According to the general counsel, he wanted the group members to get an understanding of the range of spaces that are on offer. The group then short-listed 7 of the options from which proposals were requested. After a joint analysis and “lively discussions”, 2 options were selected to be presented by the general counsel to the Group Management Team (GMT), together with the option of refurbishing the old spaces. According to the general counsel, there was not a big difference in costs as the organization had been able to negotiate the prices to the same level. The two new options were, however, quite different in nature. One was a modern building with big windows; the other was a funky refurbished factory –styled space. The opinions within the task group were divided; for example the general counsel and the office manager preferred the latter as they thought the modern “glass-cube” would have given the wrong impression of the company, while others preferred the more modern option. At the end, the GMT together with the general counsel chose the factory-styled space, which was then presented to the Board. This space was 1 200sqm and located some 7km from the old office.

The tension that had existed within the group became quite apparent in the interviews, as one task group member, who preferred the other option, claimed that the factory-styled office was chosen based on the costs. He thought that the other option would have been much more suitable based on both location layout, but that “more influential” task group members preferred the other option and got the prices pushed down.

After the location decision had been made, the office manager was in charge of managing the design and fitout. The task group did not participate at this stage. The layout plans were run by the respective team leaders, however, the planning was mainly done by the office manager and general counsel. The original idea was to create a completely open office with the team leaders in the middle surrounded by their teams.
This caused quite a bit of resistance among some, and at the end the product development team got a shared room among themselves.

At the end, the employee reactions varied. Some were unhappy about the location, some had difficulties accepting the new open plan concept. The interviewees had contradicting opinions concerning the change in internal communication; while most said that the communication had improved, one person was of the opinion that it had, in fact, decreased.

A successful aspect of the process was the efficient time schedule. The entire project was completed in 8 months. It was also thought that more emphasis should be put on sharing information and, for example, arranging a meeting where the employees could have asked questions. Responsibility to share information with their respective team members had been given to the task group members. This model of communication showed to have its weakness in relying on several group members to share the same information; there were significant differences in how informed different employees were.

**Case E – “Location, location, location”**

Case E is a global manufacturer of healthcare and consumer electronics. The case site is their office in Finland with approximately 30 employees at the site and another 20 working outside the office. Before relocation, the organization occupied two separate sites out of which one also had a large warehouse. However, both the office and storage space need had decreased as one part of the organization had been sold and also changes had been made to distribution channels. Thus, when the main office’s lease agreement was approaching the end, the country manager proposed to the European board that a search for new premises should be started. Permission was granted and the country manager started the search with the main aims being decreasing space and getting the entire organization under the same roof.

Based on a list of the most important space criteria, a tenant representative listed possible options. The organization needed a loading bridge and storage at ground level, it preferred a business park setting (because the concept was already familiar), and the location had to be within the Helsinki Metropolitan Area and preferably along Ring Road I. According to the country manager, the loading bridge and storage criteria reduced the number of potential sites significantly. Next, the country manager did a small analysis, asked for a proposal from 3 of the options, and negotiated with the landlords. When the country manager had made his decision, he presented his proposal to the European Board who approved. The chosen space was modern and located in a business park 15-20km from the previous two sites. While the organization previously occupied some 900sqm of mainly private office space, the new office was approximately 600sqm of combination office.

After the space had been selected, the country manager gathered a small task group to take care of practical arrangements. The CFO was responsible for all agreements, the IT specialist looked after the IT infrastructure, the maintenance manager looked after his own department’s space needs, and the storage manager took care of the physical move. Some tasks where delegated to persons outside the task group, for example the office assistant helped with the esthetical planning of the office. The office layout and location of different organizational units within the space was decided upon mainly by the country manager, with some degree of consultation with the respective unit managers. However, according to the country manager, decisions had to be made quickly so there was not much time to consider different options.

In this case, there was no employee involvement and only the very minimum was communicated to the staff, until the move approached and instructions were given. The country manager informed the
employees by email when the decision to search for new premises had been made, and again when the location had been chosen. In between, a lot of rumours and speculation occurred. Many employees were very dissatisfied with the chosen location as it meant a significant change in their commute and they felt that this had not been taken into consideration. All interviewees mentioned that the new location had been the big issue in the relocation, and that it caused a lot of dissatisfaction. One employee even said that the way the process had been done had clarified that employees do not have much to say in the organization, that everything is dictated from a higher level in the organization. A more open and engaging process was called for by the employees, however, most were still quite satisfied with the new spaces. Nonetheless, the country manager believed that he would do most things in a similar way next time the organization was facing a need to relocate. It was a conscious decision to take care of the site selection on his own, in order to make the process as smooth and efficient as possible.

Discussion

The findings show that relocation can take different forms and be approached in many different ways. The 5 cases in this study were all unique in some way. Case A described how an extensive change in the work environment and ways of working was achieved with employee engagement. Case B was a good example of how relocation was used to support an M&A by forming a task group that consisted of employees of both merging organizations, and giving them a large amount of authority to plan and make decisions about the new space. Case C could have been a quite straightforward relocation into a larger space, however, a delay in decision making delayed the project significantly, and a lack of communication and even a small change in the work environment (allocation of private rooms) causes some dissatisfaction. Case D used an innovative approach where an employee-based task group was formed to select the space, however, tensions within the task group revealed that not everyone was satisfied with the level of democracy in the decision making. Finally, Case E showed how relocation can be executed quickly with fast decision making, but in this case with the cost of dissatisfaction among employees.

Four different ways of arranging resources to execute the process were identified from the cases (Figure 1). First, there was the “One-man-show” where one or two persons took care of all tasks themselves. There was the “Caretaker government” in which a project group was established consisting of experts who were selected based on their position in the organization: e.g. the IT-manager is responsible for IT, HR-manager for change management, etc. The “Orchestra” was the model where a task group consisting of employee representatives was established and lead by an expert. Finally, in the “Democracy” an employee-based task group was established and given authority to plan and make decisions. Interestingly, the models were used by the case organizations in different phases of the process. Cases A and C used something close to a “One-man-show” in the site search phase and the moved on to the “Caretaker government” in the workplace design and change phase. Case B also used the “One-man-show” in the space search but then moves to the “Democracy” in the design and fitout phase. Case C used the “One-man-show” all the way through the entire process while case D, interestingly enough, used the “Orchestra” in the search phase and then moved to the “one-man-show” for the design and fitout.
The cases also illustrate how relocation can range from a strategic process to a logistical move, depending on the level of change that is aimed for or that just occurs. The level of change differed significantly between the case organizations, with differences in both the geographical and the workspace change, despite all these relocations being short-distance relocations that happened within the Helsinki Metropolitan Area, (Figure 2). Relocation close to the old office and into a similar space, like the one of Case C, can be called a routine move. When relocating a bit further but to a similar space, as did Case E, the relocation is more a logistical change as the relocation will significantly change employee commutes. If the relocation is done within the same area but significant changes are made to the work environment, like in both Case A and B, then there is most likely a change in the organizational culture happening. Finally, when an organization relocates to a new area and simultaneously changing the workplace concept, as did Case D, the relocation can best be described as a new beginning. While it is evident that an extensive workplace transformation is a significant change for the employees, this study showed how the location selection needs to be considered if employee satisfaction is to be achieved. Even though the employees in Case E were satisfied with the new space, a lot of dissatisfaction was expressed that related to the selected location.
Conclusions

This study aimed to describe different short-distance relocation management approaches applied by organizations in Finland. The study was done as a case study where the relocation process of 5 organizations was investigated through interviews and document analysis.

Some general observations could be made regarding who the organization executed the process. Four different ways of sourcing resources were identified, which have their pros and cons. For example, when only 1-2 persons take care of all tasks, the process seems to be efficient, but the decision making can be very subjective, there is a risk of employee resistance, and taking care of all tasks alone might be a big burden for only one person.

The study also showed that all relocations are unique in some way. Therefore, there is no sourcing model that is right for all. Instead, the most appropriate approach depends on the organization’s situation (for example, time schedule), the level of change, and aims of the process.

References


