

THE MILLION DOLLAR QUESTION:

Can Rearranging Employee Seating Improve Performance and Profits?

OPTIMAL SEATING ARRANGEMENTS

For organizations looking to increase their returns on the human capital of their workforce, simply rearranging employee seating may be one of the most cost-effective resources at their disposal. Placing the right type of workers in close proximity to each other has been shown to generate up to a **15% increase in organizational performance**. For an organization of 2,000 workers, strategic seating planning could add an estimated **\$1 million in per annum profit**.



HIGH (PRODUCTIVE WORKER)

High Productivity
Low Quality

38%
faster than
average worker

28%
less likely to escalate
a task to another worker
than average worker

14%
lower quality work
versus average worker



AVERAGE (GENERALIST)

Average Productivity
Average Quality



LOW (QUALITY WORKER)

Low Productivity
High Quality

33%
slower than
average worker

17%
more likely to need to
escalate a task to another
worker than average worker

7%
higher quality work
versus average worker

**GENERALISTS
SHOULD BE
GROUPED
TOGETHER**

**PRODUCTIVE
WORKERS SHOULD
BE PAIRED WITH
QUALITY
WORKERS**

13%

**GAIN IN
PRODUCTIVITY**

17%

**GAIN IN
EFFECTIVENESS**

**when pairing workers with complementary
strengths and weaknesses**

ABOUT THE STUDY

Research performed as a collaboration between Cornerstone OnDemand and researchers at Harvard Business School uncovers how the distance between two employees' desks affects various performance measures. The study measures the effects of performance Spillover – both positive and negative – on several dimensions, and finds that it is pervasive in the physical distance between workers. The research also finds that workers have different strengths, and that while Spillover is minimal for a worker when it occurs in an area of strength, the same worker can be greatly affected if the Spillover occurs in his/her area of weakness. This suggests a symbiotic pairing of workers in physical space can greatly improve performance. Overall, physical space appears to be an untapped resource that companies can use to enhance organizational performance.

For additional information about the study, visit csod.com/strategicseating