

# Coworking Spaces – A Source for Developing Creative Business

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## Abstract

*The effects of information technology have allowed people to choose between working at the firm's office, home office or in collaborative spaces, in open plan office environments, where they work alongside other non-affiliated professionals for a monthly fee / office (Mobile professionals may choose to work in offices, executive suites, home offices, or other spaces. In this in the first part I showed what the notions related to the professional activity carried out outside the employer's spaces as a modern form of work organization are and we presented aspects regarding the advantages of using such spaces and a comparison between coworking and Home Office. By studying the specialized literature. I have summarized some of the most important studies and analyzes conducted on coworking in the USA and Europe, regarding the social, communication aspects, and I have highlighted the evolution of the worldwide coworking phenomenon in the last decade. At the end of the paper I identified some of the trends of coworking development in the next period.*

**Key words:** coworking space, home office, collaborative

**J.E.L. classification:** M13, M20

## 1. Introduction

The effects of information technology are felt on the means of communication between employees, freelancers or entrepreneurs. Communication has specific forms under the dynamics of new technologies and the development of creative industries and has created favorable conditions for the emergence and extension of new ways of organizing work. Thus, following the financial and economic crisis of 2007 and 2008, a new type of work oriented towards collaboration between partners appeared in cities. Even if we are talking about business incubators, alternative work spaces or simply an efficient solution for the workspaces of start-up companies, open offices are certainly a trend of the future for business communication (Răscolean, *et al*, 2014, p.53-75).

In this context, concepts such as teleworking, home office or coworking are increasingly used for communication in the business environment, in the field of real estate investments or as alternative forms of location in office spaces.

Home office is the home working space for employees or entrepreneurs. Usually, there is a home office combination with flex office or coworking, for which the form of partial home office is often used instead of the full home office. Flex office is a space with non-personalized workstations and usually offers access to conference rooms, meeting rooms, etc. Coworking spaces are the spaces where corporates, startup teams, freelancers and other interested persons "work alone, but together" in an office-style atmosphere.

From these forms, we have chosen coworking for analysis and comparison, an increasingly common notion in the business and real estate environments.

## 2. Theoretical background

Coworking spaces are shared office environments for independent professionals (Spinuzzi, 2012, pp. 399-441) and have been increasing rapidly. Coworking means the activities carried out in spaces rented often by people with various activities, frequently complementary, which they could

carry out at home, but which they prefer to do in an environment with more social relations, with which they interfere frequently and professionally (Guță, *et al*, 2018, p.89). Coworking spaces are affectual assemblages that create affects that push knowledge workers in flow and motion to enable the formation of new kinds of heterogeneous and constantly changing work communities, where serendipitous encounters become a force of production.

Contemporary coworking spaces have their origins in San Francisco starting with 2005 (Jongseok *et al*, 2017). With a rapid increase in the number of members and the surface of the spaces destined for coworking, this sector is the subject of many concept analyzes, statistical analyzes, comparisons and predictions that not only follow the real estate investment side but also the perspective of communication tools, the way of organizing the workplace and even economy of encounters as a production form in the new knowledge-based economy (Jakonen *et al*, 2017, p.235-242).

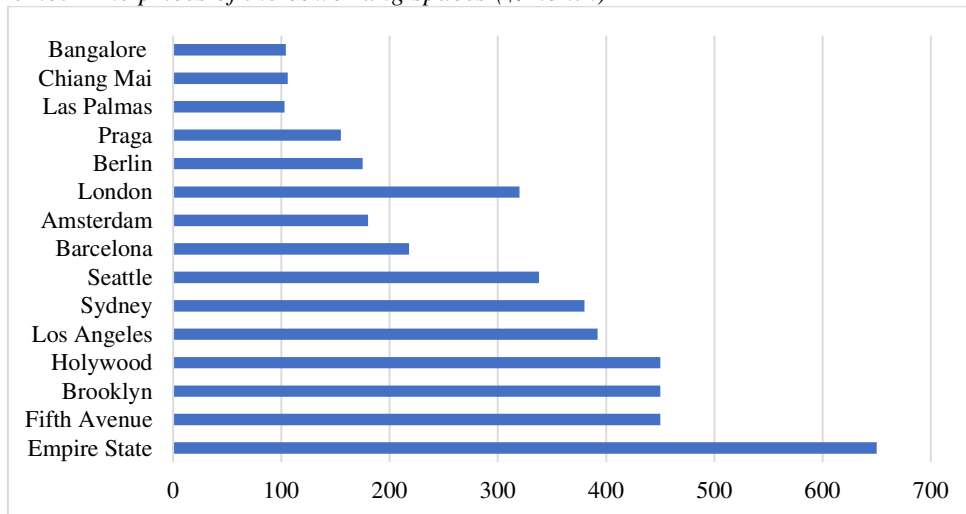
Thus, several papers presented in the Harvard Business Review show the importance of studying this industry. Steve King shows that despite the fact that his study focused on coworking and collaboration issues, coworking social connections proved to be most valuable to members and the first two words to characterize coworking that were mentioned by those questioned represent the social field, namely community and fun (King, 2017).

These conclusions can also be found in studies, such as the one made by researchers at the University of Michigan, which aimed at understanding the factors that led to the rapid increase of the popularity of the working way in coworking collaborative spaces (Spreitzer *et al*, 2001). To better understand this phenomenon, the study authors visited and interviewed community leaders or founders of 12 coworking spaces in the USA, analyzed questionnaires from a sample of over 200 spaces and interviewed more than 30 people from coworking spaces. The results of the study offered a perspective on the most common reasons why people search for collaboration and communication spaces, respectively interaction with people (84%), discoveries and opportunities (82%) and knowledge exchange (77%).

### **3. Development of coworking spaces concept**

Unlike studies that focus on social issues related to coworking, statistical analysis and prediction studies show that this industry is booming and is hybridizing so quickly that the number of collaborative spaces is growing rapidly. In 2015, there were 7800 spaces worldwide with a growth rate of 83% from 2012 to 2013 (Foertsch, 2013) and a significant annual rate of 23.8% will be recorded in the period 2016-2020 from 11,000 to over 26,000 spaces. This growth trend is closely followed by the number of users of these spaces from about 976,000 in 2016 to just over 3.8 million in 2020, thus an average annual rate of 41%. In terms of prices, an international comparison shows a major difference between the US and Europe, respectively Asia. As it can be seen in the following image a Hot Desk option is at the highest price in Manhattan, namely \$ 650 / month and generally in the US the prices remain high in most major cities, around \$ 400 / month. In Europe, prices range from 400 / month in London to \$ 380 / month in Amsterdam and fall significantly in Eastern Europe, for example \$ 155 / month in Prague and they are similar to prices in Asian countries around \$ 100 / month.

Figure no.1 The prices of the coworking spaces (\$/month)



Source: (Huang, 2019)

A highly detailed analysis conducted annually by Deskmag summarizes in over 30 comprehensive statistical charts, such as: number of new members registered in the last 12 months, evolution of female members, annual growth rates of coworking type spaces, growth rates for areas for specific activities, the evolution of the number of coworking spaces, the number of coworking spaces in the same city, area or country, etc. The conclusions show that the trend in the use of coworking spaces is that the new locations tend to be much larger than the older ones and that a mature and flexible market is established in the field, both from the perspective of communication and from the perspective of the organization of spaces as a creation place.

The real estate companies are also interested in developing tendencies of the hub and coworking-type spaces and they make the most of the results of the studies as to make significant investments in this sector. Cushman & Wakefield, the oldest US real estate consulting firm, conducted the study *Coworking 2018 The flexible workplace evolves A Research & Insight Publication* to analyze coworking spaces in the US and the UK. These two countries are leaders in the flexible workspace market, accounting for more than half of such centers worldwide. The analysis estimates that: the stock of flexible workplaces in major US cities amounts to approximately 27 million m<sup>2</sup>, which represents a 20% increase in the period 2015-2017; The US has more specific locations than the UK; the arrangement of hub-coworking spaces represents a relatively small proportion of the total office stock - about 2% in the big cities; London is globally dominant in terms of the number of centers and the proportion of office leasing stocks in the sector, slightly surpassing New York - Manhattan.

Moreover, In Romania there are concerns about analyzing the evolution of coworking spaces, an argument in this regard being supported by studies in the field. One of them "Be flexible at the office", realized by the Romanian Association of Facility Management - ROFMA, Transilvania Business, Pin Magazine, Fab Lab Iași, Banat IT, Archibus Solution Center and GreenForest focused on analyzing the working methods and communication from the perspective of the organizational performance and the feedback of coworking users. This study was attended by 95 respondents who perform office work in the private environment. The most suitable way of organizing is Partial Home Office with 54%, followed by Flex Office with 34% and Coworking with 32%, the most unsuitable, with 56%, being Home Office Total. Accordingly, the conclusions show that the most appropriate communication and organization solution is a mix between working from home and working at company offices, in flex office spaces or in rented spaces, coworking-type ones.

Another study by Fab Lab Iași and Pin Maps Creative Nodes in Central & Eastern Europe Report 2018 shows that the development of coworking spaces in central and eastern Europe is closely linked to the economic indicators of that city, region or country, the indicators regarding the

sustainability of the development of an urban center are correlated with the number of members and the surfaces of the coworking spaces.

According to the study, at the beginning of 2018 in the studied region there were 1,166 hubs and coworking spaces in functional urban areas with more than 50,000 inhabitants, distributed unevenly according to criteria such as number of inhabitants or area of the country. Thus, from the point of view of the number of hub or coworking spaces, most are found in Poland - 340, Austria - 157 or Czech Republic 112. If one reports the number of coworking spaces to one million inhabitants, the first place goes to Austria as well with 17.8 spaces / 1 million inhabitants, followed closely by Lithuania with 15.7 spaces / 1 million inhabitants, Romania with 4.5 spaces / 1 million inhabitants and Moldova with 1.75 spaces / 1 million inhabitants.

In terms of communication, there are significant differences between Home Office, on the one hand, and Flex Office, respectively coworking, on the other (Table 1). Thus, Home Office or work at home involves only virtual communication, through specific tools, such as WhatsApp, Skype, etc., which amplifies the feeling of loneliness and isolation. On the other hand, co-working allows the significant development of social aspects, which cause interference, both professionally and in the business field.

*Table no. 1 Differences between Coworking and Home Office*

<b>Coworking</b>	<b>Home Office</b>
Communication between members is done "face to face"	Communication is done online or through telephones
The environment is active and the members help each other in various situations that require collaboration	Static work environment, without direct interaction between partners
Socialization	Isolation
Flexible and organized work schedule	Chaotic work schedule
Equipped space	Own equipment
Ability to work in an open space where members can communicate.	Limitation of activities in the room / rooms of an apartment
Existence of meeting rooms and / or conference rooms	Meetings can only take place in the online environment or through the teking-up of Partial Homme Office
Adequate logistics, accessibility, design and ergonomic conditions suitable for carrying out different types of activities	Limited logistics due to the limited conditions to ensure a special design and proper ergonomics
Organizing personal development events within the community.	Personal development is limited by studying written or video materials.
Organization of informal events (culinary activities, sports activities, etc.)	Informal events usually take place outside the space inside the house.

*Source:* Own processing

The sharing economy brings a new phenomenon—coworking-spaces (Bouncken, 2018, p.317-334). Regardless of their location and shape, the use of coworking spaces has many advantages, such as: eliminating expenses with the arrangement of a headquarters or workspace; creating a community in which ideas are exchanged to develop innovative projects; for employers, increasing the possibilities of finding dynamic specialists in the community; multiplying the opportunities to advertise the business; the rent is small, sometimes symbolic; it offers services and logistics necessary for the activities management (space, administration, secretarial work, accounting); stimulating collaboration among coworkers; promoting exchange of other forms of knowledge (Parrino, 2015, p.261-271).

Generally speaking, the main advantage is that coworking spaces are places where people go to work, without being constrained by the rigidity of the schedule, in a pleasant and friendly atmosphere. This environment determines high productivity not only because of the optimal sharing of resources which is specific to this type of space, but also because of the fact that in a community of people with common or similar interests, emulation and unlimited brainstorming

possibilities are created, which can generate creative ideas and ideal conditions for the development of innovative start-up or spin-off businesses.

Although the number of coworking spaces does not represent a guarantee for the development of innovative businesses, however, a large number of such environments are necessary for the development of communities operating in these fields. From a financial point of view, their development tends to adjust flexible costs much more accessible than in the case of rental contracts for 3-5 years. Thus, for example in Romania, the price of a subscription can vary from 120 lei for one day and up to 1,100 lei for unlimited access.

#### 4. Conclusions

In conclusion, coworking spaces can be viewed as a new form of urban social infrastructure that allow contacts and collaboration between people, ideas and places of connection (Merkel, 2015, p. 121-139) and as an integrated concept for entrepreneurial universities with an important role in creating work spaces between entrepreneurs and students (Bouncken, 2018). Thus, their development has strategic implications for the owners and administrators of urban communication spaces to increase collaboration, knowledge transfer and to promote new business opportunities (Cabral, 2016, p.357-377). With the diversification of investment solutions for the development of startups, the education resources of new entrepreneurs and their maturation, for the coming years there is an increasing trend and consolidation for coworking spaces.

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