



Ireland

When change is the new normal

New research reveals now is the
time to double down on workplace
innovation to drive growth

Contents

Executive Summary	3
Chapter 1 The race to transform	4
Chapter 2 Key findings	6
Chapter 3 Protecting attention, promoting flow	10
Chapter 4 Managers: Agents of change	15
More resources & methodology	17

Executive summary

By Cathriona Hallahan, Managing Director, Microsoft Ireland

The pace of technology today means that businesses constantly feel pressure to adapt. In fact, we hear from our customers and partners that navigating change is one of their top business concerns.

But what business leaders like them often overlook is that innovation is not driven by technology alone. To stay competitive, they must grow a strong workplace culture as well.

During Microsoft's own internal shift over the last few years, we have seen this firsthand. Along with acquiring the best tools, we have learned that our success depends on how well we support our people to learn, grow, and navigate change. Only then can we use our tools to our greatest advantage.

This report points to ways leaders can strengthen their workplaces with an eye toward innovation. I hope you will find these insights helpful as you look at how to drive transformation and stay competitive with your own company.

In Ireland, our research has shown a strong digital culture is a critical step to successfully digitally transforming your organisation. In fact, 76% of Irish companies with a strong innovative culture expect double digit growth and higher talent attraction and retention. With five generations in the workplace today, collaboration, empathy, support will build a strong, innovative and inclusive culture that is required to adapt to new technologies and thrive in an ever changing world.

For more practical guidance, please visit:
<https://www.microsoft.com/en-ie/workreworked/default.aspx?>

When change is the new normal

Why businesses are doubling down on workplace innovation

Transformation is a top concern for businesses in Ireland and across Western Europe today, fueled by the rapid pace of technology. Advances in artificial intelligence, the cloud, and more mean that the way we do business can shift overnight – and new competitors can disrupt entire industries.

To help our customers stay a step ahead in this era of constant change, Microsoft partnered with Dr. Michael Parke of London Business School and KRC Research to survey thousands of business leaders and workers across Western Europe about what enables workplace success.

The research shows that the vast majority of companies – including 93 percent in Ireland – have recently experienced a major transformation. But the top transformation challenges for leaders aren't just about technology: they're also about company culture. While technology moves swiftly, humans can be slower to accept change.

When businesses get their culture right, they gain a major competitive advantage. Our research found that companies with *innovative cultures* – broadly defined as a culture where new ideas are supported – are twice as likely to expect double-digit growth. They also are more likely to have engaged employees.

In Ireland, more than 7 in 10 workers and managers at innovative companies say they would apply for their job again, compared to 6 in 10 employees and about half of managers at less innovative workplaces.

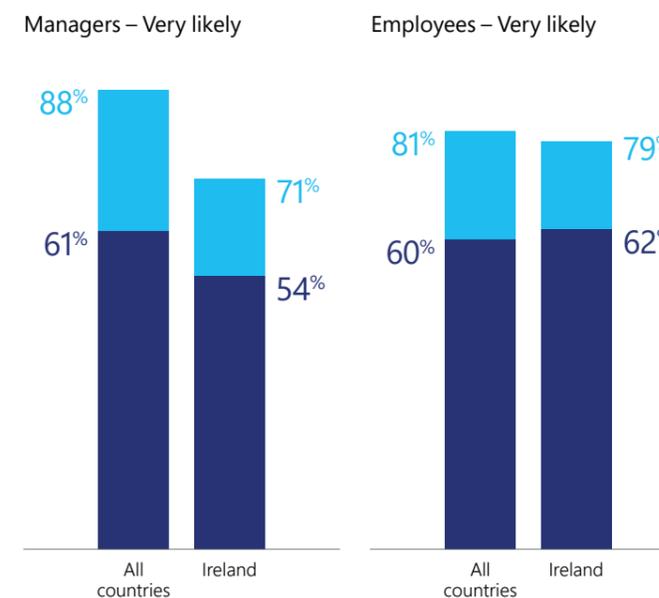
So what can businesses learn from innovation leaders? Getting your culture right is more than just values and processes, our data shows. **The best way to change culture is to change the way people work.**

These three main factors can drive an innovative workplace:

- 1. Build bridges:** The most innovative organizations today are not just actively breaking down silos in the workplace but also promoting collaboration, both internally and externally.
- 2. Empower teams:** Employees in the most innovative workplaces feel supported to make decisions, let their voices be heard, and choose the way they want to work.
- 3. Protect attention:** Workers feel that about half of their time is not well spent at work – pointing to things like inefficient meetings and disruptions. Business leaders can play a significant role in helping protect employees' attention and helping them be their best.

Read on for how companies in Ireland can create or maintain a culture of innovation.

Would you apply for your job again?



■ Less innovative culture
■ Highly innovative culture

How do we define innovation:

In highly innovative business cultures:

- Employees can tackle problems in new ways
- Employees are supported to develop new ideas
- Organizations are flexible in adapting to operational changes

Our research explored three different aspects of leaders' innovation:

- Products and services
- Business operations
- Ways of working

Key findings



Building bridges

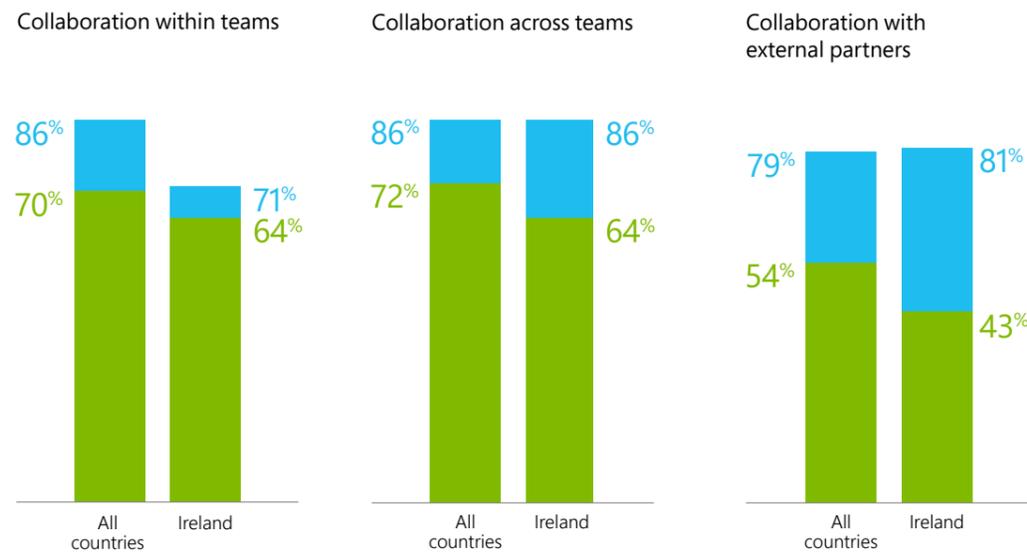
Innovative companies are replacing knowledge silos with transparency and collaboration.

While we've long known the value of breaking down silos at work, the data shows that leaders in innovative cultures are actively building bridges across silos to better connect their employees. They are much more likely than leaders in less innovative settings to link their companies' future growth with collaboration – within and between teams as well as with customers and partners.

Among Irish companies, the most innovative leaders value collaboration with their external partners nearly twice as highly as leaders at less innovative companies.

Collaboration is key for innovation

Leaders looking to tear down silos internally and with their external partners and customers can prioritize methods and tools, such as new technologies, that will enhance collaboration.



■ Less innovative culture
■ Highly innovative culture

Empowering teams

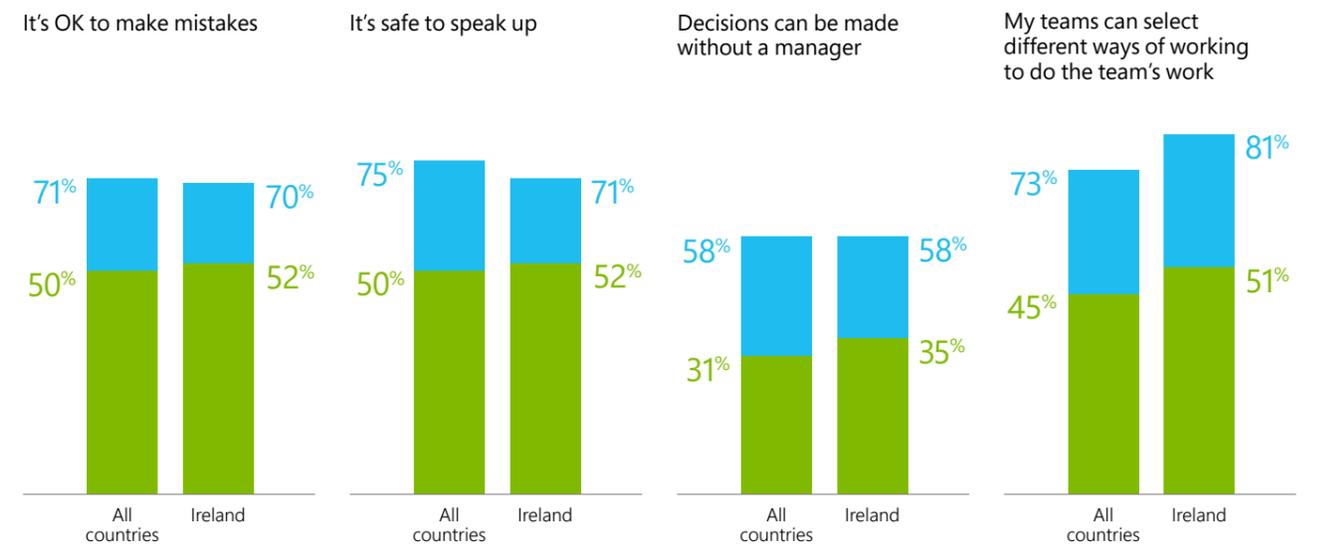
Leaders are focused on mobilizing, not managing.

Employees in innovative cultures are more likely to say they can choose how they approach their work. Further, they are more likely to feel comfortable making mistakes and voicing their opinions.

Empowering workers can drive innovation

Autonomy is a vital factor in expanding innovation. In the most innovative companies, employees are given the space to learn and try new ideas and ways of working.

For example, Irish employees at highly innovative workplaces are far more likely to feel empowered to make decisions than employees at low-innovation companies.

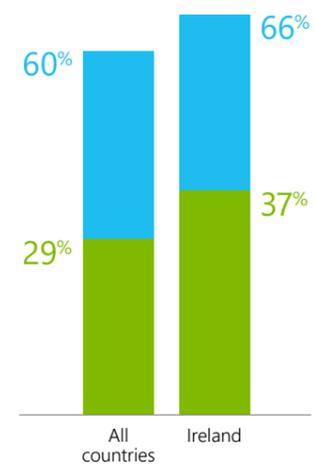


■ Less innovative culture
■ Highly innovative culture

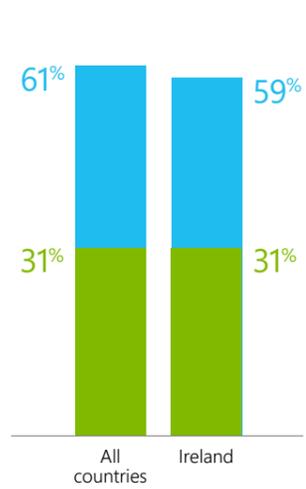
Empowerment breeds collaboration

When workers feel empowered, they are much more likely to embrace teamwork to take on new challenges or find solutions to existing ones. In Ireland, employees at innovative companies are nearly twice as likely to say they can easily seek ways to collaborate with their colleagues compared to less innovative cultures.

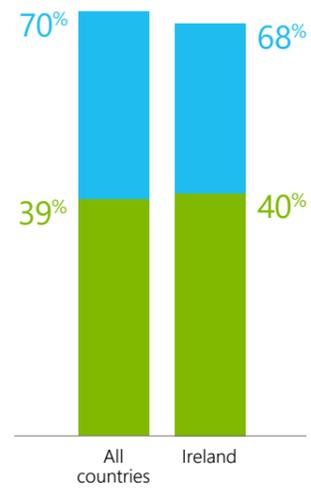
How easy is it to share ideas/
brainstorm with anyone?



How easy is it to get together
to work on something?



How easy is it to
reach out for support?



■ Less innovative culture
■ Highly innovative culture



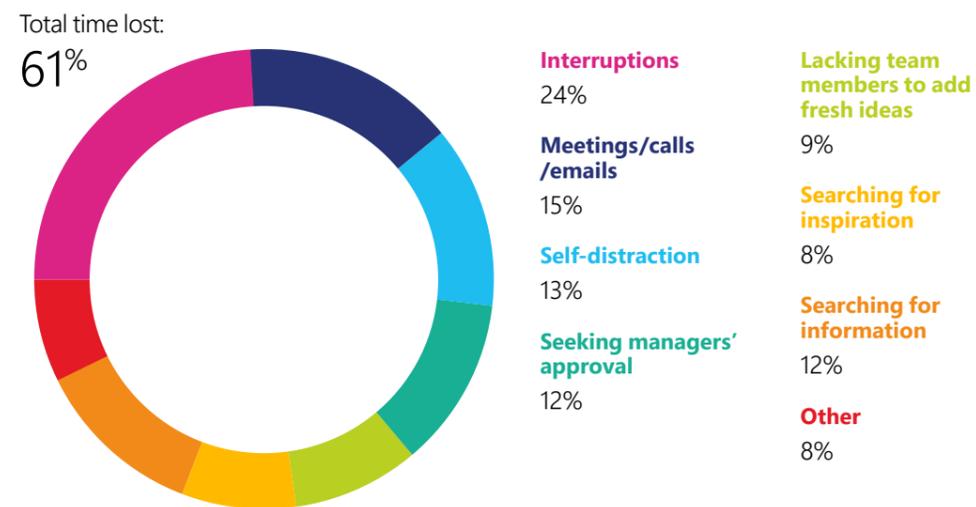
Protecting attention, promoting flow

Workers feel like they're being pulled in many directions in an age where the pace of business keeps accelerating. As a result, their performance and satisfaction are under constant threat. In Ireland, workers say they lose a staggering 61 percent of their optimal work time each week.

Work time lost each week in Ireland

Unnecessary interruptions, inefficient meetings, calls and emails, and searching for information from colleagues cut into employees' optimal work time.

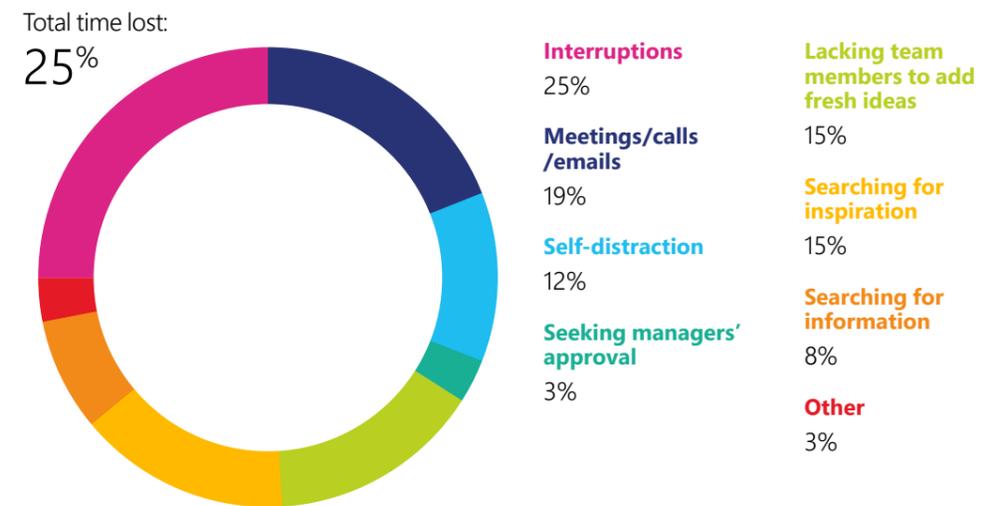
Reasons why workers in Ireland lose 61 percent of their optimal work time every week (before)



Culture supports attention

Leaders can boost innovation by helping protect workers' time and focus and unlocking their potential. In Ireland, employees' wasted time can be cut by 59 percent when they have a combination of the right office environment, the right technology tools, and their managers' support for diverse ways of working.

Average percentage of time lost during a week (after)

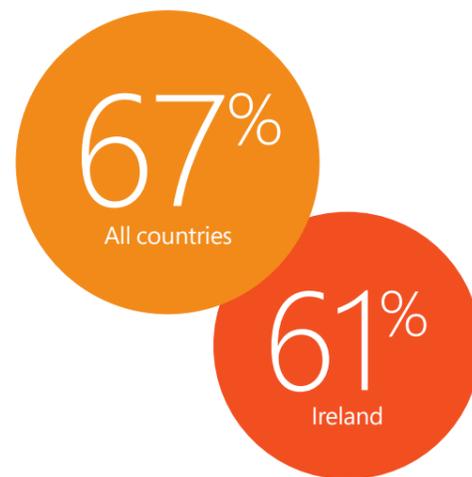


We move from left to right when employees are in flow, managers empower their teams particularly around the way they want to work, technology supports diverse ways of working, workers have and use space to focus and think, and the workplace has a culture of efficiency.

Flow boosts job satisfaction

When employees' attention is protected, they can work in a flow state, where they can devote their total energy and focus to whatever task they are working on. In Ireland, employees who are able to work in flow were three times more likely to say they were happy in their jobs when compared to workers who said they were not able to work in a flow state.

Employees in flow
Happy with their jobs:



Employees without flow
Happy with their jobs:





Managers: Agents of change

Management is key in driving innovation. When a company's leaders agree to adapt their culture to advance innovation, they must ensure managers are fully equipped to be agents of change.

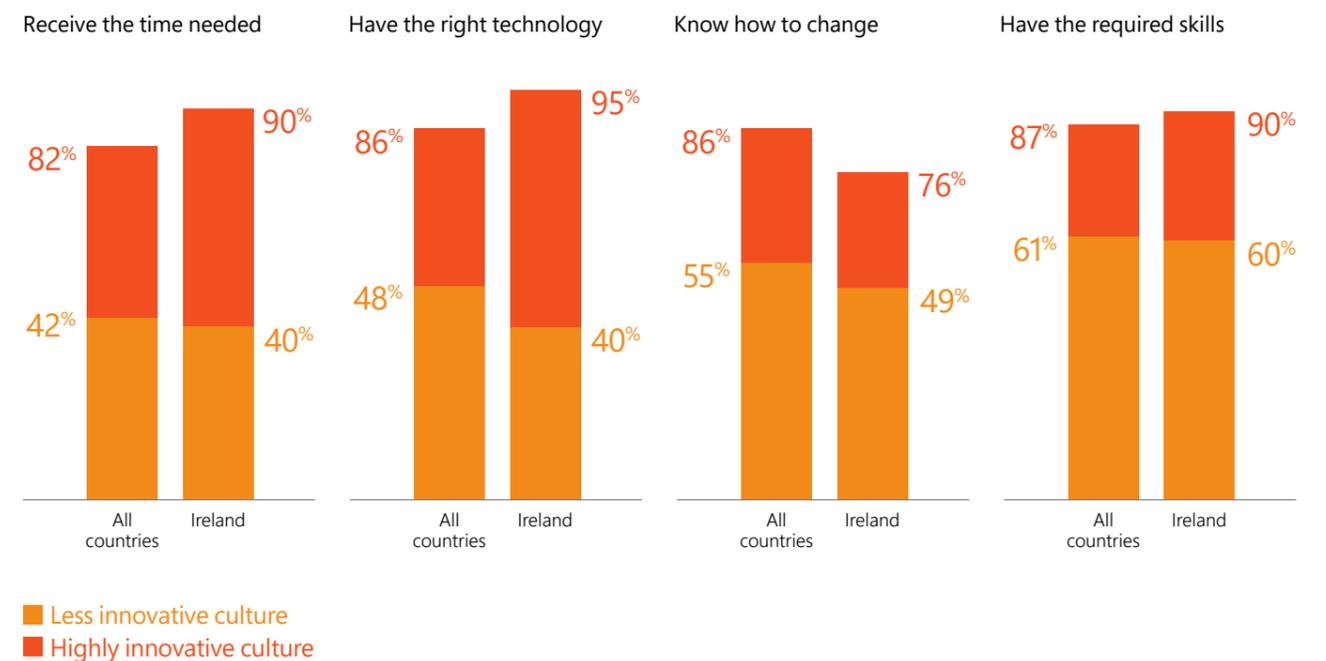
Within highly innovative workplaces, managers were much more likely to say they had:

- Time to devote to transformation initiatives
- Access to the right technology
- The right skills necessary to drive change

The numbers in Ireland and across Western Europe show that with leaders' support, managers can be prepared to make change a reality.

Leaders' support can drive culture change

In the most innovative Irish companies, the vast majority of managers say they feel supported to drive transformation initiatives, compared to managers in less innovative workplaces.





More resources & methodology

Learn more

What's next for your company as you look to drive innovation and stay ahead of the competition? Read the full white paper and learn more at:

[Unlocking teamwork: four tools and strategies to improve collaboration](#)

Methodology

Microsoft commissioned research across 15 European markets in August 2019. The online survey was designed and conducted by KRC Research and supervised by Dr. Michael Parke, professor at London Business School. KRC polled 9,113 managers and employees from large (250+ staff) businesses, with an average sample size of 600 respondents per country (500 employees and 100 managers).

The survey included respondents from 10 industries: basic materials, consumer goods, consumer services, financials, healthcare, industrials, oil and gas, technology, telecommunications, and utilities. Respondents were not informed that Microsoft commissioned the survey.

Markets we surveyed:

1. Austria
2. Belgium
3. Denmark
4. Finland
5. France
6. Germany
7. Italy
8. Ireland
9. The Netherlands
10. Norway
11. Portugal
12. Spain
13. Sweden
14. Switzerland
15. United Kingdom



