



The Economic Club of New York

115th Year
670th meeting

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Steelcase, Inc.

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Webinar

Moderator: Janice Ellig
Chief Executive Officer, Ellig Group

Introduction

Chairman John C. Williams

Well, good afternoon and welcome to the 670th meeting of The Economic Club of New York. I'm John Williams. I'm Chair of the Club and I'm President and CEO of the Federal Reserve Bank of New York. So it's an honor to be here with all of you in this milestone year. This is our 115th anniversary for the Club. The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues. A special welcome to members of The Economic Club of New York's 2022 Class of Fellows – a select group of diverse, rising, next-gen business thought leaders.

Today, we're very honored to welcome Sara Armbruster, the President and CEO of Steelcase, Inc. for a very timely discussion. Steelcase is a company trusted by many organizations around the world to create inspiring, productive, adaptable, and safe workplaces. In addition to her role on the company's board of directors, Sara brings executive experience from several positions in the organization to the office of CEO, which she assumed in 2021.

Now before joining Steelcase, Sara served as Vice President of Business Development at the Banta Corporation, a publicly-traded global printing and supply chain services company. She also worked at McKinsey & Company and Andersen Consulting. Sara

currently serves on the board of directors at Winnebago Industries and Chief Executives for Corporate Purpose. She also sits on the boards of Business Leaders for Michigan, The Right Place, and BIFMA, and she's a trustee of the Steelcase Foundation.

The format today will begin with opening remarks by Sara followed by a conversation with Club member, Janice Ellig, Chief Executive Officer of the Ellig Group. We'll end promptly at 1:45 and any questions that were submitted to the Club from members were shared and may be addressed during the conversation. In addition, we'll be using the chat box feature for this conversation and you can enter questions directly in the chat box for their consideration if time permits. As a reminder, this conversation is on the record as we do have media on the line. So Sara, if you're ready, I'm happy to pass the microphone over to you now.

Opening remarks by Sara E. Armbruster

Great. Well, thank you so much, John. And it's really an honor to be here today with all of you for this conversation. So, as you mentioned, I've been the CEO of Steelcase for just nine months, which means I took the job in the midst of, you know, yet another wave of the Covid pandemic, which raised questions about whether people should be in the office, and of course in the midst of the Great Resignation, which led to a lot of questions about being in the office, and then certainly the ongoing debate between

many employers and employees about whether there was value in being together in the office.

So, frankly, when I stepped into this role, there were a few people who looked at me with a bit of puzzlement and wondered why in the world anyone would want to take the helm of a company whose core business is office furniture at a time when the office is the topic of such debate. But, you know, in fact, I really look at that in completely the opposite way. And frankly, that debate is exactly why I think this is a terrific time to be in this role and to be in the business of placemaking. I mean never before have so many people been deeply questioning the work they do, how they work, where they work, you know, even the fundamental purpose of work. And I think those questions are creating a whole new slate of possibilities in terms of how we think about work, how we think about the office, how we think about the purpose of the work we do. So it makes it a really exciting time.

And we're seeing that in the choices that many organizations and business leaders are making in terms of experimenting with new models, experimenting with hybrid work, looking at new questions and opportunities for the work spaces. There are people who used the change to evolve into something better. So I think this is a really a time of exciting new possibilities and I'm really fortunate to be right in the middle of all of that.

You know it reminds me quite a bit in some ways of ten years ago in Steelcase's history. We were celebrating our 100th anniversary at the time and by coincidence we had also made the decision to consolidate a pretty major research and development and product design and engineering center in another part of Grand Rapids, Michigan, into our main campus where I'm located today. So we were planning to effectively double the size of the people on the main campus without expanding the physical footprint. So we had a lot of challenges and a lot of questions about how we were going to make this work from a tactical standpoint, but more importantly, we asked big questions about how we want to use this project to shape our buildings in a way that would really shape our culture and reflect the purpose of the organization.

And it wasn't lost on me and the other leaders who were in charge of this effort that the decisions we would be making about that project, because it did involve physical space, would really be lasting, and that it was almost a sort of a once-in-a-career opportunity to make physical space decisions that had a profound impact or could have a profound impact on the business for years to come. And one of my colleagues, now retired but who was key to that project, said at the time that office space is the body language of an organization. And that really stuck with us and we felt that weight and that responsibility that, you know, whatever we're going to do physically has to reflect the culture we want to be, the purpose we want to serve, the mission of this company, the strategy. And we felt both, I think it was both daunting but also really exciting to have the opportunity to

make that tangible in the form of the space that we were going to build.

So I think about that a lot because I think that's what this moment feels like as well for many of us who are in business leadership positions. We're all asking questions about what the future of our organization is going to be, what the future of our workplace and employee experience is going to be, and how things like technology and physical space support that. So I think we have, in many respects, you know, a once-in-a-career chance, for a lack of a better phrase, to put a positive stamp on that. And it's a huge opportunity for all of us to really shape all of that going forward.

So that's maybe just to kick off the conversation and frame the conversation, what's been rattling around in my head, and I'm looking forward to diving into that more with all of you as we go through today's conversation.

Conversation with Sara E. Armbruster

JANICE ELLIG: Well, Sara, thank you so much. That's a great opening. And, you know, from one who does executive search, employees, executives are really looking at companies and what they're doing for their cultures. And you're not just a furniture company. You truly do workplace strategy and work spaces that will be exciting and how people can really achieve and be better people there. So you're really redesigning a lot. And I know that you've done an enormous amount of research.

But before we go into that, I want to delve a little bit more into you. It's your first time as CEO. You're 15 years at the company. I know you're excited about it, but there are challenges here. What do you see going forward, you know, in the future for Steelcase, an iconic company, like you said, over 110 years old?

SARA ARMBRUSTER: Yes, well, so we are 100, actually 110 years old. And so, you know, I think on the one hand, we have a tremendous legacy and a tremendous history of success that I think serves us in good stead as we go through this period of time, which is certainly more tumultuous than we probably wish it were. But at the same time, I think Steelcase also has a tremendous capability when it comes to innovation and research and insights-based thinking that helps us look forward.

So I think, you know, the challenge today, maybe the challenge always is, but especially today, is to continually be asking ourselves what about the past and what about that history will serve us in good stead as we go forward? So how do we identify those things and preserve them? But at the same time, how do we recognize that we are in a rapidly changing world. We're in a rapidly changing landscape of the workplace. We're in a rapidly changing industry with different and new competitive dynamics. So how do we at the same time identify the places where we might need to let go of the past or evolve the past and move the company forward.

So I think every CEO and every leadership team is always asking those questions, but I think we've got the 110-year history and the weight of all of that success behind us, I think it causes us to really focus on that question about what do we keep and what do we move forward more deeply.

JANICE ELLIG: Well, RTO or the return to office, is a dilemma for many, right? In terms of do people want to come back. Will they come back on a hybrid basis? What does your research, you, I think looked at 5,000 employees globally, and so that was the primary research that you did, what were some of the findings there in terms of what to expect from the office today versus yesterday?

SARA ARMBRUSTER: Yes, so let give you a quick overview of some of the research we've done over the past two years and then answer that question. We've actually, since March 2020, completed about 12 primary research studies across 11 countries globally. And that's actually touched 57,000 different respondents in various ways. And that includes both individual contributors and employees as well as business leaders and executives and everyone in between. So it's a pretty broad data set at this point that has been a goldmine for us to be able to start to get a sense of what people are thinking about and what's on their minds.

You know, with respect to what people are thinking, what do people expect from the

office, really five things have surfaced as being critical. And I'll say two in particular, I think, are most interesting to reflect on. One of those is belonging. It's been interesting that the thing that consistently comes up high in the rankings regardless of who you talk to, what country, what background, what industry, is that employees value the office for the sense of belonging that it can give them, whether that's connection to one another and a sense of community or a sense of greater connection to the shared purpose of their organization.

The second thing that comes up really significantly and pretty consistently is control. People want to feel a sense of control about where they work, when they work, how they work. And we're certainly seeing that in the headlines with respect to the debate of do I work from home or do I have to come into the office. But even when an employee is in the office, there are a lot of ways in which an employer can give them control or take away control. You know, do you have an assigned desk? Are you forced to be in a certain place? Or do you have flexibility to think about the whole building or the whole campus as your canvas, so to speak, to pick and choose where you need to be to get the particular work done that you're trying to accomplish at that moment? So control is really significant.

The other three things that come up beyond belonging and control are productivity, comfort, and safety. So productivity is really about the tools as well as the

environmental conditions to get work done. So sometimes that means access to technology or specialized equipment that can support work. But often it means something as simple as is there a quiet place where I can focus and where I cannot be distracted by things happening around me when I need to write a presentation or I need to read something and think deeply and I need a quiet space?

You know, comfort certainly continues to be about ergonomics. Do people have spaces that physically support them in appropriate ways? But I think it's also increasingly about rejuvenation and well-being. We are all going through a lot, right? And I think, you know, you talk to anyone and the stresses they're feeling or the tensions they're perhaps managing or the things that they're navigating both at work and in their personal lives, I think really put a premium on this idea of well-being and rejuvenation in the office, and are there places that support that?

And then lastly, safety. Safety is not just physical safety and not having to, you know, sit two feet away from someone who is coughing on you, but also psychological safety. This is another thing that really is emerging as important to people with respect to the idea that, that does physical space create an environment or signal permission to be able to ask a question or share your thoughts or make a comment without being maybe embarrassed or punished. Now certainly there's a human aspect to that too. There's a lot about leadership and team dynamics in that in terms of creating a culture that gives

people psychological safety. But I think certainly physical spaces can be a piece of that equation in terms of signaling what behaviors are encouraged and then which behaviors are maybe discouraged or less productive.

JANICE ELLIG: Sara, working with your clients, are these five themes once that you're really helping them think through as they design their office space or redesign it?

SARA ARMBRUSTER: We are. Yes, so that is what we're helping them think through. And I think it's important to mention that, just as you said, those are themes. It's not a prescription. So the way, for example, creating a sense of control for employees or giving them a sense of control, the way that actually can manifest itself can vary tremendously. And it can vary tremendously by the company, by the culture, by their business strategy, by the degree of change they might be willing to take on in terms of their approach to work. So we really like to work with the idea that these are design principles and these are themes but then the way they translate specifically into your office or your workplace strategy can be highly flexible and highly tailored to what makes sense.

I think the other way we're helping organizations think about these themes is to say that, you know, kind of this all sums up to some total. And I think that the new inspiration for the workplace I would describe as a really vibrant neighborhood. So if we all rewind the

clock to say 50 years ago, offices were really set up to follow the flow of paperwork.

Right? This is before computers. Things were done by paper. And I think the inspiration for office design in some ways reflected an assembly line, but it's an assembly line for paper. So I had my piece of paper. I stamped it. I handed it over to the next desk, to you. You signed it, you passed it to the third desk. That person did something. But obviously the way work happens today is completely different. And the idea of a vibrant neighborhood is a totally different inspiration.

And when you think about, you know, think about your favorite neighborhood in New York City, think about the neighborhood you live in and why you love it. And I think, you know, three characteristics for sure come to mind. You know, first of all, is the diversity – the diversity of the kinds of spaces, public, private, you know, residential, retail, cafes, etc. and the variety of activities that can happen in a great neighborhood.

The second is the fact that great neighborhoods tend to have some public spaces, you know, places that are designed to bring people together and foster relationships. And then the third is that nothing is static, right? In a great neighborhood, the use, the behavior, the activities are constantly adapting. So, you know, there's the farmer's market here on Saturday morning, but, you know, on Tuesday afternoon, it's where the, whatever, you know, the people who want to play basketball come together after work and play a pick-up game or whatever. So I think the adaptiveness and the constant

change is also a hallmark of a great neighborhood. So we're really trying to think about how offices can reflect the energy of great neighborhoods more so than those traditionally kind of static, you know, rows and rows of cubicles that we're used to from the days of the past.

JANICE ELLIG: So you really are consulting almost on culture in terms of how you're trying to help your clients really develop the most inclusive, invigorating, innovative, and spontaneous collaboration – it's a term that's coming up – culture. So what do you see and how do you advise your clients in different sectors? And we'll start with New York City and New York City financial services and then back to the Midwest and the Southwest. How do you advise your clients on those?

SARA ARMBRUSTER: Well, let me touch on your comment about culture and then I'll come back to that question of what we're seeing, you know, by region or sector. I think you're absolutely right. I mean, Steelcase, you know, we're a manufacturer of furniture so I don't want to claim anything different. But I think what's really interesting is that human beings, you know, we innately know how to read physical space. And physical space sends a lot of signals and cues to us about what activities are allowed in this space, what activities are encouraged, and what things are forbidden. Space communicates hierarchy. Space communicates expectations.

And we all know, you know, even as small children that if you're walking into, say, a library or maybe a church, I mean the space is already telling you that the behavior that's permissible in those places is different than the behavior that's permissible in the school gym, right? So I think we innately understand space in a way that impacts behavior and behavior over time becomes culture. So that's why we describe the link and why it's become important for us to use our research, not just to think about the physical design of furniture and how the furniture itself can support needs, but to think more broadly about how people and space and behavior all come together to achieve various ends.

So with respect to the trends that we're seeing and how those vary by region or by sector, I would say certainly, well, let me start globally and then I'll get to the U.S. and then New York City. You know, globally I would say that the tensions between employers and employees about hybrid work or where to work are most pronounced in North America. That doesn't mean that we're not seeing the same kinds of conversations or issues in other parts of the world, but I think in many parts of the world people have gone back to the office. People have resumed what I'll describe as the working pattern they had before the pandemic for the most part. And we're not seeing the same degree on average of debate, dialogue, or even tension that we are seeing in some parts of North America.

Then if you double-click on North America or the U.S., I think we see pretty significant differences between major cities and especially major cities on the coasts with the rest of the country. You know, you go to Dallas, people are going to the office. You know, you go to second and third tier cities like Grand Rapids, Michigan where I am, you know, people are going to the office for the most part. It's really San Francisco, Los Angeles, New York, you see some of the coastal cities where we see more challenges because commutes are longer, there are questions about safety. There are a variety of dynamics that I think are particularly heightened in some of those cities that you don't see in other parts of the country. So we're seeing those tensions.

You know, with respect to New York, it's interesting. I was actually, just before this conversation, I was talking to one of our dealers in New York, and he was reflecting on the fact that he really sees, you know, by and large, his clients working hard to get people back to the office. Now that's happening at different degrees and with different degrees of success. But he is still feeling a large degree of desire to get people back to the office and that's being reflected at least right now in the fact that as he also talks to some of the larger real estate firms and real estate brokers that are part of his network, they are not yet seeing clients in New York in any large degree let go of space or significantly shut space or exit leases.

Now, I think that may be true in the near term. I think there's still an open question about

what happens over the longer term in terms of the total size of the real estate footprint and the office real estate footprint and how that is likely to change over time. But it's been interesting that I think, you know, so far we're still seeing people want to bring people together, yes, in a more flexible way, yes, in a hybrid way, but I think there's still a lot of value that's seen in having people come together physically for certain kinds of work and certain kinds of activities. But we're still in a really transitory moment, so I wouldn't say that what we're seeing today is necessarily predictive of what we'll see a year from now or five years from now.

JANICE ELLIG: What should CEOs, leaders think of in terms of getting people back to the office because I've always said, even with my own, we were productive but we weren't as efficient. Right?

SARA ARMBRUSTER: Yes, I think you're right. I love your saying that we were productive, but not efficient. I think a lot of it depends on what you're trying to optimize for. And if you're trying to optimize for the individual, sure, if I'm sitting at home all day with no interruptions, I can get through a lot of email. I can get a lot of stuff checked off my to-do list, but am I here and visible to help support or coach, you know, our summer interns? Am I here to participate in meetings in a way where I can read the body language and really perhaps influence the nature of the conversation in a way that I might not be able to do as easily over Zoom? I think there are a lot of other things that if

you're trying to optimize for the success of the whole, of the whole organization, then I think it's harder to imagine how that happens if people are never physically together.

But in terms of getting people back, we've worked with lots of organizations who have tried many things over the past two years. I'll share, you know, maybe a couple of patterns we've seen among those who seem to be more successful thus far. I think the first thing is that you have to have a compelling narrative about why. You know, if you have a building, you know, why? What is the true deep reason that you have that building? What is it for? What is it for now? What is it that you expect people to do there? So I think having that deep thinking and crafting that into a narrative is really important because many organizations have not done that or maybe have done that superficially.

So they might say, hey, we want you back because we're better together. And I agree, I love the sentiment of better together, but if you double-click on that, is that better together because it's really about collaboration to foster innovation? Is better together about learning and development? Is better together about equity and the idea that we need to kind of be in this together as one organization, especially for companies that have a mix of office space employees and frontline or factory-based employees.

So, you know, I think better together can mean many different things and they're all

valid. But which one, you know, is the one that makes sense for your organization? So I think having that narrative makes sense because, as we all know, if we, as leaders, don't create that narrative, our employees will fill in the blanks and then the narrative becomes they want me here because they don't trust me. They want to make sure my, you know, I'm in my chair, you know, my 40 hours a week. They want to control me. You know, whatever it might be. So you have to have that narrative.

And then I think, secondly, once you've determined what that is for your organization, connecting that to the employee experience. So I think we're all familiar with the saying, you know, people join companies but they quit their bosses. Right? And I think that's sort of an interesting thing to reflect on in this moment because our employees join our companies because they're attracted to the vision and the promise and the purpose of what we're trying to accomplish. But they may quit, or they may choose to stay home because of the reality of the day-to-day work experience. And that could entail a variety of things including the open-plan layout where they feel packed in like sardines and never have any privacy. It could include the feeling of being tethered to their desk with no control about where they work, you know, throughout the office when they're in the office. It could be about politics, the boss who doesn't support their development. It could be any number of things.

So I think if you think about what that narrative is, then it's imperative to say, okay, how

does the day-to-day experience of my employees connect to and reinforce that narrative, whether that's about leadership skills, whether that's about culture, or whether that's about physical space and access to tools and technology to support their success.

And then, you know, I think it's important to experiment. So the third thing I'd say is as you start to craft what all of that looks like, you need to start experimenting. I talk to a lot of business leaders who are waiting for a high degree of clarity about the future before they act. And I'm not convinced that moment where we will wake up and suddenly have that high degree of clarity is going to come. So I would encourage you, whether it's experimenting with space or experimenting with new technology tools or whether it's experimenting with different kinds of HR policies or approaches, whatever it is, I would encourage you to think about starting to experiment. What is that first pilot? What is that first test, if you haven't already started to do that. So those are a couple of thoughts and things that we've seen as consistent patterns across the organizations we work with that are, I'll say further along in the journey of designing and being successful in their new hybrid working model.

JANICE ELLIG: So it's a not one-size-fits-all here, but it is really looking at your employees. There was an interesting article in the *New York Times* yesterday, which was titled, "hey, is anyone watching the intern"? You know, you read that and you say,

oh, my goodness, the interns are there. There's no supervision. So the leaders could be not in the office and yet the interns are. And there was a study that was done with Stanford, the University of Chicago, and ICAM, where those who were 20 to 29, only 24% said they would want to work full-time remotely whereas for the 50- to 64-year-old, 41% said that they would like to work remote. I found that astonishing. Do you have a comment about that?

SARA ARMBRUSTER: Yes, so I saw that article as well and I smiled as I read it because it definitely corroborates some of the things we've seen in our research. We have done sort of, a slice of the research that we've done over the past two years has included generation-specific research. And I think it's, you know, I think the way that I would sum up, you know, one insight from that research is that if you are a leader, on average, you have a better experience no matter what. Leaders tend to have a better experience working from home and they tend to have a better experience when they're in their office. And I think it is easy when you are in that leadership position to potentially forget that or maybe not fully appreciate or understand the reality of what both the office experience as well as the at-home experience is like, you know, for your younger or entry-level employees.

So just to give you a couple of data points, when we looked at the disconnect in terms of the work-from-home experience, between senior leaders and individual contributor

employees, we saw really dramatic differences. So, for example, 75% of people in our sample that are at director level or above say that when they work from home they have a dedicated desk, like an actual desk to work from. And that's true for less than half of the individual contributors. When we asked how many director or above have an ergonomic chair to support them when they work from home versus individual contributors, the directors were twice as likely to have an ergonomic desk chair at home than the individual contributors.

And we do, you know, we go into people's houses and we photograph and we say show me where you work. And some of it is, you know, it's working in a closet with your laptop on an upside-down laundry basket. And that's not that uncommon. So I think on the one hand, you know, I think that is part of the reason that in some cases younger people actually are more likely to go into the office because the office can be a very much better and supportive environment for them than what they have at home.

You know, at the same time, we've also seen data that suggests that in the office the bosses have it better as well. They are much more likely to have a private office, much more likely to have a place where they can shut the door and focus and do individual work, even though the nature of most executives' work is actually less likely to be that individual focus work. They are people who are more likely to be in meetings and going from place to place whereas the individual contributor is probably in the open plan, may

not have access to privacy, may not have access to different kinds of postures, you know, or tools to support their work.

So I think there are a lot of things in that piece on interns that resonated with me. So maybe the moral of that story is that as you think about the future state for your organization, be thinking not just about the answer as a whole but be thinking about how the experiences and how that answer may need to be tailored or may need to adjust given the differing initial conditions for different generations in your workforce.

JANICE ELLIG: You can see the computer on top of the laundry basket. You can almost picture that, right? Are your clients asking you to look at what the menus, whether it's technology or the needs of the employees for that home office? Are you doing that?

SARA ARMBRUSTER: So we are doing that. So the core of our business remains supporting, I'll say institutional working environments, whether that's an office, whether that's a healthcare setting, whether that's an academic educational setting. But we do increasingly have a consumer business that's designed to support people who are looking to make investments in their work spaces at home. And a big part of how we're thinking about that is how we work with employers, to help employers develop programs that they can then use to help support their employees.

So in some cases, employers want to put together a catalog of products that are great products, but also really appropriate in terms of the look and feel and scale for the home environment and in some cases provide the stipend. In some cases provide, you know, other ways for their employees to access that. So I think more and more we're seeing employers ask the question, gosh, I need to be thinking about how I'm supporting both the productivity and the well-being of my employee, not just when they're in the office but also how do I support them when they're working from home. And we do that with our clients.

JANICE ELLIG: Let's turn to real estate for a moment because of the assumption that employers are really cutting back on real estate. Are they doing that? Or are they reconfiguring some of their real estate? You know, people gather in one big lunchroom like you have in many organizations.

SARA ARMBRUSTER: So, thus far, and I would say we're still early given the length of leases and kind of the fact that real estate often evolves over a longer stretch of time, but I would say thus far we have not seen trends change dramatically. We have a lot of organizations we work with who aren't yet changing their footprints much. We have some organizations that we work with, certainly some customers who dramatically cut back the amount of real estate they have already. But we've also seen other organizations expand their real estate. So, for us, when we net that all out kind of

globally, there hasn't been a dramatic change either way.

But I think you're right that what we are seeing is people looking very differently about the real estate they have and that footprint and what happens inside that. So the mix of individual spaces and work stations versus collaborative spaces. You know, the mix of spaces that are designed for, I'll say more traditional work, like desks and chairs versus more social spaces, lounge spaces, you know, outdoor spaces. The mix of how people are thinking about technology and how many spaces in a building or in a footprint can support hybrid collaboration because they have displays, they have cameras, they have appropriate lighting. They have audio and microphone systems. We're seeing that mix change significantly as people ask that question: what is the purpose of this building? And what is it that we expect people to do when they come here? So the ratio is changing quite a bit.

JANICE ELLIG: When you look at the real estate in different geographies? Does that differ too? Like some are cutting back, in New York city, some of our offices are still somewhat empty, but then they're buying real estate down in Hudson Yards, you know.

SARA ARMBRUSTER: I would say we've seen some of that but we haven't seen as much of that as I might have expected, you know, 18 months or two years ago. I think that still has to play out or something will continue to play out, but we haven't seen as much of that. What we have seen, interestingly, one, you know, maybe small piece of

this puzzle, is we've definitely seen organizations that we work with in, I'll say climates that have four seasons, we've seen a lot more interest in thinking about things like how do we activate outdoor spaces?

So even in places like New York City or, you know, I was in Minneapolis earlier this week, even in those kinds of climates, people are thinking not just about what happens inside the building, but they're increasingly thinking about how can I activate outdoor space if I have it and to make that more usable and more high performance. So thinking about access to power, thinking about whether wi-fi extends into the outdoors, thinking even in some cases about display and other technologies so that people, when they're in the office, they have yet another choice about where they work. And I think, you know, five years ago if you were to have asked me that question, especially about like northern cities and northern states where it's cold much of the year, I mean nobody was looking at the outdoors, and that's a big focus now as well.

JANICE ELLIG: So if you predict five years ahead, you said looking five years back, you know, five years back we were all in the office five days a week. Some of it was FaceTime but that's how we all operated. It's really a different world today, you know, a different playbook. So what would you project that if we don't see another pandemic situation, but we always know there's going to be some crisis happening, right? Something's going to happen. But if you were to project where we are now and going

forward and things have sort of stabilized, do you see anything different in terms of the workplace?

SARA ARMBRUSTER: Well, I think one of the big things that I believe that we will see that I think is really here to stay is the idea of spaces that are resilient. So thinking about spaces that can be adaptable, can be reconfigured by the user that can serve a variety of purposes because we don't know, you know, when will the next pandemic be? When will something happen in our business? Maybe we will acquire another company or make other business decisions that require us to evolve quickly.

So I think the way that looks is it looks like, you know, a greater topology and variety of the kinds of spaces that are in an office so there's more choice and purpose-filled spaces, whether that's individual desks, whether that's conference rooms, whether that's project studios, phone booths, enclaves, you know, rejuvenation spaces, outdoor spaces, I think you'll see more variety.

I also think you will see, and we see this already, we're introducing quite a number of things into our product portfolio that are really, I'll say lightweight, in the sense that people can move them and redeploy them versus having to call the Facilities Department to kind of reconfigure something over the weekend. So thinking about lightweight screens, thinking about movable whiteboards, thinking about small tables

and things that can be picked up and rearranged. I think giving a lot more control to teams and to individual users to make the space and the tools around them work the way that they need them to for the particular work that they're doing at that moment.

And then I think another aspect of resilience and adaptability is the assumption that every space needs to be a high performing workspace, which also means it needs to support hybrid collaboration. So one of the things that we're doing on our campus is we're just saying, you know, it doesn't matter what kind of space it is, it needs to have display and an easily accessible display because even if you and I were sitting together in person, together having a cup of coffee, having an informal conversation, when our conversation gets to the moment where I say, well, hey, wait a minute, you know, let me pull that up and show that to you for a second, it's great to be able to pop open my laptop and beam something up to a display that's right there. So how does every space have display? How does every space have power? How does every space be responsive to the needs of lighting and acoustics, to be able to support some type of hybrid collaboration?

So those are examples, different kinds of examples about how I think space can work harder and be more flexible and more resilient so that whatever happens next – we all wish we had a crystal ball, but we don't, so whatever happens next, we have a greater degree of confidence that the investments we're making in the workplace will continue

to deliver value to our employee experience and to the work that our organization needs to accomplish.

JANICE ELLIG: This is a fascinating topic of discussion and how you're thinking about the workplace being so adaptable and movable. It's something that you want that in your home to some degree as well, but certainly in the workplace. When you look at yourself as a CEO and obviously going back to the points you made earlier, about that sense of belonging, that sense of being comfortable, but really being, feeling like you're making an impact and belonging, what keeps you up at night? What do you think is keeping other CEOs up at night in terms of really getting people to feel like they belong, not just inclusivity, but...?

SARA ARMBRUSTER: Well, it's a big question and that's obviously a question that goes well beyond workspace. And I think, you know, this whole dialogue that we're all having about hybrid work and about how we want our organizations to work, you know, it's a really challenging one when it comes to inclusivity because there is a lot of evidence and there are a number of different studies and research data that suggests that people who are part of underrepresented minorities are the people who have always felt the least amount of belonging in the workplace. And so you also see quite a bit of data that suggests people who are part of underrepresented minorities are some of the people who are most likely to want to work from home or who want to work from

home on a permanent basis.

But I think the answer, the answer I wish for is the answer that says how do we build spaces and cultures in organizations that can truly be inclusive so that everyone feels like they can find their moment of belonging here. So I think that is something that we've been working on as part of our social innovation efforts. You know, we've developed a whole kind of body of work around the idea of how space can be a part of that equation of inclusivity and how you can use physical space to signal culture and belonging. I mean, this is my office. I'm in a little glass box that's, you know as wide as I can stretch, you can probably see. But it's glass for a reason. It's glass to signal accessibility. It's glass to signal approachability. It's glass to...I'm right on a corridor.

There's probably been people walking by while we've been doing this webinar. It's transparent to signal that in our culture the idea that everybody works, one of the things that we kind of all belong to, or that make us one organization is that we all do real work. You know, so people that walk by and see me sitting in here, like drinking a cup of coffee and staring at the wall, like I'm working, right?

So I think there are ways that, that space is certainly part of the equation of developing a sense of belonging and supporting belonging within an organization. Now, of course, there are many other components to that formula. But space can actually be a pretty

powerful one if you think about how you want to use it in that direction.

JANICE ELLIG: Well, we'll never think of Steelcase as just a furniture company again. I can tell you that because you have really opened our minds in terms of how to think about it more broadly, and it is a cultural issue that we all have to face as leaders. I do know from talking to some people at Steelcase that you are known as this powerhouse of information that you can process and retain and yet still delegate. And so congratulations on taking over as CEO. Sara Armbruster, you really are a phenomenal leader, and we thank you for all the information that you've given us today. We're going to think differently about space and our employees going forward.

SARA ARMBRUSTER: Great. Well, thank you. It was really a pleasure to be with you today.

CHAIR JOHN C. WILLIAMS: Thank you, Janice, and thank you, Sara. This has been a terrific conversation. Sara, rest assured, there were people walking behind you working the whole time, so that's great. And so again, I think, you know, really with this conversation, you were talking about all the things we're all dealing with here in New York City as leaders of organizations, you know, how do we best, you know, create the best workplace and be productive and efficient and also attract the best help we can. So this was really a terrific conversation.

So to close out today's meeting, my role is to remind everybody that we've got a lot of great speakers on the calendar, and we encourage members to invite guests to our events. Our next event is a panel discussion on "Should Corporations Take Positions on Social and Political Issues?" We've got Rodgin Cohen, Senior Chair of Sullivan & Cromwell, Joele Frank, Managing Partner at Joele Frank, Wilkinson Brimmer Katcher. And we have Tom Johnson, CEO of Abernathy MacGregor. And then we've got Jeffrey Sonnenfeld, the Senior Associate Dean for Leadership Studies and Lester Crown Professor in the Practice of Management at the Yale School of Management. And that's all going to happen on July 28th, so a week from now.

Okay, we're going to take a bit of a summer break. I think we all deserve it and hopefully will enjoy that. In the fall, we've got on September 12th, David Benson. He's the President and Interim CEO of Fannie Mae. And then on September 19th, we've got David Malpass, with a Signature Luncheon hybrid event. David Malpass is the 13th President of the World Bank Group, former Under Secretary of the U.S. Treasury for International Affairs. So that's on September 19th. Then going into October, on October 11th, we have a Signature Luncheon with my colleague, Loretta Mester, President and CEO of the Federal Reserve Bank of Cleveland. Then on the 13th of October, we have Ruth Browne, President and CEO of the Ronald McDonald House of New York. And a Signature Dinner on October 13th with The Honorable Joe Manchin, U.S. Senator of West Virginia. And then we are rescheduling the event that we had to move to later in

the year. That's Arvind Krishna, the Chair and CEO of IBM. So keep a lookout for when that event is going to happen.

I'd like to just take a quick moment to recognize those of our 347 members of the Centennial Society who are joining us today as their contributions continue to be the financial backbone of support for the Club and help enable us to offer our wonderful, diverse programming, both now and into the future. So again, thanks to everybody for attending today. We look forward to seeing you again soon. And everyone stay well, stay safe.