

Masters of Scale: Rapid Response transcript – Diane Hoskins, co-CEO of Gensler

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DIANE HOSKINS: This moment, this pause, of non-normal – right? – is going to be a great opportunity to rethink how we re-enter the workplace. When can we make a safe return to our offices, or do we have to wait this out? And when is it going to be okay to go back in the office, and how do we do that? What's the impact going to be on our operations?

Well, how much space should I have? Does this mean we need less space in our headquarters or our office space?

We see this as an incredible time of transformation that can be scary and very difficult to thrive and to learn the lessons of health safety. To learn the lessons of social change. And we will all be stronger, and society will be a healthier place all the way around, if we can learn those lessons.

BOB SAFIAN: That's Diane Hoskins, co-CEO of Gensler, the largest architecture firm in the US, with offices all around the world.

As pandemic health concerns have radically upended how we use and think about our work environment, Gensler has found itself on the front lines of helping corporate clients from Google to Bank of America grapple with a swarm of new questions about back-to-work protocols and the long-term future of the office.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale: Rapid Response.

I wanted to talk to Diane because no one has a keener lens on the uncertain workplace environment and the interplay between remote work, in-office collaboration, and the financial trade-offs facing business leaders.

Along with her co-CEO, Andy Cohen, Diane has galvanized Gensler to bring science, technology and strategy together, deploying new AI-enhanced simulations alongside human creativity.

Diane sees both challenges and opportunities in this moment, and she's determined to bring out a silver lining from the disruption.

Let's listen in.

[THEME MUSIC]

SAFIAN: I'm Bob Safian and I'm here with Diane Hoskins, the co-CEO of Gensler. In 2020, along with navigating a global business in uncharted times, she's been working with her team and clients across the world on how we rethink the office in a COVID-19 world. Diane, thanks for joining us.

HOSKINS: It's great to be here, Bob.

SAFIAN: So months into this pandemic, we've seen some businesses thriving – Amazon, Zoom, digital platforms, right? while others – restaurants, hotels, brick-and-mortar retail stores – are struggling. What's been the impact on the architecture business?

HOSKINS: Well, being a firm that is global, we work on projects of all types in thousands of cities around the world. So yes, we have seen an impact definitely on our work, as you can imagine. As you've said, the hotel projects, retail entertainment, airlines – these were all significantly impacted, projects put on hold, projects slowed down.

And then, as you mentioned, the tech companies are thriving and pushing forward. However, they also want to use this time as a catalyst to discover new ways of working, and what are the short- and long-term implications. But what's interesting is that even though a lot of our traditional work was impacted in various ways, new opportunities also have emerged. And that's probably been ... I don't know if it was a surprise, but I'll just say, I think that's been the good news in the tougher journey that we've been on.

In fact, we've developed an entire offering that's based on this moment of transformation, everything from responding to the COVID pandemic and how that impacts space, how are people going to use space during this time of social distancing and needing to take all kinds of precautions. But also and interestingly, what is the post-crisis recovery and how we begin to reimagine the future.

SAFIAN: So from early on in the outbreak, I know you put a lot of effort into reaching out to and communicating with your clients, CEOs of big companies with lots of offices, real estate folks. What are the things that they're most worried about and how has that shifted over the recent months?

HOSKINS: CEOs like me, number one, are concerned about their people. First and foremost, this is a health crisis, and ensuring the safety of people and the people that work for you is number one. But secondly, what we hear from our clients is concern over the health of their businesses and wanting to know: when can we make a safe return to our offices, or do we have to wait this out? And when is it going to be okay to go back to the office, and how do we do that? What's the impact going to be on our operations? And of course, the bottom line.

And then thirdly, when we return, how are things going to be different? Or how are things going to be the same? What are the temporary changes due to some of the ongoing concerns over COVID, and what are the more enduring and durable changes that we need to be mindful of? And what is that future opportunity, and how do you use that as a catalyst or an opportunity or springboard – or if nothing else, to not be blindsided by the fact that there are real changes that could be a result of all this time of transition and transformation.

SAFIAN: Yeah, you're kind of balancing. On the one hand there's these urgencies that folks are like, "How do I get back in the office now? What do I do?" And at the same time, what does this mean the future is going to be in a bigger-picture sense. I mean, these are the questions we're all grappling with right now.

HOSKINS: Absolutely. And probably a big question and from a very tangible and bottom-line standpoint is our clients wondering, well, how much space should I have? What we have seen through our research is there are definitely some changes and some dynamics that are perhaps things that we've learned from the pandemic itself about how we can work from home. Does this mean we need less space in our headquarters or our office space? And at the same time, we're recognizing that maybe our office space has been over-densified and we need to really pay more attention to creating places that really do create the setting for optimization and success.

And so this kind of duality of conversation that's happening all at the same time has been really challenging for our clients. And it's a place where we step in and help them to sort out what really is going to happen for them. There's a lot of generalized statements out there, but it's really individualized. It should be every organization looking at these issues, because what's right for one company is not going to be the right answer necessarily for your company.

SAFIAN: Gensler invested in digital tools and materials to help with all this, one called Rerun. I think another is called Graph, if I have that right. And these tools help model people flow through spaces. I'm curious how that's been received.

HOSKINS: Yeah. This is one of those opportunities that have emerged for us. We knew we needed to help our clients figure out how to do social distancing within their workspaces and how to deal with the circulation flow, and where do you do the screening, and all of these new components and new strategies that we needed to put in play. And more than ever, it takes both the creativity and the technology to be able to solve these complex problems.

Determining the social distancing, circulation and occupancy strategies to create safety is really a multi-variable problem. And so you really do need to leverage technology to be able to define the scenarios and to compare them. So Graph really helps us to do that, and Rerun as well.

The other part of it is scale. Our clients can have 25,000 square feet and many have hundreds of thousands of feet. We have clients with millions of feet. So how do you solve this problem at scale? These technologies are helping us to deliver strategies that are going to allow them to find that pathway toward re-entry of their space in the safest scenario possible.

SAFIAN: These are simulations. So if I say, okay, what if I have a density of X? How many people does it fit and what does it, by space, look like? Or if I try changing the space in this way, what does that do to the flow? So you can model all of those things out ahead of time before you build them?

HOSKINS: Exactly. And actually, that's one of the key things of Graph, is that it's a simulation technology, and it also allows you to use sensors to be able to monitor utilization even after it's been implemented. And so Graph is the more dynamic tool, Rerun is more of a planning tool. We've actually created strategies for over 200 organizations to date, and that number continues to increase – and probably over 10 million square feet of work for those clients.

We're also developing strategies where, I mean, right now it's about placing people and one-way signs and various ways of being able to control the movement through the space, but we're also working on and developing really what I would call more seamless and technology-based solutions.

What we're calling our intelligent places platform, which is really a way of thinking about from when you enter the space at the front door all the way through the building, into the various spaces, a single seamless experience, which has touchless technologies, anticipating movements through the space, ensuring the safety and looking at the density of people at various times, controlling the air flow based on those densities as well. And so this next wave of solutions is going to be much more technology empowered.

SAFIAN: Have things surprised you that you've seen come out of these simulations or these decisions, things that were non-intuitive?

HOSKINS: The fact of the matter is there's an intuitiveness to it, but for all of our clients, for all of us, we need to see it in black and white. We need to see it laid out. It's not just you sit people apart from each other, it needs to be laid out. It needs to be a strategy because layered on top of that, many of our clients are also using shifts. So you have the utilization that might be laid out in terms of where people are sitting. And then they also are looking at who's in the space on any given day. So there are so many variables in play.

It's kind of, the fourth dimension of this is time. And so, kind of shifts coming in, or even people who might be on the Monday and Wednesday shift and others who are on the Tuesday and Friday. Over time, maybe taking that occupancy from 15% to start with, moving then to 40%, 60% as the conditions in the overall environment continue to improve.

SAFIAN: You do a lot of research about the workplace to inform your designs. You always have. Even before COVID, there was this chorus that said remote and shared workspace was going to be more preferred, particularly by younger generations, but in early May [you guys released some research](#) that only 12% of employees wanted to work from home and that millennials were among the most unhappy about missing the office environment. What does that tell us about the future of the office and some of the assumptions we have going in?

HOSKINS: Well, it's really interesting. We believe very strongly in a research-based approach to innovation, that you'll tend toward a precedent or rote answers and solutions unless you actually ask the question and you're open to whatever the answer is to that question through rigorous research. We have really been focused on the trends that are shaping workplaces, and we believe it's really important to ask people who are working about what works, what doesn't.

This was the first time ever that we were able to do a survey of people working remotely from the office. Our survey of 2,300 office workers were of people who before COVID were working in the office. There's 10 industries included, everything from financial services, professional services, technology, etc., not including people who are working in educational facilities or healthcare facilities or other kinds of workplaces, but specifically people working in office space. So a very, very rigorous study, because we wanted to understand, you're no longer in the office and what is that like and are you able to be effective?

Our findings were surprising in many ways, maybe predictable in other ways, but we basically found that 12% of that population were interested in this 100% of the time working from home. But that actually was very similar to what we have seen in surveys since probably 2013, where it was about 8%. Now it's 12% of people who want to work from home 100% of the time.

There's also this stratification of other kinds of engagements between the home workplace and the office workplace where the vast majority are looking for an office-based work experience, with over 40% wanting to be 100% in the office. Then that middle group are four days in the office and one day home or two days in the office, etc. This is really important information as we look at what is the future going to be and how do we design a better workplace.

Just to put a cap on that, we had actually just completed a survey of the U.S. worker in 2019 that was released in the last two months before COVID, and we had seen some

trends that were not favorable about concerns that people were having, related to, in particular, unassigned seating, and finding that people who are in work environments where they don't have an assigned seat, that their work effectiveness was diminished. Even if they "liked it," their effectiveness of what they were able to do in comparison to colleagues who had assigned seats was diminished. And also starting to see this imbalance of a huge amount of great collaborative environments, but not enough attention given to focused individual work. I think there already was the outcry of: Things need to be addressed when it comes to my ability to do my focused work.

This moment, this pause, which will probably be a year, I guess, of non-normal is going to be a great opportunity to rethink how we re-enter the workplace, to give people who want to do that 100% work from home, "Look, we can do it. We've got the Zoom. We've got the ability. Let that happen." And then really look at, in terms of people coming into the office, the right amount of space. Again, collaboration is here to stay. It's an extremely important part of an innovative, energized, vital organization; sharing of information, the ability to have those serendipitous interactions, to understand how your work fits in with the work of others. This is all facilitated through open environments, but, if it's at the expense of the individual work, that's where we've seen the rub. We're very excited about what this post-Covid era will mean for workplace design.

SAFIAN: You said when we talked previously that we sometimes confuse what can be "efficientized" with a knowledge worker, that being efficient doesn't always work in terms of the output you get from it. Is that what you're talking about, sort of the creativity and the choice may not necessarily yield the outputs that you want?

HOSKINS: Yeah. My term "efficientized," and I guess I made up that word, was really to emphasize that we're using the wrong paradigm when talking about work today. Efficiency models were started in the late 1890s by Frederick Taylor. He's known as the father of scientific management. He created the concepts about productivity and efficiency that we use today. But it wasn't a model for knowledge work. It was a model for factories and steel mills. And it worked out well to really create these very tight efficiencies for work that is task-based and assembly-line processes, but it is really out of step with today's knowledge worker, so when we tried to overly create efficient space, we're not really creating optimized work.

Knowledge work is a combination of collaboration, of focus work, of learning, and it's happening in different ways all the time and differently for different people, depending upon the task, depending upon the individual, depending upon the organizational culture.

SAFIAN: You mentioned earlier design features like touchless environment and improved air circulation. These are new priorities in this pandemic world. You said to me, "We can't forget how dirty these spaces are now that we know this." What other features do you think are going to become more widespread?

HOSKINS: Yeah, we really believe, from the technical standpoint, absolutely, we're not going to go backwards. We're learning really important information about health safety, let's call it, that we've been learning all along. We have a lot of touchless technology in our restrooms. We've just got to now take that to a much higher level in terms of door handles, in terms of our elevators, our call buttons, even back into the restrooms, there's more to be done in terms of touchless. That is definitely here to stay.

When we look at things that might have been done in older cities way, way back, we hardly think it's possible that people would have drunk that water, right? Oh my God. Well, I think we're going to look back pre-COVID and say, "I can't believe we used to touch the door handles. I can't believe we used to touch the light switches and all of these other places where contagion is spread." We really believe very strongly that this is that kind of turning point. Again, it's also with the intersection of intelligent technologies that are also going to create an experience that is just going to enhance how we all experience space, the kinds of anticipatory technologies that can respond to numbers of people using a space or put controls around not having too many people use the space.

We have many more tools at hand that we're still going to be looking at. How do we craft these to really create the places of the future. This is workplaces, this is our educational facilities, this is going to be our sports facilities, our airports, and these are all good things. There's a silver lining.

We've learned a ton. We're certainly going to do the things in the built environment that create safer and healthier places, obviously. And the science side of this, they're coming up with their end of the bargain as well. And we're all going to be better off for it.

SAFIAN: You have such a view across different industries at this time. I was thinking about how, like tech firms, many of them have said, "Oh, we're going to keep working from home into 2021. And maybe even until the end of 2021," almost making it sound like the tech folks are smart enough to be creative and get everything done without having to be in an office. There are financial service companies who are hurrying more to get back to work.

You're hearing from folks on both sides of this. Is it about a difference in the work? Is it about a difference in the perspective or the business models? Why is there such a range across these different areas?

HOSKINS: Great question, by the way, and you are so right. It ranges from "We never left our office" to "we're not going back for two years," and everything in between. There's obviously a lot of reasons for the different perspective. Sometimes it's location. Depending upon what city you're in, depending upon if you're in the United States or Europe or China.

So you really have so many dynamics in play from your location to the building you're in to who's in your company and the scale of your company. I really believe a lot of the larger mandates that we hear out there are really where there is pretty significant scale. And I would say, with the tech companies in particular, they're needing to get clarity and move forward to do what they do as a company and not have people distracted with, "What's happening with me today?"

That's a piece of it. But I do believe at the end of the day, it is about how organizations are beginning to think about the value of place to their organization. Our tech companies, many of them are thriving because we're using their products to be able to make it through this pandemic. I was struck by [an article this week in the *Financial Review*](#) with Mark Golan, the COO of Google, and Google is one of our clients, where Mark states emphatically that collaboration works better in the office.

I just really respected him saying that, because obviously, they're an incredible platform. They're such an important mobility platform for the whole world, but he understands that for them to be able to be the creative engine that they are, that they need to be together in the office. He said that right now, we're leaning on the relationships we all built at work. And over time, that there will be deterioration in these relationships and a potential threat to corporate culture if we're not physically brought together. I think that just kind of says it all. We're all benefiting from all the capital of relationship that we built in being together, and that can be depleted over time. We need to come back together as organizations to have that culture that is so much an essential part of our success.

SAFIAN: Yeah. It's interesting, this balance of safety and clarity, to get work done. These leaders want to give a clear answer of either "You're going to be in the office tomorrow" or "You're not going to be in the office for a year, get used to it." And I guess if you're in the tech business, to say you're not going to be in the office for a year just encourages a culture of everyone using your products. It's kind of reinforcing.

I want to ask you about your leadership role as a CEO, as a woman of color, which is still rare in global business. This year, business folks have been confronted by rising social justice and diversity challenges pressed into thinking, rethinking their assumptions. You [told the *Wall Street Journal*](#), "I look back and I don't see the next me." I'm curious. What have you learned this year about your own assumptions? About Gensler's assumptions?

HOSKINS: Yeah, it has been just an incredible year of learning. The pandemic, the recession, and the social justice crisis that has been ignited. And all of these, I believe, can lead to better places, healthier places, and a healthier society as well. If we listen to what we can learn from hearing from others. And in particular, when it comes to social justice. As a firm, we have committed ourselves to doing our part to create a just and equitable future.

I mean, we are the largest architecture firm in the US, and so we've really made it a focus to change our profession through our leadership.

And we've put together five strategies that are really focused on how we're going to change us, our firm, and then how we are going to influence our industry for change as well. And then more importantly, and most importantly, is how we are really beginning to rethink what it means to design with the lens of equity? And what does "equitable design" mean? And that's a really important conversation going on across our firm.

We are leaning into the issues of what it means to be a firm that stands for equity and social justice. Not just in words, but in actions, from the standpoint of who we are, and really increasing our Black population within Gensler -- what that means and how we achieve that.

Even just this weekend, we had our annual Principals Meeting and we announced our new [board of directors](#) for 2021, and 14% of our board now will be Black and 50% female. We are leading by example and we are focused on making sure that we see a future that is going to be more equitable, more fair, an incredibly diverse profession, and that it will benefit society and benefit the world.

SAFIAN: You said to me when we talked a few days ago, that the workplace provides an opportunity for social justice and social impact. You said, "Having everyone work from home is not healthy for society." Can you explain that a little more for folks?

HOSKINS: Yeah. It's interesting. Places matter when it comes to a healthy and diverse society. We come to know others through the public realm, through our shopping malls, where you see people and interact with people who are different than yourself. Through sports arenas and places where people come together. And through our workplaces. I would say a lot of people meet the first person of color that becomes a friend of theirs in the workplace. They might meet their first friend who's LGBTQ in the workplace. We have this opportunity to find people who are joined with us in purpose and in goals in our work, who are just entirely different than ourselves. And we have this incredible connection and opportunity to learn about the fact that we're better together.

And so sitting in our homes, separate from each other, it's not allowing us to have that growth and to build that kind of resilience and health. And so our workplaces need to be diverse and diversity needs our workplaces.

SAFIAN: These are such challenging times. Do you get stressed? Are you stressed about it or are there things you do to manage your stress?

HOSKINS: Oh boy, great question. I wasn't ready for that one. It's funny. Of course we were all stressed when COVID started. I could just feel the adrenaline every single day, from sunup to sundown, you're just insatiable feeding yourself all this information, trying

to learn about what was going on and how do you respond and trying to make good decisions, trying to stay up on what was going on out there and information changing, every day, 24 hours a day. That is extremely stressful. So, definitely.

I think psychologists say that no matter what happens to you, that you have this set point that you return to. So I would say that I've returned to my normal set point. And it's important to be able to move away from just a panic zone into that place where you can be an effective leader, where you can actually make a difference and move through this and find that place on the other side.

SAFIAN: What's at stake for Gensler in this moment?

HOSKINS: In many ways, and I say this with huge humility: Our firm is built for this kind of moment.

I would say that bringing our optimism and ingenuity to the challenges that we face is something that has been an important role that Gensler has played. Early on, my partner, Andy, and I really felt like we needed to "take a stand" and figure out how you would create a space, if you could reenter. If you could, what would it look like? How would you go about it?

And we set out to do that, to bring our designers together, our folks that are savvy in technology and creative and strategic, and came up with our back-to-work strategy. And got it in front of our clients. We've done webinars with tens of thousands of people, individual meetings with hundreds and hundreds of clients, sharing this knowledge and stepping out as a leader with a path forward. In a place where there's been a lot of confusion and a lot of question marks, we came to the table saying, "Here's a path forward. Here's a way you can do it."

SAFIAN: A topic we haven't talked about: climate change. We could spend a whole episode on just designing spaces for a changing environment. Do the events of 2020 put those efforts on hold in some way as focus shifts to health and safety?

HOSKINS: You know, it's interesting. When COVID first hit, there were a lot of people who were saying, "This really put climate change in the backseat." And surprisingly, it's almost been the opposite.

This experience, 2020, has truly been a wake-up call for climate change for many reasons. In some ways it proved that regardless of our sense of safety and infallibility, that the unimaginable can happen, and at a global scale. Most of us have never witnessed anything that affected the entire world at one time that quickly, but that's what climate change has the potential to do.

And what we've seen with the pandemic is it's created an openness for that conversation. It's created more realism around the potential. So there really is a drive to really answer the call of, "How do we create greater resiliency?"

Of course, we're watching what's happening on the coast with fires and the extreme heat. And then another year of hurricanes that there just seems to be nonstop, continues to remind us that climate change is on the move. It's happening. You know, we're only a few degrees of temperature change on the planet that will basically tip us into much more severe experiences than we're already finding with even an extreme year like this.

So there is a renewed focus on climate change. There's a renewed energy around climate change. I was just on a call earlier today with a team from the World Economic Forum. And there were ... probably half the people on the call were Europeans. And they're talking about this Green New Deal that is going to pass in the EU, which is going to absolutely mandate net zero across the European Union.

And you can see that it's going to take those kinds of moves. Who knows what's going to happen from a national policy standpoint in the US, but companies are stepping out there. All of our major clients have stepped out there with goals. Goals of becoming net zero by 2025 or 2030. Really pretty amazing goals. And we're partnering with them to figure out, what does that mean for the space that you occupy as well? And how can we bring those goals that are about your supply chain and other things right into your built environment strategies?

SAFIAN: Diane, this has been great. Is there anything that I haven't asked you about, that we haven't touched on?

HOSKINS: Well, first of all, it's been terrific to have an opportunity to speak with you today. We see this as an incredible time of transformation. Transformation that can be scary and very difficult. And frankly, our hearts go out to the continued victims of this awful pandemic.

But this is a time of transformation, and from what we need to do to survive, but also then to thrive and to learn the lessons. To learn the lessons of health safety. To learn the lessons of social change. To learn the lessons that we will use to combat climate change. And even from the economic standpoint, how you do it and how you don't do it, to learn those lessons as well.

And we will all be stronger, and society will be a healthier place all the way around if we can learn those lessons. We are conscious of our scale and realizing that there's an incredible opportunity and responsibility, and we look forward to being a driver for positive change and enhancing the human experience.

SAFIAN: Well, thank you for joining us. I really appreciate having you here.

HOSKINS: Thank you, Bob.