Policy Brief

Urban Cowork

2

The impact of coworking spaces on coworkers' well-being and skills' development

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Summary of the project

UrbanCo-WORK aims at investigating the emergence and wider impacts of collaborative workspaces (CWS) in critical urban studies and economic geography perspective, through three interrelated scientific objectives: (1) provide a better understanding of the emergence and variations of CWS in the context of rising social and economic challenges in different institutional, political and cultural contexts; (2) critically analyze the impact of such projects for their participants/users and for urban/neighbourhood development processes; (3) facilitate transnational learning and replication of social and cultural innovation in the context of co-production, extrapolating new knowledge and practices to co-working in the Greek context and other aspects of urban governance.

To cite this report: Papageorgiou, A., Merkel, J., Michailidou, M., Avdikos, V., (2022) Policy Brief 2. The impact of coworking spaces on coworkers well-being and skills' development, UrbanCoWork Project, Athens

Introduction

The scope of the quantitative study we conducted within the Urban Cowork framework was to delve into the impact coworking has on the professional and personal lives of those who use flexible and shared office set-ups as their workplace. To implement our quantitative study, we partnered with the European Creative Hubs Network (ECHN), a peer-led network that was founded to support the emerging phenomenon of creative collaborative spaces. Uniting with coworking practitioners, we incorporated their feedback and recommendations into the research questionnaire and distributed it through their communication channels. In total, we received 216 responses from 29 countries. At the same time, we conducted a qualitative study in coworking spaces in Athens and Berlin. We visited seven different spaces, and we conducted 57 semi-structured interviews with coworkers, founders of coworking spaces, and employees. We spent two months working from four different coworking spaces, conducting participant observation, and engaging in events and informal meet-ups.

A striking insight that emerged from our quantitative study - and is fully aligned with what we discovered during our qualitative fieldwork in coworking spaces in Athens and elsewhere - is the deep and structural connection of coworking with the subjective and collective wellbeing of contemporary workers who are engaged in digitally mediated work. Therefore, this study signals direct links between precarious employment conditions such as those seen in the wider creative sectors of the economy and the emotional costs of being mobile, flexible, and occasionally 'workplace-less' that digital professionals have to counterbalance. Having said that, as coworking spaces and the like promptly continue to mutate into hubs for the wider gig economy, we interrogate to what extent such spaces can become nuanced advocates against the deepening precariousness experienced by the current workforce.

Even though academic studies of coworking have reached a point of a certain maturity, the issue of coworkers' well-being remains relatively under-researched. In the meantime, the industry heavily reproduces

'feel good' individualistic narratives that restrict and somewhat downgrade the notion of wellbeing to ergonomic furniture, fitness sessions, relaxing yoga classes, and bespoke meditation podcasts. And while we do not hold anything against the aforementioned amenities, we do envision coworking as a potential platform for collective action. Consequently, this policy brief aspires to trigger debates around the dark sides of coworking, the costs of the growing detachment from traditional workplaces, and the endemic temporality that comes along penetrating every aspect of work-life. Therefore, particular attention is drawn to the impact coworking has on coworkers' well-being as we connect people's demands for space with long-standing issues of labour precariousness.

What's the issue?

Coworking research has developed in parallel with debates around cultural creative industries and digitally mediated labour. Initial studies (Gandini, 2015; Merkel. 2015) locate coworking as a phenomenon of the wider creative economy, embedded in a socioeconomic context where precarious labour prevails over secure employment. Most coworking tenants are freelancers, remote workers, self−employed, and start-up entrepreneurs who are engaged in forms of employment that can be seen to be outside of the standard employment relationship. The existence of more than one employer and overlapping employment statuses, and the provision of various services for a wide variety of sectors seem to be structural characteristics of hypermobile work that is conducted from anywhere, including coworking spaces. Most of the professionals we met at coworking spaces are not in long−term employment contracts nor in full−time job positions. Instead, they are seen to undertake flexible freelance work with 'atypical', 'non−standard' contracts, and sometimes even without any contractual arrangement being made in advance. This atypical employment pattern allows professionals to work flexible hours as they juggle dozens project tasks at once while it benefits employers who do not have to pay unless there is a specific task to be executed.

In the so-called gig economy (Healy et al., 2017; Thomson.2018), workers

are getting paid per hour, per 'gig' instead of receiving a monthly salary and the social security benefits that come with it. As studies suggest, the gig economy and the further transition towards a more digital environment have blurred the boundaries between gig workers and freelancers. Those who are hired through digital platforms like People Per Hour and Upwork can hardly turn down clients or even negotiate prices and deal with late payments. According to the "Work in the European Gig Economy – Employment in the era of online platforms' study" it seems that there are difficulties in identifying the boundaries of gig work from other forms of work. The study gave evidence that casualized labor has been spread across diverse industries, representing "a continuum of casual, on–call, temporary or other forms of contingent work [...]" (Huws et al., 2018, 10).

However, in the context of cultural creative labor, these casualized and on-demand working arrangements are endemic, as cultural creative industries are heavily relying on this 'work for hire' model (Gross et al., 2018). Self–employment and independent subcontracting represent the rule in cultural creative industries whose entrepreneurial characteristics have been celebrated in policy discourses for almost two decades. At the same time, empirical studies (Banks, 2007; Gill, 2014) indicate that despite its short-termism, flexible and casualized character, creative labor is valorized by workers as a desirable, fulfilling, liberating career path. For a highly educated and skilled creative workforce, the promise of autonomy and independence that a creative career holds is unnegotiable. And as recent studies suggest, for the younger generations of educated employees, the popular concept of a 9-to-5 job with a single employer does not represent an attractive pathway. For the younger generations of employees, the going to the office routine has been radically altered.

However, emerging forms of digitally enabled labor have long been connected to 1) lack of social interaction, 2) persistent feelings of loneliness as well as 3) fears of isolation. Throughout the years, the discussion of isolation by digitalization has been a heated debate among academic circles. As empirical studies suggest freelancers and those who are in casualized employment are more likely to experience stress, worry, guilt, and self-blame. The individualized working

conditions that tend to prevail in digitally enabled environments may in fact lead to social and professional isolation which has been identified as one of the most problematic aspects of emerging forms of work. Entrepreneurial forms of labour tend to transfer the risks associated with entrepreneurial endeavors to the individual who is presented in media and public discourses as courageous; and brave. Still, their working lives could be lonely and precarious.

On top of that, considering the turn of a wide range of professionals to platforms such as Mechanical Turk, People per Hour, and the like, which has accelerated during the pandemic, we argue that the algorithmic management of work which alters the way of working from projects to task-oriented work and is conducted under the constant fear of bad reviews not only worsens the quality of work but also takes precarity to a whole new level. As studies suggest, in these platforms work is intensified, and reviewed by predefined rating systems while client relationships are strictly digitally mediated. Employers become clients that can be located anywhere in the world. In this context, platforms act as marketplaces where any discussions regarding the bargaining power, the democratic control over the content and the conditions under which work is being conducted are rendered obsolete. It is more than safe to assume that gig work is here to stay for the long run and coworking spaces will continue to morph and get developed in order to accommodate an on-demand, remote, workforce whose freelance work is mediated by platforms and sophisticated algorithms.

What does coworking have to offer?

Coworking spaces and other forms of shared office facilities have been spreading all over the world with the aim to accommodate the needs for working space, and thus provide the infrastructure that can better host this highly educated, mobile, yet precaritized workforce. Coworking is a market response to labor precarity which directly shifts the cost of sustaining a workplace back to the workers. That said, coworking as a practice reframes the notion of the traditional workplace by filling the organizational gaps (Blagoev et al., 2019). It provides the critical infrastructure for social bonding and training (Bacevice & Spreitzer, 2022; Brown, 2017).

There are few quantitative studies that relate coworking to employee's well-being and productivity as well as empirical qualitative studies indicating direct links between enhanced work-life balance, job satisfaction, and happiness. Having said that, when we refer to the notion of wellbeing we adopt ILO definition workplace wellbeing which relates to all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work, their working environment, the climate at work and work organization.

Along with a hot desk and a good wi-fi connection, coworking spaces sought to offer a wide range of services that span from business skills workshops to leisure and fitness activities. Their overall offerings are being shaped by their targeted audiences and their brand - many of them are part of bigger coworking chains. So, what does coworking have to offer to this growing segment of workers and how can coworkers' needs be better addressed? How do they experience their work-life while working from a coworking? How can coworking tackle day-to-day issues that occur in the professional lives of coworkers? These are some of the issues we hope our key findings address.

Key findings

50% of the respondents of our survey were coming from large cities, like Athens, Barcelona, Berlin, Porto, Glasgow, Vienna, and Istanbul, while another 50% came from small and medium-sized cities. Moreover, most of the respondents were well educated, as 60% have a university degree and 32% have a postgraduate degree. 39% of the respondents were freelancers, 40% were full-time employees.

While coworking is primarily an urban phenomenon concentrated in big metropolitan cities, we have observed a strong increase in coworking spaces and other shared office facilities in smaller and peripheral cities (Bahr et al., 2021). This is part of an unprecedented request that highly educated professionals have for locations that can offer lower costs of living compared to the cities of advanced capitalist countries.

Moreover, 24% of the respondents work in CCI while 13% in

management, 12% in education, 11% in research. This finding validates our qualitative observation which underscores the growing popularity of coworking within a wider range of industry sectors and workers that extend the boundaries of the creative economy. In fact, coworking has gradually become a mainstream hospitality infrastructure that responds to the temporality and short-termism of the contemporary world of work. Therefore, coworking spaces and the like host new types of users such as doctoral candidates, post-doc researchers, remote corporate workers that engage in digital nomadism and other lifestyle mobilities which are currently on the rise.
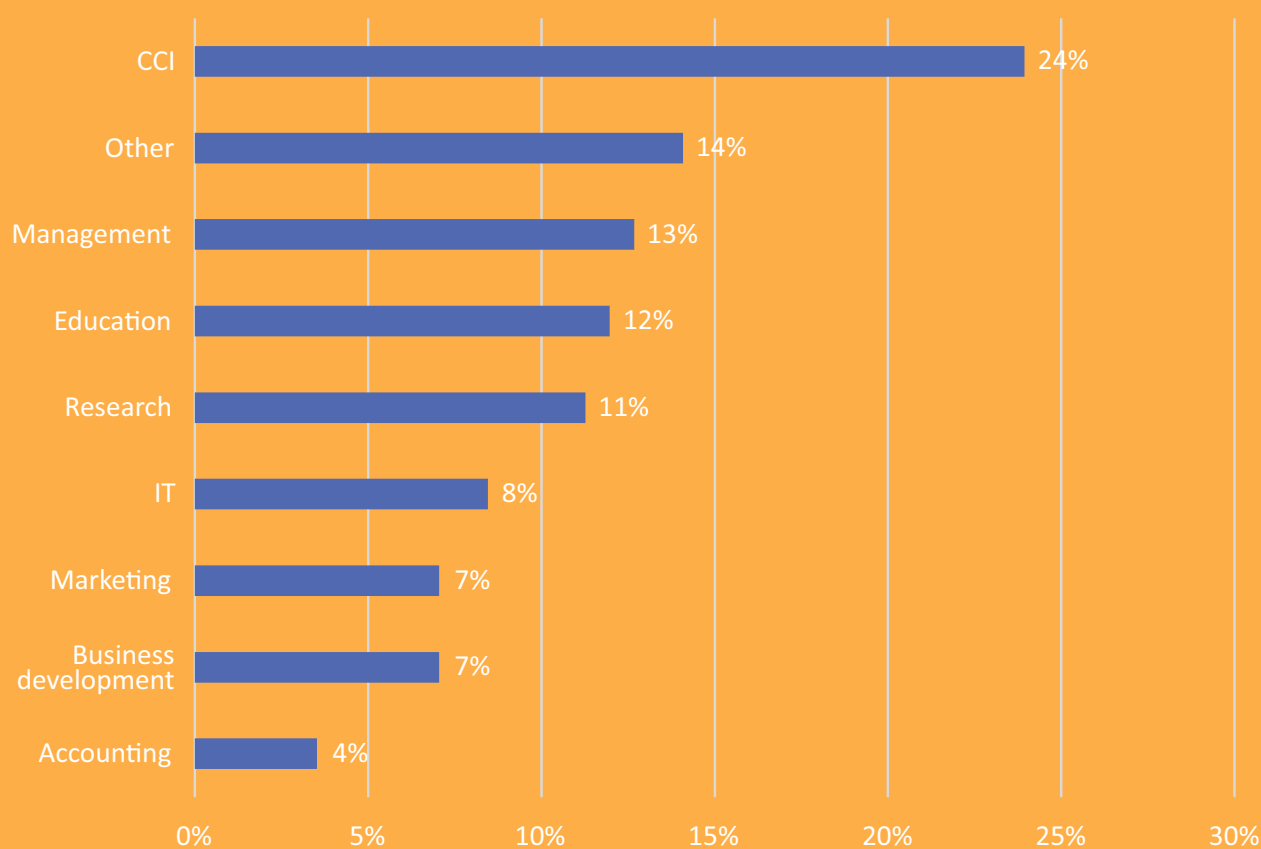
**Figure 1. Sectors that the respondents work for**

The respondents were frequent users of the coworking space, as 48% of them were using the space more or less every day of the week, while 42% of them were working from there one to three times per week. 28% of them earn 10.001€ - 20.000€, while 18% earn 20.001€ - 30.000€ and 1 out of 5 earn more than 30.000€ per year.
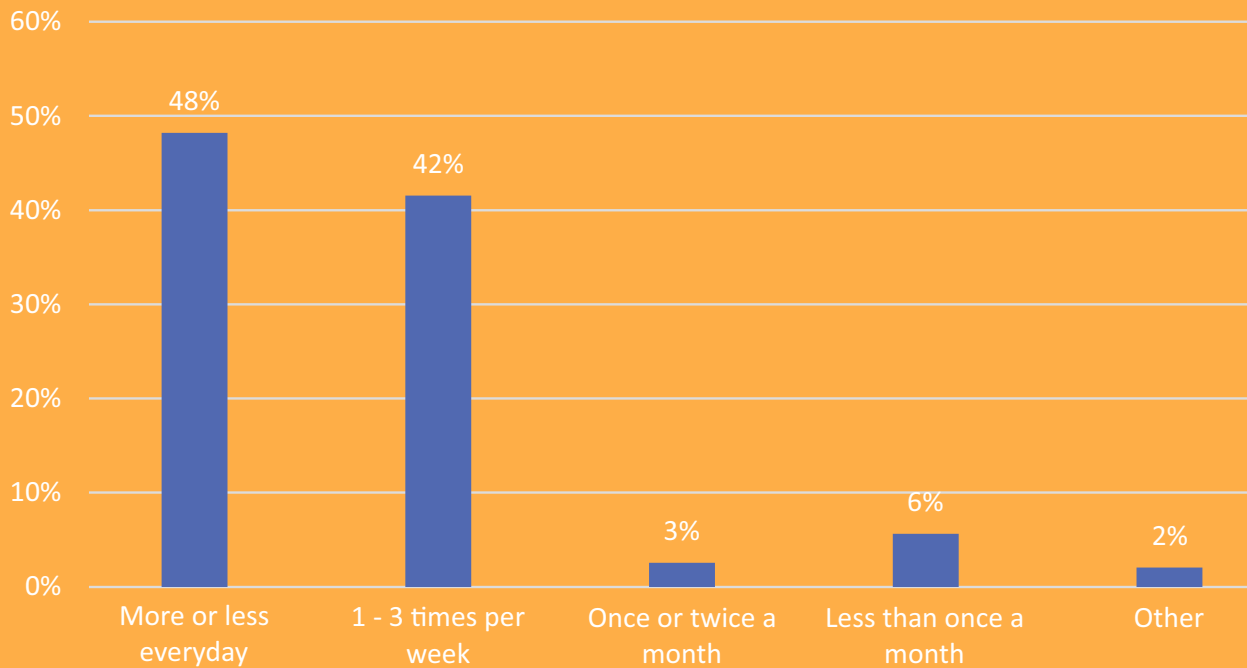
Figure 2. Frequency of use

The vast majority of the respondents were either very satisfied (54%) or satisfied (38%) with the CWS they were working from.
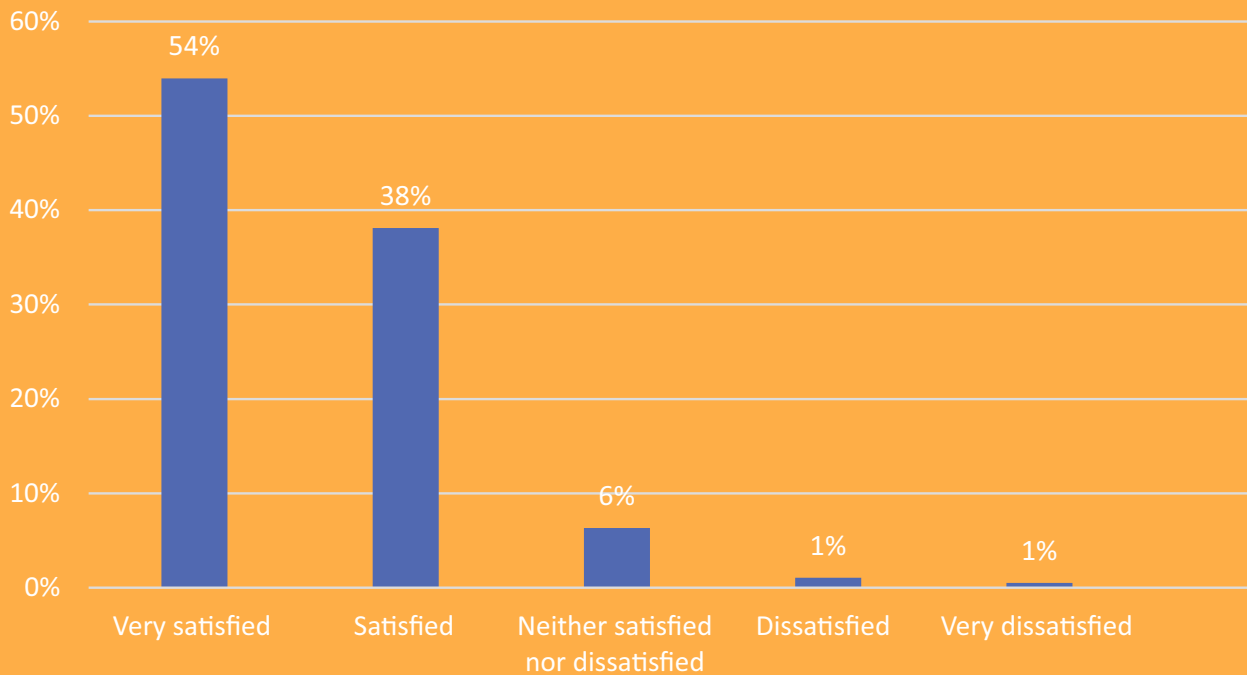
Figure 3. Satisfaction from the use of coworking space

When asked to prioritize the most important benefit that they get from working in a CWS (from a range of four kinds of benefits: soft and technical skills, well-being, and networking), the respondents ranked the issue of well-being first (53%), while networking came second (29%) and soft skills and technical skills were third and fourth respectively (9% each).
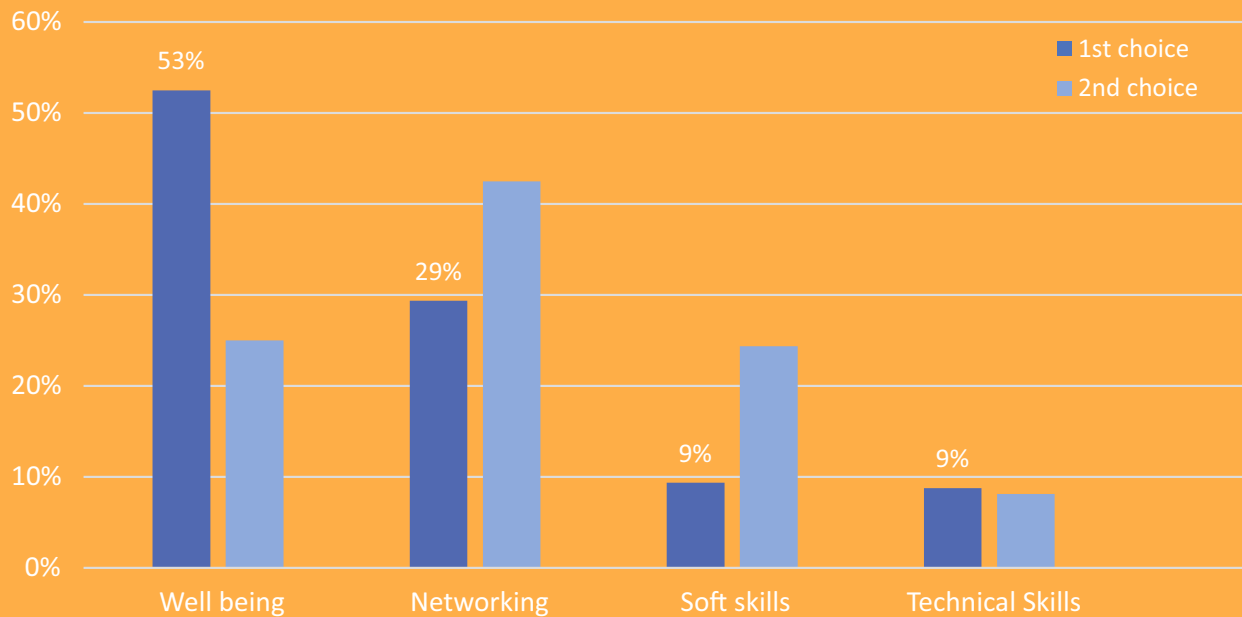

Figure 4. Ranking of benefits from using coworking spaces

Looking deeper into the issue of well-being, we asked the coworkers whether they agree or disagree with the following statements, regarding the impact of working in a coworking on their well-being. Based on their experiences, the respondents highly value (68%) the fact that through coworking they have formed new friendships and partnerships. Moreover, they report a considerable psychological boost as they have become more productive (57%), their perspective has changed (55%), their confidence has been boosted (54%) and they have experienced professional growth (53%). Coworking has also assisted 51% of them to achieve work-life balance, while 50% of the respondents have combated feelings of isolation, anxiety, and stress through coworking.

The coworkers we interviewed during our qualitative research in Athens and Berlin reported that, at first, they saw coworking as an investment in their professional status as they wanted to look more formal to their prospective clients. Tobias, a freelancer from Germany, whom we met in a coworking space in Berlin told us that he did not want to take up his calls and do his business meetings from his shared flat. He started working from a coworking space in 2019 by purchasing a flexible subscription that allowed him to do his meetings and work from the space a few times per week. Two years later, he had a full-time membership at the space. He reported that coworking was a way to combat loneliness and boost his mental health. Likewise, Chrysa, a small business owner we met in a coworking space in Athens, reported that one of her main drivers to cowork was her immanent need to structure her time, balance her work-life routine, and 'be more aligned to her inner self'. What was ostensibly perceived as a way to establish the legitimacy of their career had turned into an actual investment in their very own well-being.

Feelings of anxiety, solitude, and alienation were a recurring subject throughout our interviews where coworkers hopelessly reported that in coworking spaces they look for social contact. Having said that, it causes no surprise that 'I've formed friendships/ partnerships' ranked first. A lot of the coworkers we interviewed had experienced prolonged periods of time living in unstable rental accommodations. Flexible working and living arrangements may, in fact, create feelings of detachment from a context that keeps changing.

Coworking spaces represent for their tenants a safe space in terms of opening up and discussing work-related issues. The absence of unions, professional associations, and workers' collectives has left freelance professionals in the dark to seek individual support within their surroundings. People we met at the coworking spaces had war stories to share regarding unmet healthcare needs, gaps in coverage and social protection schemes, delayed payments, and unfair dismissals - issues that must be brought in the open.
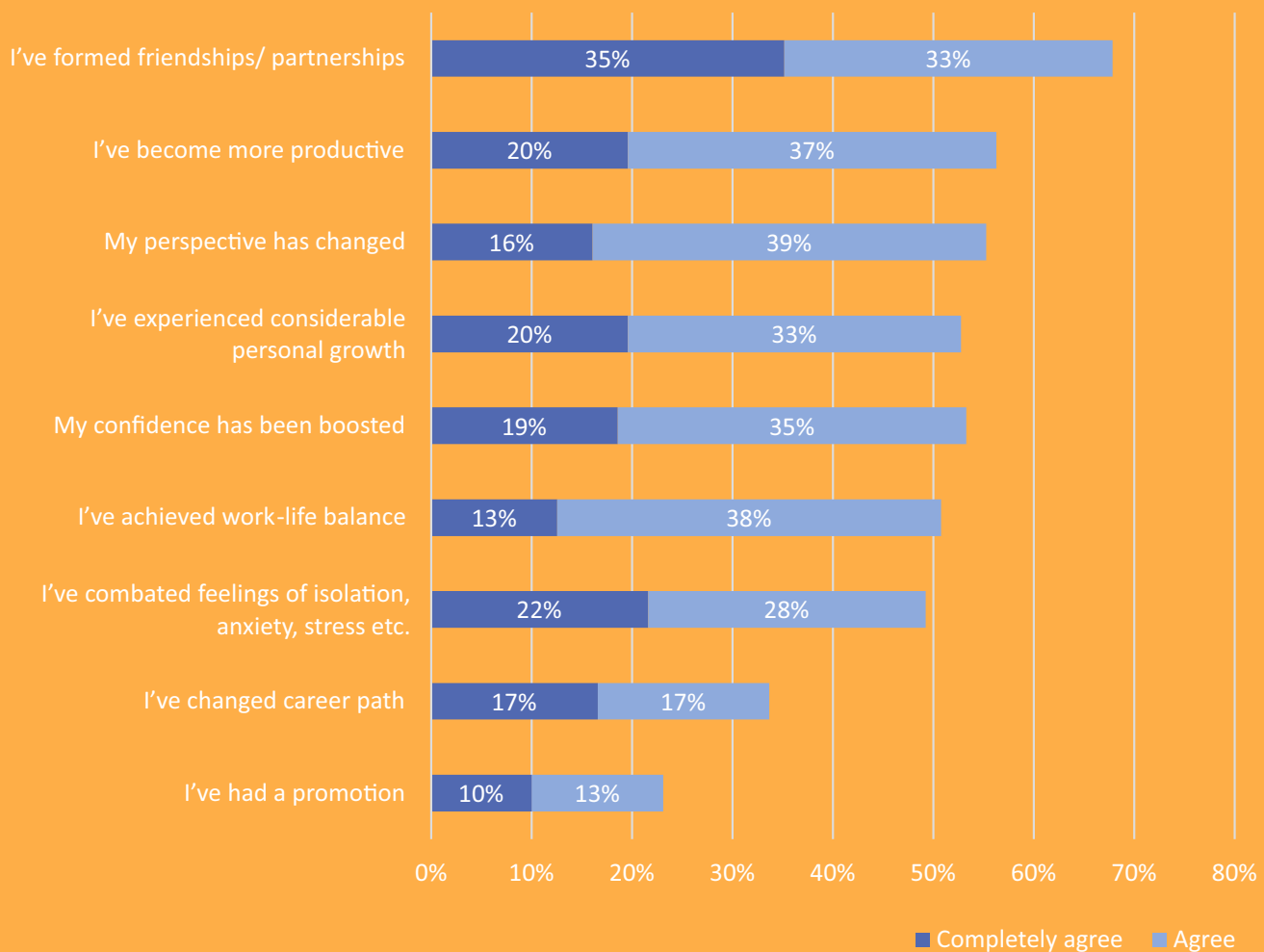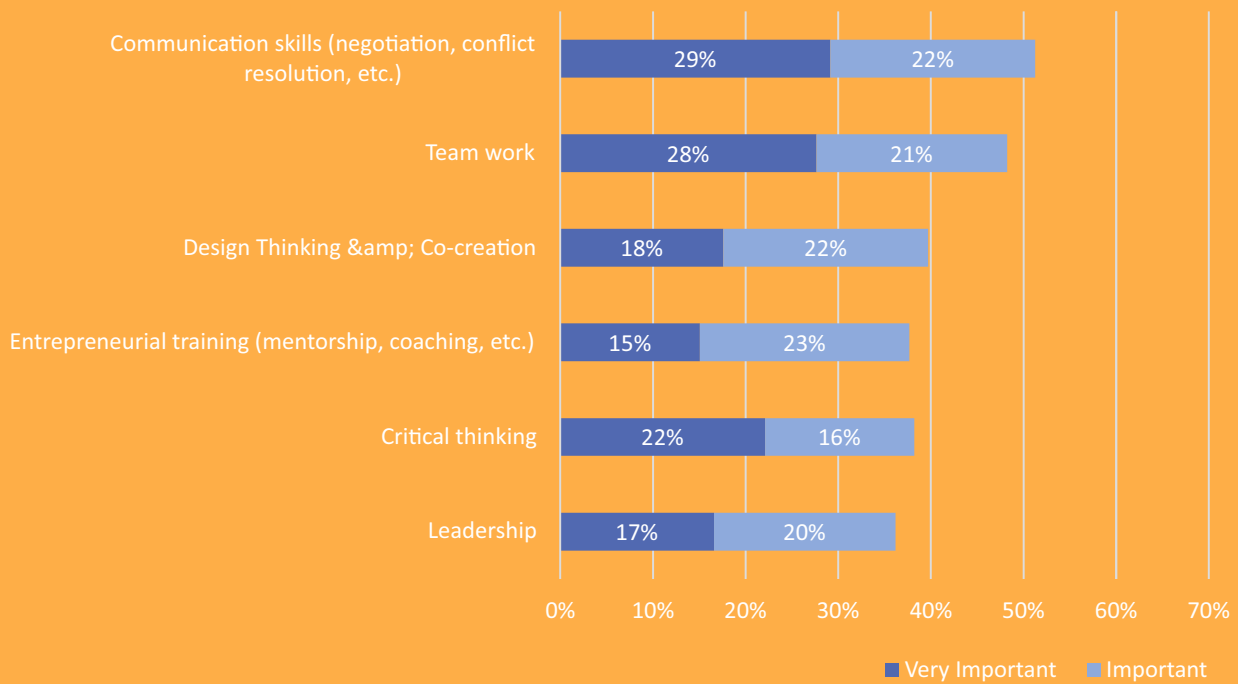
Figure 5. Impacts of coworking on well-being

As networking was the second-ranked benefit they get from working at coworking, we asked the coworkers to rate the importance of a number of networks we usually find in coworking spaces. The respondents highly rated the importance of access to informal professional networks (58%), while they also rated highly that they have access to a pool of interesting projects in their professional field (41%). On the contrary, the respondents did not seem to rate highly the opportunities to network with venture capitalists (14%).

Coworkers seem to value informal networking activities, though not exclusively because of their professional benefits but also because of the support they provide. Hence, this finding underlines the strong need professionals have for social bonding in a physical set-up.
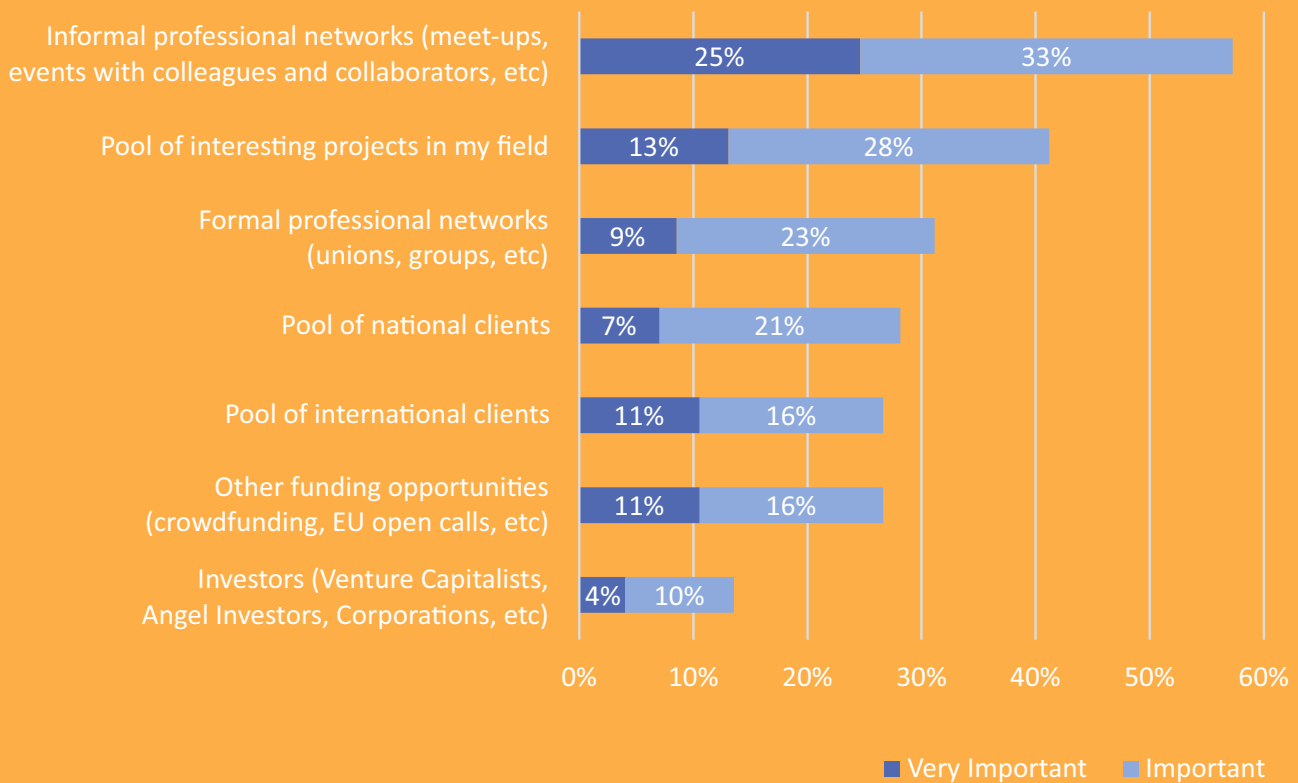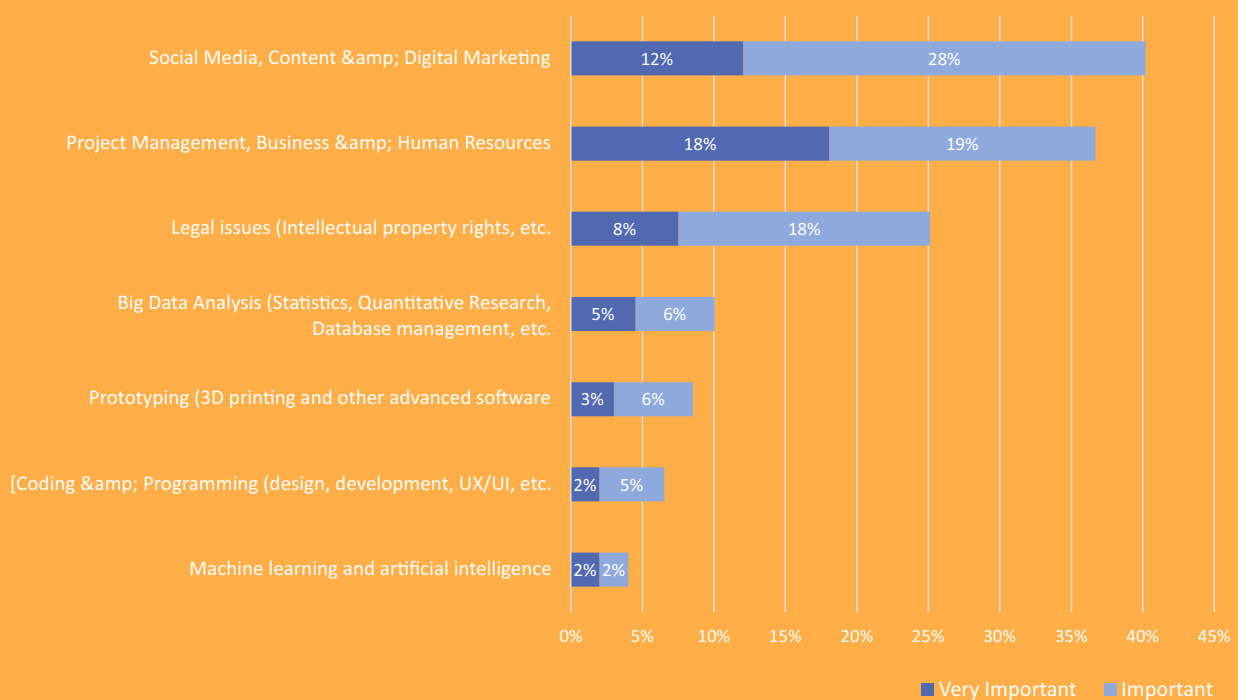
Figure 6. Impacts of coworking on networking

Turning to the development of soft skills in CWS, we asked the coworkers to rate the importance of a number of soft skills that can be usually developed through coworking. As such, half of the respondents ranked first communication skills (51%), the development of teamwork skills (49%), skills in design thinking and co-creation (40%), entrepreneurial training (38%), and critical thinking skills (38%). As it is shown, coworking spaces and the like are spaces where soft skills are being developed and exercised. In fact, it can be argued that coworking as a practice sharpens peoples' soft skills by bringing them close to people from diverse backgrounds - educational, cultural, and national. As our qualitative fieldwork showed, people in coworking spaces are more eager to reveal and discuss personal and professional weaknesses with other users of coworking spaces. As observed, people in coworking spaces tend to seek advice and tips for improvement on an informal and unofficial level. As remote work penetrates many sectors of the economy, the personable way to communicate gradually fades and a significant strand of skills remains underused - if not inactive.

Figure 7. Impacts of coworking on soft skills

Finally, we asked coworkers to rate the importance for their career of a number of technical skills that can be usually acquired in a CWS. The respondents ranked first project management skills. On the contrary, respondents did not seem to rate highly more specialized skills, such as big data analysis, prototyping, coding and programming, and machine learning.

Figure 8. Impacts of coworking on technical skills

Challenges, Policy Recommendations, and Future Research

The way diverse professionals experience the impact of coworking in their professional and personal life gives us directions for further research regarding the emergence of a mobile, occasionally, 'workplace-less' workforce. It, also, brings coworking into a critical crossroads. How will coworking continue to morph in an already crowded coworking market? Could coworking spaces differentiate themselves from big corporate coworking brands, other hospitality infrastructures, and cafes that offer hot desks?

While corporate coworking brands like WeWork extend the capitalist logic of real estate, smaller coworking spaces struggle to become sustainable business and offer the adequate services to their users. From the policy side, it is more than ever necessary to distinguish coworking spaces that operate as SMEs and global chains that use coworking as one of their services.

Coworking cannot diminish itself solely to the provision of short-term rental office facilities yet treat its tenants as brave and tireless entrepreneurs and freelancers. Acknowledging the dark sides of this new way of (co)working would lead to the provision of meaningful support to young professionals so they can cope with labor precariousness and better their overall professional and personal lives.

The diversity of professionals that can be found in coworking spaces reinforces the individualization of work-related issues. Coworking should create a sense of good practice in the wider creative sectors of the economy and familiarize professionals with their employment rights. Awareness should be raised regarding mental health and physical health pressures.

Coworking could actively serve as an infrastructure that organises/orchestrates informal expressions of mutual aid. The provision of legal consultation regarding contracts, client agreements, and tax issues seems more than necessary. On top of that, with coworking professionals being mobile and spending substantial periods of time traveling abroad awareness should be raised regarding health insurance issues.

Hosts and community managers should get adequate training so they can induct professionals into coworking practice and new ways of (co)working. Those who manage a coworking space seem to play a crucial role in creating a sense of belonging to a network of professionals. Good practices that aim at systematizing and professionalizing these jobs that are currently on the rise are undertaken by organizations such as the European Creative Hubs Network. Indicative examples are the P2P[1] Learning Program and other staff exchange mobility schemes which foster knowledge sharing and transfer among creative practitioners.

Coworking spaces and the like should be understood as places where soft skills are being exercised and developed - and thus, they should be supported for that. Policy interventions could be made on the basis of supporting coworking spaces as dynamic academies for training and learning.

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[1] https://creativehubs.net/p2p-learning-program/

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