

Steelcase

## 360 Research

### Q & A: Richard Florida

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#### **On the economic crisis and its effects on work and the workplace**

Richard Florida, director of the Martin Prosperity Institute at the University of Toronto and author of, *The Great Reset*, says the current economic crisis is nothing less than a massive transformation when “new technologies and technological systems arise, the economy is recast and society remade, and the places where we live and work change to suit new needs.” The relentlessly optimistic Florida, dubbed “the Bono of urban philosophers” by a Halifax newspaper, talked with 360 about how this reset affects our personal and professional lives.

#### **How is the use of space evolving?**

In the Industrial Revolution, we drew this strict dichotomy between the place we live and the place we work. That dichotomy got bigger

and bigger thanks to technology. We tended to live in one place and work in another place. Technology changed, the economy and society changed, and now we no longer draw the distinction. People will still come to work in what we think of as a traditional company office.

We also need better and more productive spaces for people to work at home and in third places.

### **We're going to work in multiple places?**

We have to live closer to where we work. We created this system that separated work and home, and taking it to its illogical extreme led us to suburbanization and sprawl. As an economy, we're wasting hundreds of billions of dollars with people sitting in traffic. We can improve the roads and build high speed rails, but if we want to solve this problem, it means enabling people to live closer to where they work and be able to get to work much more easily. How do we take a single site corporation or single site factory or corporate office, and disaggregate it and make it a part of neighborhoods? That would reduce the need for people to be so isolated and it would enable them to live closer to where they work. We're moving away from is a single workspace in a corporate office, to multiple workspaces, some of them in a corporate self-standing facility, some in a shared facility, some of it in a coffee shop, hotel lobby, neighborhood office facility and some of them at home.

### **Yet people need to collaborate on work more than ever.**

There's a need for somewhat regulated, not intermittent meetings and group work, but I don't think that that need is very great given the nature of technology, which really enables more collaboration and in a way that leverages productivity. People do need interaction and collaboration and collegueship and they just need other people around them, but I don't know if that's necessarily other colleagues. It may be taking a walk in your neighborhood, getting a coffee, plugging into a coffee shop and feeling other human beings around, or meeting a friend or colleague for lunch. All of this requires more research.

### **Do you see more people working at home?**

I think most of us are engaged in this mad scramble to build our own office environments. Not only as freelancers and small business owners, but also as productive people who work at home. We're scrambling to figure it out and there I think it's a ginormous business opportunity to take the knowledge that a company like Steelcase has in ergonomics, workplace dynamics and design, and apply it to third and fourth spaces and to workplaces in people's homes. Not to mention rethinking what people think of as a hotel business center, which is a complete abomination.

## **Few of us know how to design a home office that's ergonomic and healthy.**

For the first time in my life, in my early fifties, my back went out this summer and it caused me not only to buy a better office chair but also to learn how to sit and do exercises to strengthen my core. Someone has to come along with solutions to dealing with the injuries of the modern work place: bad backs, strained shoulders, carpal tunnel syndrome, etc.

## **How long will the “Great Reset” take?**

Compared to the historical evidence, with the Great Depression of the 1930s and the panic and depression of the 1970s, I think we're looking at a time scale of about two decades.

## **That's a long time.**

These are long time scale events. They don't occur as the result of any one great thing. The Great Reset is really the culmination of millions and millions of individual resets that occur over a large time scale, as people slowly but surely reset their own lives and society adapts to those changing wants and needs. We have to build new kinds of cities and new kinds of places that are both denser and bigger, with new infrastructure. On the individual level, we're all grappling with: How do I change my life, to make my life better, happier, and more efficient? How do I make the trade offs in terms of where I live and the neighborhood I live in that's close to where I work, without commuting horribly long distances, which we know are very detrimental to subjective wellbeing and happiness? How do I optimize my consumption? Do I want a big house in the suburbs, do I want to downscale, can I move closer to the city? I'm working with more affluent individuals who have a lot of resources to spread around, and they're saying, 'I no longer want to spend 70% of my income on housing and cars and energy,' which is about what we spend, on average. It's unbelievable. With all the other necessities like food, education, healthcare, no wonder so many of us went into debt. One of the things that people are adjusting is their spending, and that's taking place gradually and over a long time scale as people make these choices.

## **Do you see differences between the generations?**

Younger people seem to be saying no. They seem to be saying, 'Mom and dad got themselves in a huge amount of trouble with lots of debt, by over-buying a big suburban house, by having two and three cars, and we're not going to do it. We're either going to bunk with mom and dad for a while, or we're going to move and share an apartment with our friends. And we're certainly not going to go into a big debt with our house or go overboard in buying cars.' People are recalibrating how they spend their lives. We're right in the middle of these changes.

## **How will the great reset affect the types of work we do?**

The big thing is that U.S. manufacturing has become so much more productive. Of course some low scale activity shifted to China, but we've become massively more productive by applying knowledge and intelligence and creativity to production. We have 20-25% of our work force in production activities, including construction, transportation, installation, and maintenance workers. But that's not going to grow a lot. What will grow are the kinds of work where you're applying lots of design, ingenuity, and creativity to manufactured products.

## **How will these jobs change?**

Manufacturing is more global, investments in manufacturing don't just come from domestic companies, they're coming from all around the world. In order to make it in manufacturing, we have to become more productive and more creative, and apply the intelligence and insights of workers on the shop floor. The real problem in the United States is not that we have a labor market where knowledge and creative workers get paid significantly more than factory workers, it's that service workers make half of what a manufacturing worker would make, and a third of what creative and knowledge workers make. There are 66 million service workers and they account for 45% of our work force. The biggest agenda item has to be applying the lessons we learned in manufacturing and increasing the productivity, efficiency, innovativeness, and creativity of the service sector. The real lesson is that every single human being should be valued as a creative asset in all of our companies, so we build a creative and knowledge based economy across the board. That includes agriculture, manufacturing, service, and knowledge work, and I think that's where our economy is heading. We're moving away from a routine oriented economy, to an economy that values creativity and analytical skills, cognitive skills and social and team working skills. And we'll get there.

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