



Capitalising on Curiosity: **How business can thrive through uncertainty**

THE BEST RUN 

A time to be **Curious**

It's hard to imagine a time when there has been so much uncertainty for businesses and their customers. During times of uncertainty, staying curious and approaching challenges with an open and creative mind is critical for success. While doing more of the same and playing it safe is an option in times of uncertainty, it is businesses that can find a way to embrace a culture of curiosity that will thrive.

A culture of curiosity is one where employees are encouraged and enabled to ask questions and seek answers to help organisations run better and meet the needs of their customers, employees and the community. People working in a culture of curiosity are encouraged to run experiments with their ideas and share the learnings – even when their ideas failed.

Leaders instinctively know that curiosity is good for business. When people are curious, they ask more (and better) questions – of how best to solve problems, of how customers are feeling, and of what the future may hold. Curious people let go of pre-conceived assumptions and instead, remain open to possibilities. And you'll never hear a curious person shoot down an idea by saying "we tried that last year and it didn't work". Instead, they will seek to build on the idea and ask "what if?"

But building a culture of curiosity is easier said than done. Research suggests that being able to challenge and debate ideas and assumptions is critical for building a curious culture. And from my own experience working with some of the world's

largest businesses for the last 15 years at Inventium, I have seen first hand the impact that curiosity has on business success. Yet many leaders are afraid to challenge the status quo, and this attitude cascades down to their staff

Many people struggle sitting with ambiguity and prefer to jump straight to conclusions. But learning to sit in the uncomfortable space of not knowing the right answer, and instead, asking questions, is necessary to drive innovation and growth.

Business leaders who are serious about future proofing their organisation against the current climate of uncertainty should try to start role modelling curiosity. Give staff time to explore and experiment and start to reward curious and creative behaviour. And remember: you can never ask enough questions.



Dr Amantha Imber,
organisational
psychologist and
founder and chief maker
at behavioural science
consultancy Inventium

ANZ highlights

9 in 10

business leaders think having a more curious culture would equip their organisation to better tackle challenges

8 in 10

senior business leaders say a culture of curiosity is important for their organisation to adapt and grow in a post-covid world.

Foreword



Damien Bueno
President and
Managing Director
SAP Australia and
New Zealand

Two years on from the pandemic, organisations across Australia and New Zealand (ANZ) – large and small – are grappling with a wide variety of challenges. From skills and talent shortages to supply chain disruptions and high commodity and transportation costs. As well as the catastrophic impacts of natural disasters.

Many businesses are accelerating their digital investments to be resilient to these challenges and are upskilling their workforce at a rapid pace. They are also under increasing pressure from their own customers, stakeholders, and shareholders, who demand they have a view on important societal topics like sustainability, diversity and inclusion, employee wellbeing, mental health and more.

So, how do leaders ensure their organisation meets customer expectations when they change so fast? How can they improve supply chain visibility to identify disruptions and take corrective action? What is needed to keep people engaged while they embrace hybrid work? And how do we all work together to solve some of society's biggest challenges, like sustainability?

We believe the answer lies in tech-powered innovation and building a culture of curiosity to unlock this potential within an organisation.

We commissioned our 'Capitalising on Curiosity' report to better understand how businesses can tackle these challenges, to explore the business case for curiosity and how we can help them.

What we found is that eight in 10 senior business leaders in Australia and New Zealand believe that a culture of curiosity is important in their organisation. And that 94 per cent believe a more curious culture would better equip their organisation to tackle the challenges they face.

The research also draws a link between curiosity

and good data intelligence and supports the business case for curiosity, with organisations with more curious cultures reporting an average annual turnover growth of up to 20.52 per cent over the last 12 months.

We uncovered that, in curious organisations, employees are more likely to feel comfortable accessing data to answer questions and are encouraged to use data to answer questions. Curious cultures are places where people feel more free to test hypotheses and to use data to see how and where they can improve.

At SAP we have firsthand experience of the incredible things that can be achieved when people feel encouraged, empowered, and capable of tackling business challenges and customer frustrations by being curious and taking a data-led approach.

This includes a wide variety of projects, from working with a leading healthcare provider to rapidly overhaul its HR platforms to become compliant with COVID-19 health and business continuity requirements; to supporting an agriculture business to modernise the way it communicates with its growers. And through the SAP AppHaus work we do with like-minded SAP partners, supporting customers to humanise business software by putting people and curiosity at the heart of innovation projects. It has been truly inspiring to see how a team of curious minds, coupled with a strong understanding of data, can transform the way an organisation operates and drive real impact for people.

I firmly believe that organisations which support an informed, data-led approach coupled with a curious culture will be the most adaptable to global disruptions and the unexpected. These organisations will be best placed to move forward with growth, having adjusted in ways that better equip them for the challenges ahead.

At SAP Australia and New Zealand, we will use the insights revealed in this report to reflect on our own culture, the space we provide our people to be curious, and how we can foster this across our entire ecosystem - because curious minds empowered by data will transform industries, lift up societies and make an impact on the future of Australia and New Zealand.

ANZ highlights



"We care about young Australians in need, which means we are curious to try, test and learn new ways to support them to thrive. This approach is particularly important in the complex and changing environment of the pandemic. Asking the right questions and analysing the data we have available helps our team understand what Australian families are truly going through. It also uncovers valuable insights that help us to adapt our learning-support programs accordingly. Ultimately, with ideating and experimenting at the core of who we are, we are able to better support the young people and families we serve."



Jason Weise,
Innovation Coach at The Smith Family

Methodology

Independent market research firm YouGov was commissioned by SAP to conduct this study in February 2022.

YouGov conducted a survey of a nationally representative sample of employees and a national sample of senior business leaders from small, medium and large organisations across a broad cross-section of industries in Australia and New Zealand (ANZ).

All respondents were provided with the following definition: A culture of curiosity is an organisational culture where employees are encouraged and enabled to ask questions and seek answers to help organisations run better and meet the needs of their customers, employees and the community.

The data was weighted by age, gender and region to reflect the latest ABS and StatsNZ labour force estimates.



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Senior managers

AUSTRALIA

287

NEW ZEALAND

165



Employees

AUSTRALIA

1,032

NEW ZEALAND

1,015

Curiosity Pays

Employees and senior business leaders across Australia and New Zealand are in agreement when it comes to the positive impact of a curious culture.

Almost all of ANZ senior managers (98 per cent) and all employees in Australia (93 per cent) and New Zealand (94 per cent) believe there are benefits to having a more curious culture.



Key findings from the research highlight exactly what those benefits are, from revenue growth to attraction & retention of talent, employee engagement, and better use of data.



"Building curiosity in your organisation is like building a muscle that helps to keep you fit through all kinds of challenges. We were able to flex our curiosity muscle in real-time during the recent floods. We provided the time, space and opportunity for our staff to engage with people in affected areas to proactively identify issues and collect data that will ultimately improve Council's service offering to the community during extreme weather events in the future."



Karen Twitchett, Director of Workforce and Technology at Northern Beaches Council said:

	Australia	New Zealand
 <p>GROWTH In the past 12 months, more curious* companies experienced:</p>	<ul style="list-style-type: none"> • 3 times the revenue growth • 20.52% increase in annual turnover on average 	<ul style="list-style-type: none"> • 1.6 times the revenue growth • 4.96% increase in annual turnover on average
 <p>ATTRACTION AND RETENTION</p>	<ul style="list-style-type: none"> • 72% of employees want to work for a curious organisation • 52% of employees would consider leaving their current job to work for a more curious company 	<ul style="list-style-type: none"> • 77% of employees want to work for a curious organisation • 48% of employees would consider leaving their current job to work for a more curious company

* More curious companies refers to companies where business leaders strongly agree they have a curious culture compared to companies where business leaders only somewhat agree they have a curious culture.

	Australia	New Zealand
 <p>EMPLOYEE ENGAGEMENT Employees in more curious organisations are:</p>	<ul style="list-style-type: none"> • 1.8 times more likely to be satisfied and 2 times more likely to feel engaged in their current role • 1.3 times more likely to say they have not experienced burnout (36% compared to 28%) 	<ul style="list-style-type: none"> • 1.7 times more likely to be satisfied and feel engaged in their current role • 1.5 times more likely to say they have not experienced burnout (44% compared to 29%)
 <p>BETTER USE OF DATA Employees who say their organisation has a curious culture are:</p>	<ul style="list-style-type: none"> • 1.3 times more comfortable accessing data to answer questions (90% vs 67%) • 1.3 times more likely to feel they have the necessary skills and confidence to answer questions from organisational data (81% vs 64%) • 2 times more likely to say they are empowered and encouraged to use data to answer questions (82% vs 40%) • Almost 2 times more likely to say their organisation provides data and tools for seeking out answers (82% vs 42%) • Almost 1.5 times more likely to say they make good use of data and data analysis tools (81% vs 55%) 	<ul style="list-style-type: none"> • 1.2 times more comfortable accessing data to answer questions (87% vs 70%) • 1.2 times more likely to feel they have the necessary skills and confidence to answer questions from organisational data (81% vs 66%) • 1.6 times more likely to say they are empowered and encouraged to use data to answer questions (79% vs 48%) • Almost 1.7 times more likely to say their organisation provides data and tools for seeking out answers (82% vs 49%) • Almost 1.2 times more likely to say they make good use of data and data analysis tools (79% vs 67%)

Curiosity Barriers

Despite widespread agreement on the importance and value of curiosity to a business most employees in Australia (82 per cent) and New Zealand (79 per cent) agree that there are barriers to asking questions and being curious in their organisation.

A lack of reward and encouragement was the top barrier highlighted by employees with almost half of employees in Australia (47 per cent) and New Zealand (49 per cent) saying they are not rewarded for their curiosity.

Top 3 barriers to curiosity

	Australia	New Zealand
 <p>Senior business leaders</p>	<p>#1 Too much pressure to deliver on short term goals</p> <p>#2 Lack of reward or encouragement</p> <p>#3 Lack of coherent data to make informed decisions</p>	<p>#1 Too much pressure to deliver on short term goals</p> <p>#2 Lack of motivation due to burnout</p> <p>#3 Lack of reward or encouragement</p>
 <p>Employees</p>	<p>#1 Lack of reward or encouragement</p> <p>#2 Too much pressure to deliver on short term goals</p> <p>#3 Our culture/senior management is resistant to change</p>	<p>#1 Lack of reward or encouragement</p> <p>#2 Lack of motivation due to burnout</p> <p>#3 Too much pressure to deliver on short term goals</p>



Time

2 in 5 employees not given time to be curious at work (**43%** in Australia and **41%** in New Zealand)

3 in 10 employees not given time for learning and development (**31%** in Australia and **29%** in New Zealand)



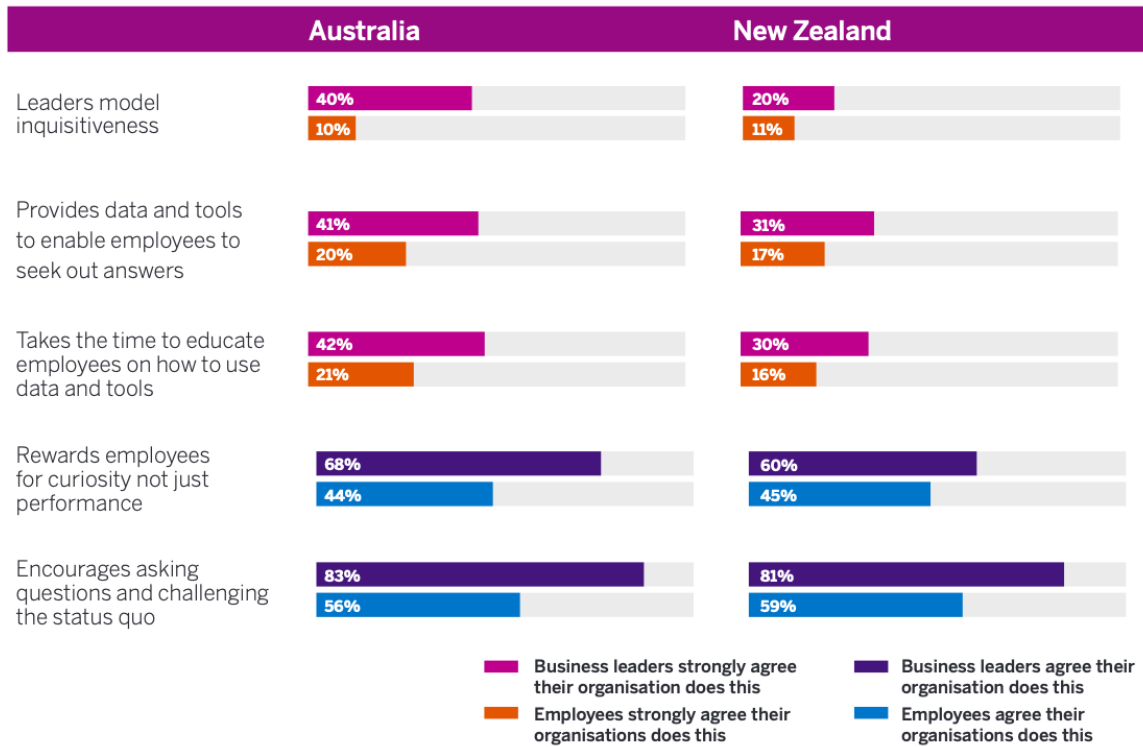
Large enterprises

1 in 3 employees at large enterprises in Australia say employee burnout is a barrier to curiosity

1 in 3 employees in large enterprises in New Zealand say senior management's resistance to change is a barrier to curiosity

The Curiosity Gap

The biggest challenge however is the disconnect that exists between leaders and employees, especially their views on access and use of data.



How to run Curious

Top tips for organisations from Dr Amantha Imber

1 Start with customer frustrations

Innovation doesn't start with an idea - it starts with customer frustrations.

To produce innovations that your customers value, start by getting curious about and closer to your customers. Spend time observing them and asking questions and look out for frustrations. If you can solve customers' problems, you'll be producing something they will most definitely value.

3 Take a risk, and stop seeing failure as a dirty word

Failure is an unacceptable outcome in many organisations. It is generally thought of as a dirty word, and something that gets swept under the carpet when it does rear its ugly head. But being able to acknowledge and learn from failure is a huge part of building a culture where risk-taking is tolerated and where curiosity can thrive.

Leaders need to signal that risk-taking is an acceptable part of business. Talking openly about failures and what can be learnt from them is a valuable place to start.

5 Loosen the reins

Many researchers have found that creativity and curiosity is dramatically enhanced when people are given autonomy. When employees perceive they have a choice in how things can be done, they are significantly more likely to engage in trial and error and, through this, find more effective ways of doing things.

While goals need to be clearly set, managers need to ensure that projects have flexibility in how they can be tackled to allow employees to experience freedom and autonomy in their work.

2 Find the right amount of challenge

Individuals feeling challenged by their work is a critical driver of curiosity and creativity. Challenge refers to people working on tasks that are complex and interesting - yet at the same time not overly taxing or unduly overwhelming.

Managers need to understand that this does not mean simply giving people the biggest possible challenge. Instead, ensure that the level of challenge set is one that is achievable. On the flip side, setting tasks that people are able to complete with their eyes closed will not breed a culture where innovation thrives.

4 Experiment before you implement

Experimentation is a mandatory step in an effective innovation process and in building a culture of curiosity. Rather than just going straight from idea to implementation, it is important to first experiment. This involves setting hypotheses as to why an idea will add value to the customer and creating a minimum viable product (MVP) - the most basic version of the idea that will still allow for learnings. Designing an experiment to test hypotheses using the MVP is the next step. Based on the results, teams can iterate or change course accordingly. Experimentation is a very effective way to help reduce the risk of new innovations.

6 Have more arguments

One of the factors that has been identified as critical for creating a culture where curiosity and innovation thrive is ensuring that different points of view are encouraged and that ideas are regularly debated. Managers should encourage others to debate and discuss ideas - actively encouraging different view points will strengthen an organisation's innovations significantly.

Top tips for individuals from Dr Amantha Imber

1 Set a big roadblock

Letting your mind wander wherever it needs to, starting with a blank canvas and being free of rules are all considered conducive to creativity. However, the latest psychological research has shown the complete opposite to be true.

In one study, a group of adults was asked to make a construction using LEGO bricks. One group was told they could build whatever they liked. The other group had several constraints placed upon them, such as being only allowed to use one kind of brick. The constructions built by the 'constraints' group were judged to be significantly more creative and lateral than those in the 'free expression' group.

Placing constraints or roadblocks in the way forces us to search for new and creative ways of completing a task or solving the problem. It forces us to stay curious rather than just jump straight to solutions. So when faced with a problem, impose some big and deliberate constraints in the way and watch your creativity and curiosity soar.

3 Close your eyes

Could an act as simple as closing your eyes boost creativity? Ritter and her colleagues published research in *Frontiers in Psychology* that examined this very question. Participants were asked to either close or open their eyes while competing a creative problem solving task.

Ritter found that those who closed their eyes produced significantly more creative solutions than their eyes-wide-open counterparts. The researchers suggested that the inward direction of people's attention was the key in increasing creativity.

If you are struggling getting into a curious and creative mindset, simply close your eyes for a few minutes and let it wander.

2 Take a risk, and stop seeing failure as a dirty word

Suffering from writer's block? Getting unstuck can be as simple as going for a wander outside. Research published in the *Journal of Experimental Psychology* demonstrated that compared to sitting down or walking inside on a treadmill, going for a walk outside increased people's ability to produce creative solutions to problems.

If you happen to be planning a meeting or workshop where helping people stay curious and creative is essential, instruct people to go for a walk around the block to improve creativity and curiosity upon their return.

And when working solo, build in some regular outdoor walking breaks to maintain a creative mind.

More than half of senior business leaders in ANZ admit that talk about encouraging curiosity is not always supported by action.

67% in AU **AND** **53%** in NZ

Almost **9 in 10** employees in ANZ say there are things managers could do to facilitate a more curious culture.



Time to be Curious

Whilst the past two years has been challenging, what has been exciting to see is how the pandemic has made people - and organisations - more open to trying new things or approaching core tasks in different ways. Most organisations have accelerated their adoption of digital technologies to assist them. It has also meant that leaders have had to rethink how new ideas are generated, brought to life, and made operational, something that is a bit trickier to navigate.

Frustrations with, and friction within, historical ways of working are also providing organisations with a place to look for innovation and a chance to make their employees and customers happier in the process.

The CSIRO recently stated that less than half of ASX-listed companies introduced a new product or service during the past three years, and only nine per cent of innovations are considered market leading or new to the world. Worryingly, this is at a time when most organisations are under pressure to innovate.

As we emerge from the pandemic, teams should resist the temptation to look for new ways of doing anything and everything. Instead, we believe efforts should be focused on processes and services where they have an opportunity to lead the market or create a new one.

This is where the importance of curiosity - and investment in technology and data intelligence - plays a crucial role. Organisations that give teams the ability to really zero in on customer frustrations, the time to understand and think about market-leading and new opportunities, and access to the

right data to analyse the thinking involved, will have the best chance of success.

Curiosity, that of our customers' and our partners', is something we're committed to harnessing at SAP. We work closely with leading advisory firms including Accenture, Capgemini, Deloitte, DXC, EY and PWC as well as partners like Bourne Digital and Datacom, to help clients indulge their curiosity, and ours, to find innovative ways of solving business and societal challenges. Together we're helping to sharpen the focus down to market-leading and new processes that help the world run better.

This includes helping institutional banks take a more data-driven approach to managing their customers' working capital, maximising productivity and saving the Australian taxpayer by working with government to improve processes associated with the reshaping of departmental portfolios, and generating visualisations and insights around blue carbon, one of Australia's most exciting renewable opportunities.

SAP is tackling this challenge head on in the months ahead, running a series of activities designed to help organisations rethink how they approach the challenges they are facing, with curiosity at the heart. If you would like to be part of it, we would love to hear from you.



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The SAP AppHaus Network

The SAP AppHaus Network is a community of creative spaces run by SAP, or like-minded SAP partners, using curiosity to help humanise business software and ensure that innovation gets into the hands of end users. The goal of the network is to put people at the centre of all engagements by applying SAP's human-centered approach to innovation and leveraging the SAP Business Technology Platform as the foundation for innovation. By staying curious, asking questions, and working collaboratively with partners to think differently about how technology can work for people, SAP has helped customers across Australia and New Zealand to achieve incredible innovation.

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