

Where's the Ashtray?

by Charles B. Wendel

The brief graphic that accompanies this newsletter summarizes in a few seconds the type and extent of change that has occurred in our office environment from 1980 until 2014. Changes are still occurring, underscoring the dynamic situation that managers face going forward.

The 36 second video begins in 1980. It misses the departure of the ashtray and smoking from offices. At Citibank, my first job post-MBA, many of the guys would light up cigars as early as 7:30 or 8AM when we arrived. Occasionally, a non-smoker grumbled, but those comments were never given any weight. Imagine how quickly HR and security would act today if someone lit up a cigarette or cigar.

I don't know why the video stops in 2014, but in doing so it misses at least two critical changes since then. The video shows many activities such as the calendar, rolodex, and reference materials disappearing and moving into the PC. By 2014 all that is left is the PC with dozens of apps, phone, and desk. But since then, additional changes have continued.

Most fundamentally, for many workers the desk is gone. Over my career I have visited CEOs who had entire floors to themselves with an elevator reserved for their personal use so that they did not have mix with commoners. I've seen offices decorated with model boats, samurai swords, and military artifacts as well as autographed baseballs. Getting your own office was an important rite of passage to many and customizing it showed your personality and interests. It allowed people to create their own safe spaces before we knew what safe spaces were. Some companies provided redecorating budgets.

But when I was in an office recently we hunted for an empty nondescript conference room where we could meet for a set period of time until the next reservation. No family pictures, no knick knacks, nothing personal.

One client we know crammed an additional 15-20% of employees onto each floor after an office redesign. Some private offices, yes, but reduced in size and without much privacy. Many who had enjoyed an office with a door for years found they were now in a cubicle, one commenting that he saw himself as a telemarketer and not an executive. This occurred pre-covid. Post-covid the hesitancy to return to the office remains high. Is that due to health concerns or an unattractive working environment? Some may view being stripped of an office as akin to being demoted.

Increasingly, the computer, or at least, the desktop variety is long gone. More work is being done over smartphones. Apparently, Hunter lost several computers, but no phones. Why? He may have had even more intriguing information on the phone, but literally kept it close to his chest.

Is all this change good or bad? That's an understandable but irrelevant question. Changes have happened and will continue to happen in ways we cannot guess today. Frankly, it should motivate some top execs to consider whether they want to work through more of these unpredictable changes or consider a sale to others.

Inflation, higher interest rates, uncertainty about CRE and other loans (again), and a changed work culture. Some banks may be well positioned for this volatility, but others may be just as well served by an honest self-assessment and a successful withdrawal from the battle.

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