

# CEOs Want Their Offices Back

**Some bosses pushing back against open floor plan**



Steelcase CEO Jim Keane, right, in his prototype office pod, where he now retreats when he needs to focus. Photo: David Chandler

By

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The lofty building Jordan Hamad moved his tech-advisory firm into four years ago had the trappings of a startup idyll: open floor plan, polished concrete floors, custom-built communal tables.

Soon, the 33-year-old founder of Chairseven says he craved something else: walls and a door.

The floors, it turned out, damped none of the sound. Instead of constantly trading ideas, he and his team often wore noise-canceling headphones to block out the din. For private meetings or calls, he would sequester himself in the noisy printer room or at home. “It was, ‘Yay, we have this great space, but I can’t really use it,’” he said.

Now as he moves the company from Portland, Ore., to New York, Mr. Hamad has joined a cadre of bosses chucking the egalitarianism of working alongside their employees for the old-fashioned private office. Their open-office revolt, they say, is less about reclaiming the corner office than about needing a quiet place to think.

“People will say it’s so cool to have the CEO right next to you, but at the end of the day your team sometimes needs their space and you need yours,” says Mr. Hamad, who currently leases a private office for himself and co-working space for other staff. Other senior team members will soon get private office space, too, he says.

Bosses like him are swimming against the workplace tide. Nearly 70% of U.S. office spaces are open-concept, according to the International Facility Management Association, compared with 64% two decades ago. Led by CEOs such as Michael Bloomberg, AB [InBev](#) NV’s Carlos Brito and Zappos.com Inc.’s Tony Hsieh, more executives have ditched the corner office for an open desk to project camaraderie with the masses.

But as employees and managers squeeze closer together, productivity and morale have suffered. In a review of more than 100 studies of work environments, British researchers found that despite improving communication in some instances, open-office spaces hurt workers’ motivation and ability to focus.

Employees seeking privacy resort to conference-room squatting or ducking into “focus” booths, quiet refuges that companies are increasingly building into open offices.

CEOs have the license to go further. For seven years, Blake Harvey and his employees at his New York communications firm, Lawrence Blake Group, toiled together in co-working spaces. His staff sometimes felt self-conscious working under their boss’s gaze. When he was worried about the business, there was no hiding. “If I was a little down, they could see that, and that affects the whole team,” he said.



Blake Harvey, CEO of a New York communications firm, works out of an office he leased from Servcorp just down the hall from his employees. Photo: Adrienne Grunwald for The Wall Street Journal

So when the firm signed a few new clients this year, he leased an office from office-space provider [Servcorp](#) Ltd. just down the hall from his employees. Having his own space, he says, makes him feel more like a leader. After brainstorming or regrouping with some music or even watching an inspirational video, “I can get back out there with my Superman cape on,” he says.

Another upside: His pedometer registers at least 10,000 steps by the end of the workday, thanks to the to and fro from his office to employees’ desks.

“When you’re in a territory that’s clearly yours, you perform better,” says Sally Augustin, an environmental psychologist and principal at La Grange Park, Ill.-based consulting firm Design With Science.

Even watching a boss and co-worker move into a separate space for a meeting can be distracting, she adds.

“People’s minds never go to ‘Bob must be getting a promotion,’” she says. “It’s, ‘Bob must be in trouble. This is the beginning of the end for Bob.’”

For some bosses, though, the future may resemble the setup of Jim Keane, CEO of [Steelcase Inc.](#), maker of office furnishings. Last year, he and the rest of Steelcase’s leadership team worked in their own open-style wing, his desk semi-enclosed by partitions.



Steelcase’s Jim Keane says having his pod isn’t about status or privilege. ‘This is a space where you do certain kinds of work.’ Photo: David Chandler

He has since moved to a 5-by-8-foot pod in the company’s innovation center. He retreats to it when he needs to focus or switch mental gears between meetings. Otherwise, he is out on the floor, with customers and employees, or in other enclaves for meetings.

“It’s not about status or privilege,” he says of the pod, a prototype with still-exposed two-by-fours. “This is a space where you do certain kinds of work.”

Open offices are so popular among tech companies that when CircleCI’s founders moved the software-testing startup from an open space in San Francisco to one with 25 closed offices in 2014, it paid half the market rental rate, says co-founder Paul Biggar. In Silicon Valley, many people are “playing startup,” he says, emulating the open spaces of tech giants such as Google Inc.

In reality, he says, engineers need quiet places to concentrate—and so does he. “I love the private office,” he says. Alas, CircleCI outgrew its private-office oasis and, after failing to find a larger one, returned to the open fray last fall. “There is a lot of finding empty conference rooms now,” he says wistfully.

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