

10.2: Workplace Campuses

Learning Objectives

By the end of this section, you will be able to:

- Compare the workplaces of yesterday, today, and the future
- Describe the benefits and potential drawbacks of workplace campuses
- Identify ethical challenges in the development of workplace campuses

The physical workplace is changing. Most companies still inhabit traditional office spaces in which managers and employees each have an allotted space, whether an office, a cubicle, or just a desk. However, a growing number are redesigning their spaces with fewer separate offices, substituting flexible or shareable work stations built around communal space.³⁴ The idea is that such “open plan” environments allow for more collaboration and brainstorming because employees are no longer walled off from one another. Shared, multipurpose spaces open to all allow people to gather informally throughout the day. In effect, then, these changes are aimed to augment productivity.

In another trend, companies like Apple, Microsoft, Facebook, Amazon, and Alphabet (which owns Google) are developing expansive campus-like facilities that offer generous on-site amenities like recreation centers, fine dining, parks, walking and biking paths, climbing walls, free snacks, child-care facilities, basketball courts, haircuts and massages, and laundry, dry-cleaning, and car wash operations, in airy spaces often powered by renewable energy sources (Figure 10.5).³⁵ Facebook and Alphabet/Google have plans for building mega-corporate campuses that also include housing. Facebook plans to reserve 15 percent of its housing units for low-income neighbors, but, in both cases, it is anticipated that most residents of these campuses will be employees.³⁶ Presumably, workers who do not have to commute to and from work every day will be happier and more productive.



Figure 10.2.5: This herb garden at the Googleplex, Google’s headquarters, is an outdoor area where workers can sit and contemplate nature. The garden is part of a farm-to-table program to teach Googlers about how their food is grown. (credit: “Googleplex” by Pamela Carls/Flickr, CC BY 2.0)

New workplace arrangements like these effectively serve as fringe benefits for employees that presumably offer the flexibility and work-life balance promised by corporate recruiters. Yet, looking from a different angle, we might consider the motivations behind these complexes to be less than altruistic, because such campuses encourage workers to stay in the office far longer than they might otherwise. Is this the case? Furthermore, if so, do they result in the same or higher levels of productivity? What ethical challenges do they present for the employer and the employee?

Workplace Campuses and Historical Precedents

Traditional workspaces are designed to allow each person to get the maximum amount of work completed each day, spending most of the time alone in a fairly utilitarian environment with minimal distractions. The size and location of the offices indicate status (corner offices are prized), and lunchrooms or cafeterias and water coolers provide the only place for brief social encounters.

State-of-the-art workplaces today, however, incorporate technology and encourage collaboration. Ergonomic furniture is available for comfort, and laptops and tablets allow workers to move around the facility as desktop computers could not. In fact, workers in the new flexible workplace spend less than 50 percent of their time at a desk.³⁷ Moreover, as we discussed in the previous section, many enjoy the flexibility of telecommuting as needed. Furthermore, in open-plan spaces, all work positions locations are alike; status is not signaled by location or size.

LINK TO LEARNING

Watch this [promotional video for one technology company whose employees work in a campus-like setting](#) to learn about some of the benefits.

As early as the 1960s, large companies like Bell Labs built suburban compounds for their corporate headquarters, but they were a far cry from the campus settings of Apple and Google today. Bell Labs' design, for example, was a series of laboratories and office buildings grouped together, with a functional cafeteria.

Workplace campuses are also modeled on university campuses that provide a relatively complete work and living environment for students. As noted, Facebook and Google are building apartments near their corporate campuses. Facebook's new project, named Willow Village, is near Menlo Park, California, and will include some fifteen hundred units. Employees who lease an apartment there will be eligible for a company bonus.³⁸ The future workplace campuses and mega-corporate campuses with housing bear a superficial resemblance to nineteenth- and early twentieth-century "company towns," which existed around the world.

In a company town, the stores, entertainment venues, and housing were all owned by the same company, which also employed everyone in a local factory or mine.³⁹ The remote locations of factories sometimes made it necessary for such employers to provide workers with housing and a means to acquire the necessities of life, but those who lived and worked in the company town paid for all purchases from their wages, which, of course, went straight back to the employer. The owners and builders of company towns, like George Pullman or Henry Ford, were often idealists who envisioned creating a social utopia.⁴⁰ But the towns and their owners could also be paternalistic and self-serving. Indeed, company towns created what is called a monopsony in the labor market, where there is only a single buyer, and the economic analysis of monopsony shows that with the lack of competition for labor, wages of workers are suppressed. That is, "a monopsonist in the labor market can leverage its market power. Because it is the only firm hiring, it can pay its workers less."⁴¹

Company towns began to disappear when cars became affordable and employees could drive to work. However, all that driving lengthened some workdays and disrupted the balance people enjoyed between working hours and personal time. Like telecommuting, corporate villages are one approach to cut down drive time. However, critics of Facebook's Willow Village are calling the property "Zucktown" and wondering whether the development will further blur the work-life balance for employees of Mark Zuckerberg's social media company.

CASES FROM THE REAL WORLD

Acuity's Workplace Campus

Employees at Acuity, an insurance provider in Sheboygan, Wisconsin, enjoy amenities beyond the imagining of the average U.S. worker. The company offers flexible workdays, on-site leadership training, tuition reimbursement for continuing education, and company scholarships. Its \$130 million campus also provides an on-site fitness center complete with a climbing wall, a garden, and a cafeteria serving nutritious meals. Employees are offered the services of an on-site massage therapist, and there are on-site banking and dry-cleaning services.

The campus was designed to be a showpiece at the entrance to the town of Sheboygan. In fact, it features a working Ferris wheel and a theater-in-the-round that seats two thousand, which the company makes available for community events and town hall meetings.

Critical Thinking

- What do you think about a company that would build a multimillion-dollar workplace campus that also serves as a center for community events?
- What does the investment communicate about the company's core values and stakeholder focus?
- Should company facilities be only for employees?

The Pursuit of Work-Life Balance

Twenty-five percent of U.S. employees in multiple industries were recently surveyed and reported feeling “super stressed” as they juggled work and home responsibilities.⁴² Daily stress from trying to maintain work-life balance can produce health effects like reduced immunity and inadequate sleep. Stressed workers are also less productive in the workplace.

Efforts to offer employees an ever-widening array of amenities appear to be an effort by employers to create work-life balance and make their companies more desirable as places of employment. The idea is that life is simpler if food is readily available and free at work, if a doctor's office or hair salon is just down the hall, and if home is right on campus.

Some research shows that millennials believe integrating work and leisure in some combination fosters work-life balance.⁴³ They may see less need to have clear boundaries between their work world and their home life as technology pushes them to be connected in so many ways that once did not exist but now seem inescapable (e.g., an employee of a global firm that conducts business around the clock may never be truly separated from the office due to connectivity provided by mobile devices).

Have employers then crossed a line with these perks? Have they created an expectation that the employee who works on a corporate campus where all needed services are provided will, in turn, be accessible for long hours of work on a regular basis? Are the amenities really velvet handcuffs that tie employees to work? Living right next to work clearly will reduce commuting time, and via this path, it may promote work-life balance. But the expectation that long hours should be routine just because they are possible will hamper, rather than facilitate, the quest for work-life balance. Furthermore, to the extent that mega-corporate campuses do tie workers to their jobs, reduced worker mobility means that labor markets will be less able to adjust to changing conditions.

The Ethical Challenges of Workplace Campuses

It is hard to imagine that anyone could find fault with a job that came with all the amenities of a campus-like environment. However, the all-encompassing aspect of these workplaces means a manager's job description greatly expands to include small-city management functions. As the April 2018 shooting of employees at YouTube's headquarters suggests, corporate campuses may have a greater need for security, with duties that dovetail those of the city police. Growth of the compound will challenge managers to comply with city planning and zoning regulations. How should these villages within a city contribute to the municipal services they need for the population they draw? Should the city be able to require a greater tax contribution from mega-corporate campus developers that equals the load they add to the city's fiscal responsibilities?

CASES FROM THE REAL WORLD

A New Slice of the Apple?

In 2011, Steve Jobs, founder of Apple, appeared before the Cupertino City Council to present his proposal for a new Apple headquarters on the outskirts of the city. The project, which was approved, is known as the “Ring.” It encompasses 2.8 million square feet and cost some \$5 billion to construct. Jobs planned the innovative facility to inspire engineers and programmers charged with creating new Apple devices and tools ([Figure 10.6](#)). Its shape is meant to allow them to collaborate while maintaining a connection to nature. Jobs (who died in 2011) also hoped the building would enable Apple to better safeguard its secrets, because it is large enough to house so many employees and data systems in one secure location. The building is sustainable due to solar panels that provide all its energy needs, and the campus includes nine thousand drought-resistant trees planted to withstand a changing climate. Parking is limited by design to encourage employees to use public transportation and share rides.⁴⁴



Figure 10.2.6: This likeness of the Apple Ring provides a sense of the scale of the building, which boasts a four-story cafeteria. (CC BY 4.0; Rice University & OpenStax)

Critics, however, say the Ring's outer-city location and inward-looking shape, giving many in it a view of only the other side of the building, discourage employees from being a part of Cupertino's life.⁴⁵ Others argue that remodeling an existing building in the heart of the city would have done more for Cupertino's local economy. Ninety percent of Ring workers are not local; they commute to their jobs, and so they might not have made an impact on the city even if Apple had made a different decision. Shareholders also objected to the facility because of its cost, which may have reduced Apple's ability to issue more corporate dividends.⁴⁶ However, Jobs' approach to the Apple campus is unquestionably part of a growing trend to create company compounds.

Critical Thinking

- Should a company build in the inner city to integrate its workforce with the community and reduce the traffic consequences of adding its workforce to the local population?
- Is it better for a company to support local restaurants or build its own restaurant facilities?
- Is it ethical for a company to spend so much on building a corporate facility instead of increasing shareholder dividends?
- Should there be zoning laws regarding corporate campuses?

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