

# ► Innovative Working Atmosphere

How managers succeed  
in giving New Work a nudge



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# Overview

The pressure to be innovative is continuing to increase in corporations. There is a need to optimally exploit the potential that employees offer. The working atmosphere plays a key role. The physical, social, and digital environment has a huge impact on how agile and effective the cooperation between employees is.

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Four out of five German managers have recognized the relevance of the working atmosphere and are committed to improving it. Despite their efforts, only 37 percent of employees are fully satisfied with their current situation. Likewise, one in every two employees would be able to work more productively under different working conditions. Many managers therefore intend to improve the specific situation in their area of responsibility.

This study by Porsche Consulting describes what a working atmosphere that promotes effective employee practices as well as what innovation can look like. Furthermore, it also presents an innovative approach to fast-track implementation. It is particularly suitable for introducing “New Work” right across a corporation within a short period of time.

Our analyses of the world's most innovative companies, and the latest insights gained from neuroscientific and behavioral research, reveals that companies should aim to create a working atmosphere that is characterized by eight behavioral principles.

- 01 Systematic decision-making**
- 02 Strong focus**
- 03 Clear responsibility and tasks**
- 04 Trust, securiness, and recognition**
- 05 Rapid exchange of knowledge**
- 06 Bold action**
- 07 Diverse perspectives**
- 08 Cognitive regeneration**

In order to implement these principles in a pragmatic way, the “Nudge Management” approach developed by Porsche Consulting is available for use by managers. It allows a more

innovative working atmosphere to be established in a short period of time. This approach makes it possible by applying insights obtained by two Nobel Prize winners into organizational design. Its effectiveness is based on the principle of ceasing to ignore the instincts that have such a decisive influence on our behavior, and instead directing a focus on addressing them. This allows work to be organized the same way that the brain functions.

This will soon allow a large area within the company to start benefiting from a more attractive working environment. This boosts the effectiveness, efficiency, and motivation of the employees and creates a competitive advantage. Work is then organized holistically and structured around the way people really tick.



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## 01 Starting Situation: Corporate Pressure to Innovate

The capacity to innovate today decides the success achieved tomorrow. The goal of corporate leaders is therefore to take innovation capacity to a new level. The focus here is on the employees. They are the key to innovative services, products, and business models that will ensure that corporations maintain their competitiveness in the digital future, and that their sales figures and profits will continue to grow every year.

### Innovation Is a Top-Level Issue

Companies currently cannot afford to remain idle. New technologies mean that business models in many industries are being turned upside down. Business leaders have understood that continuing to boost the power of innovation is one of the most important requirements that today's generation of managers must face. Innovation is a management issue just about everywhere. All over the world, many competitors are stepping up the pace. A high capacity for innovation is better than any insurance policy for keeping pace with change. The prosperity of knowledge-based societies like Germany, Austria, and Switzerland is based on innovative products and services that customers all over the world highly value. Fundamental transformation is essential

to ensure that this remains the case in the future in a digital world. Over the next few years, achieving excellence in two areas will be essential: On the one hand, different types of innovations must be created—evolutionary and revolutionary. Creative ideas and implementing pilot projects will not suffice. In a few years' time, today's ideas must result in a relevant share of sales volume and profit. On the other hand, the operative business must continue to function with excellence. This is because it is the well-established service and product portfolio and the profits generated that will finance the transformation of the company. In order to master all of this, companies require a clear-cut strategic orientation and need to consistently implement all aspects.



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## Effectiveness Comes Before Efficiency

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One of the most important responsibilities of management in the industrial age was increasing efficiency. At the turn of the twentieth century, Frederick Taylor revolutionized automotive factories in North America by standardizing production processes. Over the decades that followed, business leaders gained competitive advantages by employing modern methods and standardized procedures to reduce costs and put corporate plans into practice. As the 1990s drew to an end, streamlining and standardizing structures and processes had become a key factor to success. Numerous business leaders embarked on a pilgrimage to Japan at the end of the twentieth century and the dawn of the twenty-first century, usually setting course for the factories run by Toyota in order to gain first-hand experience with lean management. Corporations were primarily realizing growth by means of globalization. There was a demand for high-quality machinery, plants, and vehicles all over the world—demand that remains unabated. Production capacities were created and upgraded in the global growth markets. This situation meant that uniform processes and modular, standardized process architectures were a guarantee for a high level of quality that remained consistent worldwide, along with annual savings effects when it came to the cost of manufacturing. This was rewarded with profitable growth for many corporations.

Today, just a few years later, business leaders are embarking on pilgrimages that take them to the other side of the Pacific Ocean. Many of the most successful corporations in this day and age are headquartered in Silicon Valley and in the area to the north of it on the West Coast. Proof of this is provided by a look at the list of companies with the highest market capitalization. Apple, Amazon, Google, and Microsoft lead the ranks. They have arrived at this position by practicing very high levels of effectiveness and agility over the last fifteen years. And they remain experts at doing the right things. What products like machinery and vehicles were to the industrial age have now become services centered on software and data. The managers at the American technol-

ogy giants did not succeed in advancing to a position as the world's most valuable companies by realizing annual savings effects in material and production costs, or by setting up new factories all over the world. What was and remains decisive for their success is the power to innovate.

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## A Focus on People

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People who have creative ideas are a key prerequisite for innovation. New ideas will subsequently need to be followed up with stamina, discipline, and boldness. This only succeeds with teamwork and close cooperation throughout the corporation; it cannot, however, be planned and controlled. Innovation is not the result of good organigrams, key performance indicators, cost transparency, budget planning, or process descriptions alone. They can, in fact, stifle it. Innovation is the result of agile teamwork between quick minds who combine technological competence with an understanding of customers and entrepreneurial thinking. And this requires that the right framework be established: Informal exchange of ideas and spontaneous meetings are also important.

The key concepts of the industrial age were efficiency, processes, stability, and standardization. New Work stands in stark contrast to this. Effectiveness, people, agility, and collaboration are now the focus. This is something that corporations have recognized and are therefore working on simplifying organizational processes to make them less regimented and significantly more agile, and on modernizing the working atmosphere. This will succeed by eliminating rigid rules that are an impediment to innovation. After all, it requires a certain intellectual leeway to launch trailblazing products and services on the market. If this is not provided, the corporation's survival in the digital age might be at risk.

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## 02 Risk to Innovation: Current Working Atmosphere

When it comes to the working atmosphere in German corporations, things could be better. This was the conclusion that the current representative survey\* by Porsche Consulting unveiled. Nine out of ten employees in office-based jobs would like to contribute more ideas. Forty-three percent of office-based employees across Germany actually lack any adequate opportunity to have a say in the way activities are structured. This makes the capacity for innovation, which is so important to the future of German corporations in particular, less potent than it could otherwise be.

### Managerial Commitment

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Improving the working atmosphere is a high-priority issue for the bosses. A clear three-quarter majority (79 percent) has the impression that their managers are putting effort into creating good working conditions and a good atmo-

sphere within the company. Sixteen percent, in contrast, say that their managers do not make any effort at all in this regard. What do managers need to take charge of? What is particularly important to the employees?



**79%**

**... of managers put effort into creating good working conditions and a good atmosphere within the company**

Diagram 1. Managerial commitment

Graphics: Porsche Consulting

\* Basis: Porsche Consulting commissioned Forsa with conducting a representative telephone survey across Germany using the systematic random selection of 1,011 participants over the period from December 14, 2017 to January 5, 2018.



## Priorities for Employees

When work is being done in cooperation with colleagues, the working atmosphere has huge significance: For just about all employees, primarily those working in offices (99 percent), a friendly atmosphere or rather collegial, supportive teamwork is important—for a substantial majority (76 percent) it is very important. While being able to contribute new ideas, along with clear rules and a clear division of responsibilities, also has a high priority, these two aspects are nonetheless “only” of great importance to every second employee sur-

veyed (47 percent and 43 percent respectively). A closer look at the socio-demographic distribution reveals additional factors: While both men and women place more value on a good working atmosphere than on clear rules and a clear division of responsibilities as well as the opportunity to contribute ideas—collegiality assumes a higher status among women than it does among men. Men, in contrast, more frequently value the opportunity to be able to contribute new ideas.

## What employees consider important at the workplace

A survey of working atmosphere

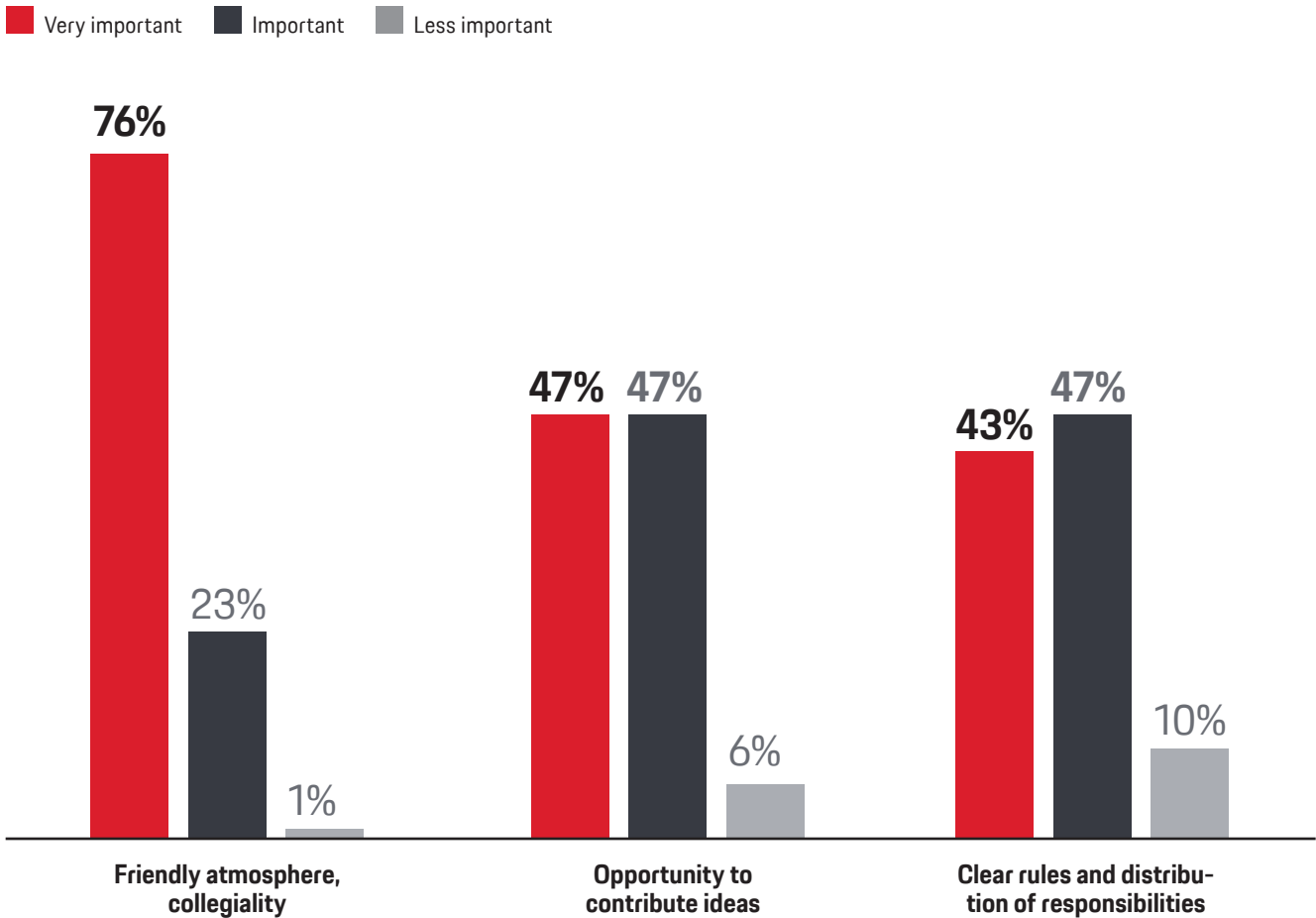


Diagram 2. Priorities for employees

Graphics: Porsche Consulting

## Starting Points for Optimization

The office desk is increasingly losing its significance as a workplace. Work based on flexibility in terms of location and hours has become an inherent part of the everyday work of many employees. More and more often people are working outside offices. There are reasons for this. It is evidently easier to put thought into professional concerns outside the office than at the workplace. Finding solutions, making decisions, and developing creative ideas—46 percent tend to do this on their way to work. There are also many who also come up with ideas at home (43 percent).

### Where do employees find the peace to think?

A survey of working atmosphere

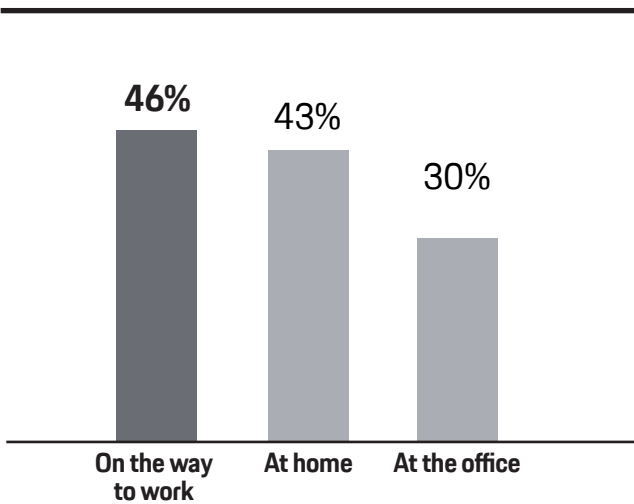


Diagram 3. Distractions at the office Graphics: Porsche Consulting

A quiet place to work outside the office is frequently a better choice when there are tasks to complete that require deep concentration. The more freedom the employees are given to choose their place of work, the more important an attractive office becomes. This is where management should create a working atmosphere to which employees gravitate. After all, the right amount of time spent together in the office is crucial for communication and a rapid exchange of information within the team. Which improvements would help employees to work better?

Above all, employees working in an office lack time. About every second employee (53 percent) would like to have at least one hour a day in which they can think without interruption and make plans in peace. Around one in three (34 percent) advocate fewer or shorter meetings. Around 40 percent would like to see office equipment that is more up-to-date (40 percent) or better IT equipment (37 percent).

## What employees would like most

A survey of working atmosphere

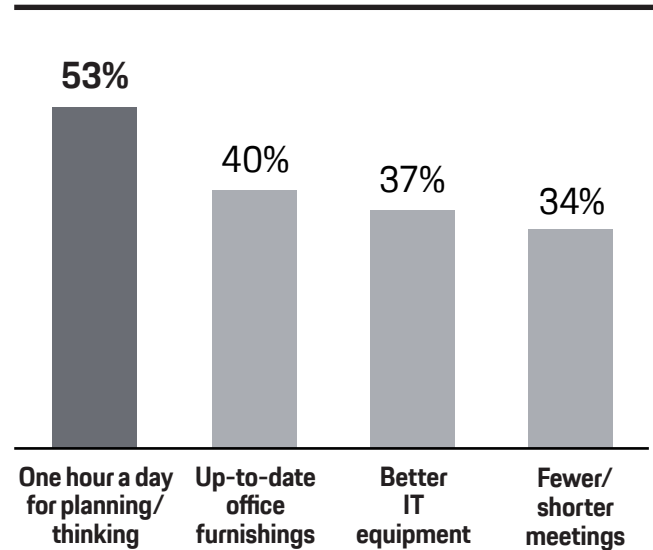
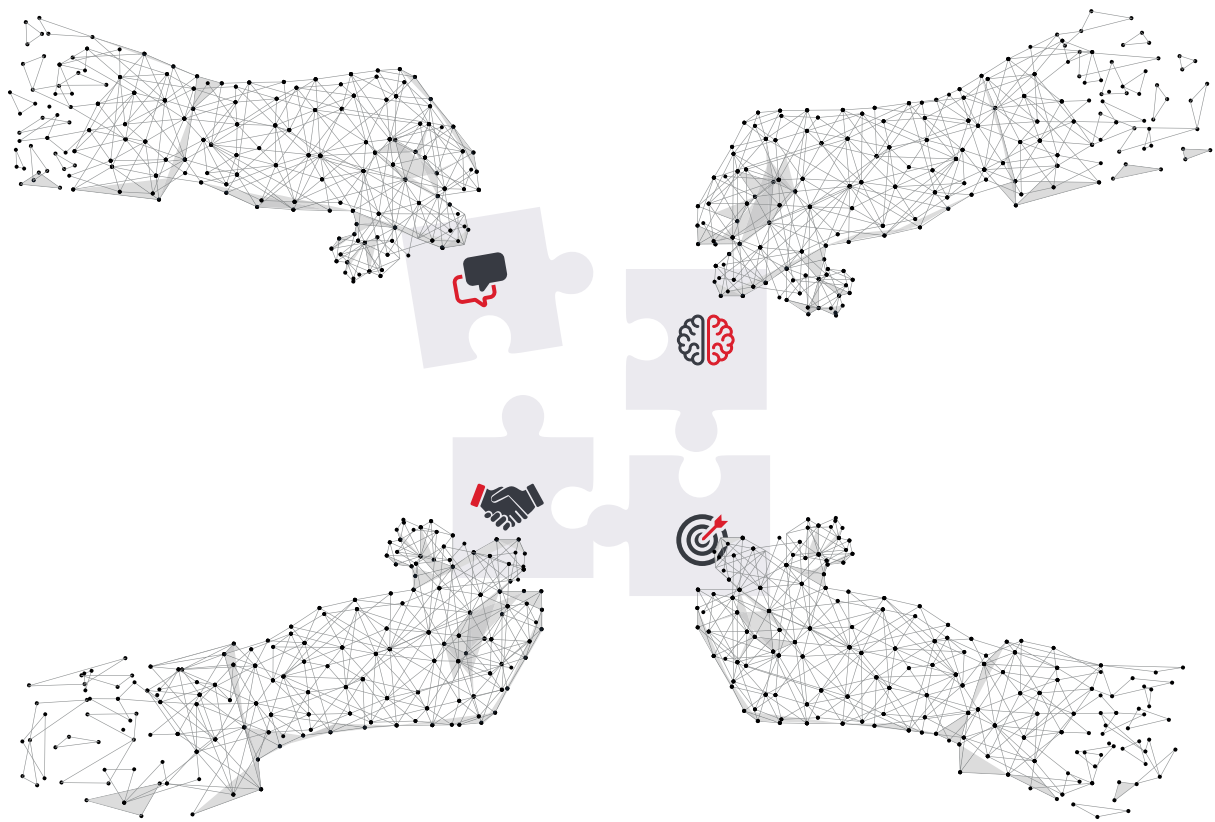


Diagram 4. Starting points for optimization Graphics: Porsche Consulting

There are different procedures for corporations to choose from when introducing a new working atmosphere. Especially if new worlds of work are the key element in achieving New Work, the first step will involve establishing pilot areas. Individual departments or entire corporate divisions move into a new or fully refurbished building. Here employees are offered a range of areas for different modes of work. There are creative spaces for meetings, conference rooms with comfortable sofas and armchairs, and classic meeting rooms as well. The design of the areas that provide the prototype are, in many cases, inspired by management teams visiting Silicon Valley or by tours made through companies that are considered particularly innovative. People usually feel better in their new surroundings; communication is intensified by the open structures; and productivity is boosted as well. Unfortunately, only a small proportion of employees are initially able to enjoy the new worlds of work created within the pilot project.

How will things continue following the pilot phases? This is currently a key question in many corporations. Two fundamental motives are forcing corporate leaders to find answers quickly. On the one hand, a new working atmosphere is required throughout the entire corporation, and not just in individual divisions. This is the only way to increase the overall capacity for innovation. On the other hand, allowing what might be perceived as a "two-tier society" to form is not productive. An approach is needed that allows New Work to be introduced to their entire corporation quickly.



**Communicate**



**Collaborate**



**Concentrate**



**Contemplate**



## Effective and agile cooperation



## **Behavioral Improvement with Nudging**

"Small contextual changes do strongly affect human behavior"

**Richard Thaler**  
Winner 2017 Nobel Prize in Economics

## 03 Approach: Nudge Management

Those in positions of responsibility can introduce New Work throughout the corporation without delay. This is possible when insights gained from behavioral sciences are channeled into organizational design. This allows a large section of the corporation to enjoy a more attractive working environment and gives the capacity for innovation a boost. Managers can use the Nudge Management approach that was developed by Porsche Consulting to implement New Work in a pragmatic way.

### The Nobel Prize as a Basis

Nudge Management is based on the nudge theory developed by Richard Thaler, who won the Nobel Prize in Economics in 2017. This theory has already met with widespread resonance in the political arena. Governments all over the world are already utilizing this approach, for example to improve retirement provisions and healthcare within the population. The theory describes how politicians use nudges to encourage citizens to commit to behaving well. The distinctive feature is that what is known as a nudge does not trigger a change in behavior by means of rules, instructions, or financial incentives. The person concerned is not forced to behave differently, and instead retains the freedom to make their own decision. Changing the underlying conditions is what makes smart behavior considerably easier to realize, and therefore all the more likely.

Its effectiveness is the result of the power of instincts. Along with reason, instincts have a huge influence on human behavior. Nudging allows the instincts, or more precisely fast thinking and unconscious behavior, to be addressed. This has the advantage that the person concerned does not need to actively change their behavior. In the right environment, people will automatically behave the right way.

Nudge Management translates nudge theory into a form suitable for corporate management. It is made easy for employees to be creative and productive.

The approach provides support to managers with decision-making tasks. In corporations there are frequently different opinions about how the working environment should be structured. Using insights from behavioral sciences helps to make discussions like this more objective.

#### A new management tool developed by Porsche Consulting

### Nudge Management

- Apply insights from behavioral science ✓
- to **design** organizational contexts ✓
- so to **optimize fast thinking** and **unconscious behavior** of employees ✓
- in line** with the **objective** of the organization ✓

Diagram 6. Nudge Management

Graphics: Porsche Consulting

## Paradigm Shift to Organizational Design

The introduction of Nudge Management triggers an important paradigm shift. Work is organized holistically, in the same way people tick. The instincts that have a decisive impact on

all our behavior are no longer ignored; rather, focus is placed on addressing them. This makes the power of instincts a catalyst for innovation.

### Make use of the power of instincts

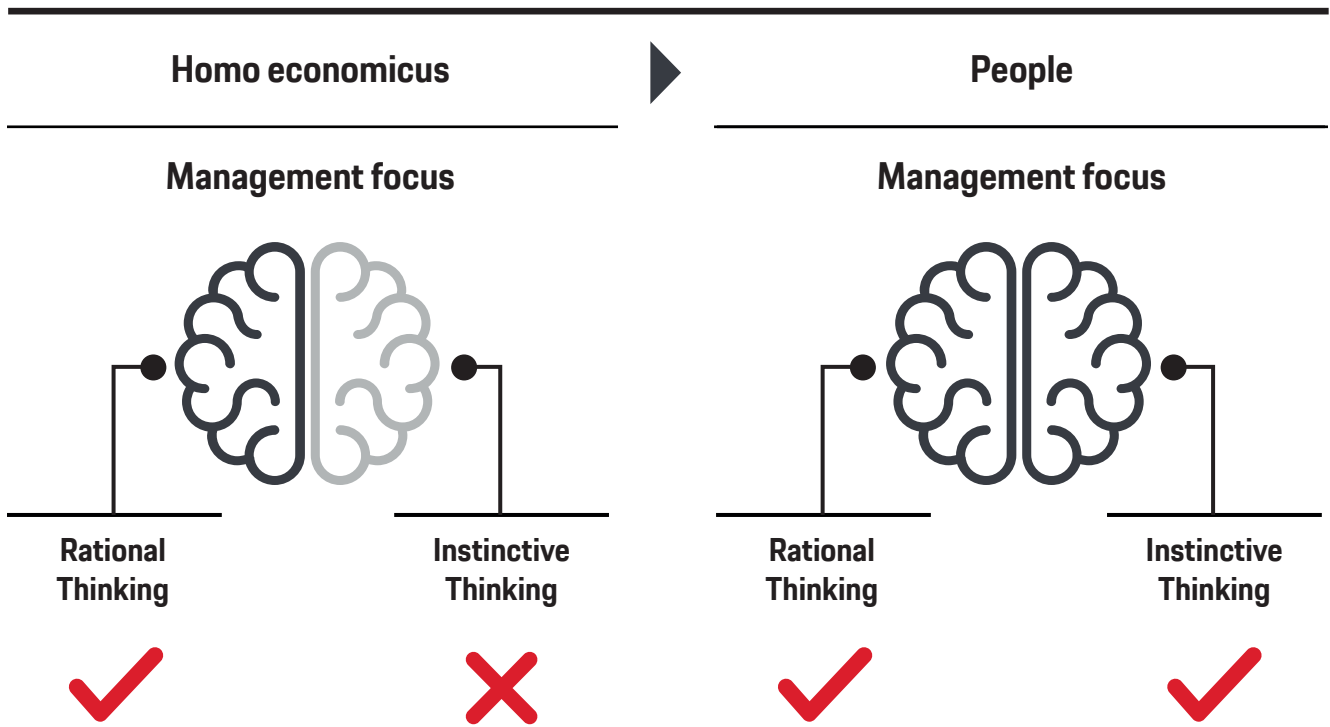


Diagram 7. Change of paradigm in management

Graphics: Porsche Consulting

Many managers will find that this point of view stands in stark contrast to what they have learned and practiced to date. Many of the scientific insights into the function of the human brain which are available today were still to be made at the end of last century. At the time, the significance of instinctive (fast, automated, system 1) thinking on human behavior was considered far more secondary than it is today. Accordingly, many approaches to organizational design and behavioral optimization also directed a key focus on giving priority to addressing rational thinking. This was based on the assumption that people alter their behavior when such

a change allows them to achieve a positive marginal benefit. However, today one knows that people do not operate this rationally. This insight is only slowly finding its way into the corporate world. A number of reactions to Nudge Management reveal that there is still a need for enlightenment in this regard. A statement such as "we don't have time or money for Better Homes and Gardens" illustrates that some people cannot comprehend why Richard Thaler received the Nobel Prize for Economics in 2017 for his research into the field of behavioral economics. Small changes to an environment can have a huge influence on human behavior.

A number of the most successful corporations of our time have the latest knowledge about the relevance of apparent details for behavior in organizations. Selected business leaders from Silicon Valley joined forces with leading scientists in 2007 and 2008 for an intense exchange of information. The latest insights from behavioral science were presented and discussed in a small group. Speakers included the Nobel Prize winner from 2002, Daniel Kahneman, as well as the

Nobel Prize winner from 2017, Richard Thaler. The exclusive group of participants included, for example, Google founders Larry Page and Sergey Brin as well as the founder of Amazon, Jeff Bezos. Today, nudging is utilized most extensively by leading Silicon Valley corporations. Other corporations can follow suit, implement a paradigm shift for organizational design, and use this to create an innovative working atmosphere.

## Principles for Effective Action

Our analyses reveal that corporations should aim to create a working atmosphere that is characterized by eight principles of behavior. The basis for the formulation of these principles is provided by two areas: On the one hand, there is the working atmosphere at the world's most innovative corporations.

On the other, there are the latest insights gained from neuroscience and behavioral research. These principles are presented in the following diagram and a number of nudges are described as examples for managers to systematically create an innovative working atmosphere.

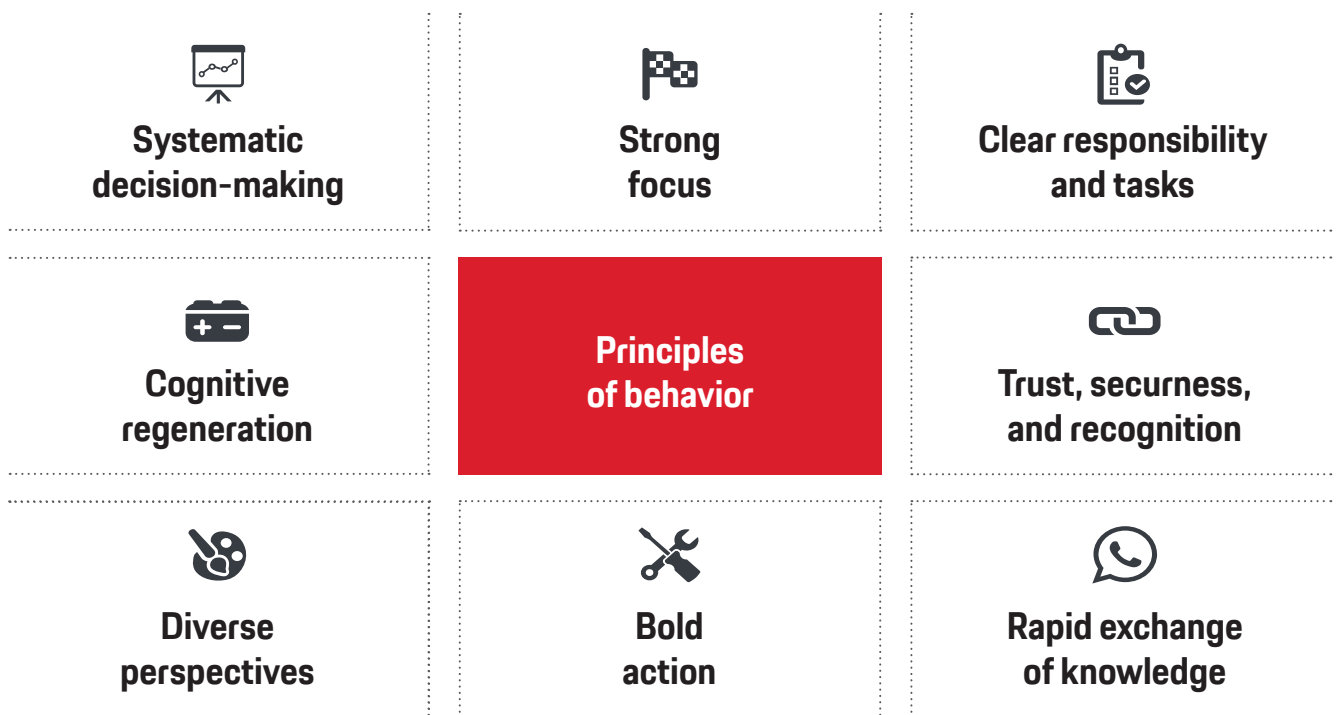


Schaubild 8. Principles of an innovative working atmosphere

Graphics: Porsche Consulting



# Systematic Decision-Making

## Relevance

Fundamental to corporate success is the quality of the decisions that are being made by individuals and teams on a daily basis. Which ideas should continue to be pursued, and which ones should not? How should capital be allocated? Making the right decision is not a straightforward task in today's dynamic world. This is why the system used to make decisions assumes a decisive role. It allows unconscious, and false, conclusions to be avoided. Even apparent trivialities can

have a massive impact on decision-making. Decisions made in the morning are significantly bolder than those made in the afternoon. Similarly, people who are hungry act less strategically than people with a full stomach. It is important to consider these factors when making decisions with far-reaching implications. Movement also boosts intellectual performance and results in thinking that is more creative and decisions that are better.

## Top Nudge

This is the reason why corporations should officially allow meetings to be held on walks taken during working hours. This can be nudged by having the system suggest a "walking meeting" as a venue for a meeting in the company's calendar application when employees are looking for a room to gather. Moreover, putting up a map in the office with recommenda-

tions for interesting routes for walks of different durations has proven productive. This map serves as another reminder to leave the building to clear one's head. The quality of decisions is improved, as a sense of well-being due to time spent outdoors—even after returning to the workplace.





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# Strong Focus



## Relevance

Most of the creation of value by knowledge workers requires clearly directed focus. The ideal state is referred to as a flow. The thoughts are clear and the solution to important tasks seems obvious. Immerse yourself in your tasks and time flies by. This is the state that needs to be made possible at a desk or in meeting rooms. The more frequently employees experience this state, both alone and as a team, the higher a corporation's power of innovation becomes. One basic prerequisite for this is having as few distractions as possible. Anyone who has something else to take care of, or is distracted by discussions with colleagues every other minute, will not succeed in entering a state of flow. Sufficient space and time for distraction-free and highly focused work is a fundamental requirement. The results of the survey illustrate just how important time for uninterrupted work is for employees. The flood of emails exchanged on a daily basis presents the biggest obstacle. Constantly checking and reading emails forces employees to multitask. While many people are aware of this,

they nonetheless tend to attempt to complete several tasks at the same time. Why? The mind knows what needs to be done, but instincts cause people to act differently. People tend to assess the latest information available as being particularly important— immediacy takes precedence over importance. In an interconnected world, this represents a huge obstacle to the productivity of knowledge workers. Employees are constantly provided with the latest information by their smartphones. The temptation to read the information and briefly interrupt the work they were concentrating on a moment before is simply too great. The notion that it only takes a few seconds to read an email is a misconception. After all, studies have shown that it sometimes takes a few minutes until people regain their focus after an interruption like this and are able to concentrate on work again. Moreover, brief interruptions also noticeably increase levels of stress. This stifles the power of innovation.

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## Top Nudge

Which nudge could help in this case? Changes to the standard settings in email programs can be implemented at short notice. Just a few clicks are necessary, for example, to disable a visual or acoustic notification informing the user that new emails have arrived. The IT department needs little time and effort to change this standard setting for all employees within the organization. Of course, there will be colleagues who reactivate the notification function them-

selves. However the majority of employees will not do this. A simple nudge has helped all these employees to avoid the occasional and unnecessary interruption to their actual work. In organizations with hundreds, or even thousands, of employees affected by this, this straightforward operation can quickly cut down on thousands of unproductive hours every year and boost the clarity of thought.





# Clear Responsibility and Tasks

## Relevance

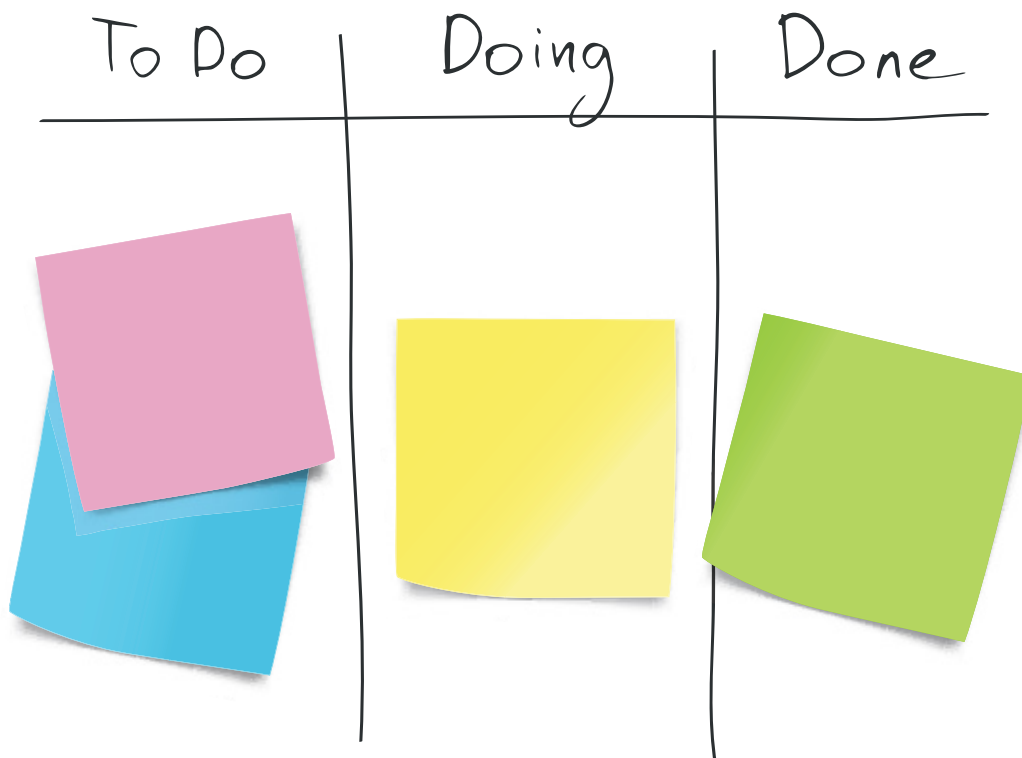
Innovation is teamwork. Nowadays, even the most ingenious inventors will find it almost impossible to develop trailblazing innovations on their own and offer them to customers. Effective teamwork is therefore fundamental. There are often several hundred people involved in projects to develop new products or services. To arrive at a successful outcome, clear responsibilities and division of tasks are crucial. Who is responsible for taking care of what and when and which results are to be delivered must be clearly defined to allow colleagues to expand on them. Our survey revealed that one in two respondents would like to see more clearly defined responsibilities. This should not, however, be

undertaken by means of new organigrams or rules, because these approaches dating from the industrial era no longer function in the digital age. The complexity has become too great to unequivocally delegate responsibilities in today's business world within a two- or three-dimensional organigram. Rules only just established may prove to be outdated due to business dynamics in a few weeks' time. What helps is closer coordination of current priorities and tasks. Many corporations have recognized this and are employing agile methods for project management, in particular in IT and development departments. This in turn results in an improvement in agility and creativity.

## Top Nudge

Publishing to-do lists are considered a nudge. They make use of the scientific insight that people implement plans with more discipline when they tell other people about them and provide colleagues with regular reports about their progress. This example shows that many nudges do not have to be new tools. What is, in fact, new is the system-

atic selection of potential methods with the objective of reconciling instincts and reason. Through the use of Scrum or Kanban boards, the human instinct to procrastinate is eclipsed by instincts that encourage the disciplined completion of tasks at hand.



# Trust, Secureness, and Recognition



## Relevance

Numerous studies have emphasized that psychological security is one of the most important factors for successful teams. An atmosphere of innovation creates the underlying conditions in which it is easy to build trust. Shared experiences can contribute to this, such as going to a party or a hike in the mountains together. However, it should be just as easy to get to know each other better on a personal level during a routine day at work. This often succeeds among people from different departments when drinking an espresso

together after lunch. The better colleagues know each other, the more likely trust and confidence is to arise. Performance is rewarded with recognition. Today's information technology makes it possible to work in all sorts of different locations. However, in the rapidly changing virtual world in particular, security and trust have an undeniable importance. They arise through personal interaction with an intensive exchange of information and shared experiences.

## Top Nudge

One simple way of encouraging personal interaction is provided by generously proportioned company work cafés. Food brings people together. This allows for chance meetings between employees from different corporate divi-

sions. People get to know and trust one another, which in turn results in a more active exchange of information across different divisions and better teamwork between departments.





# Rapid Exchange of Knowledge

## Relevance

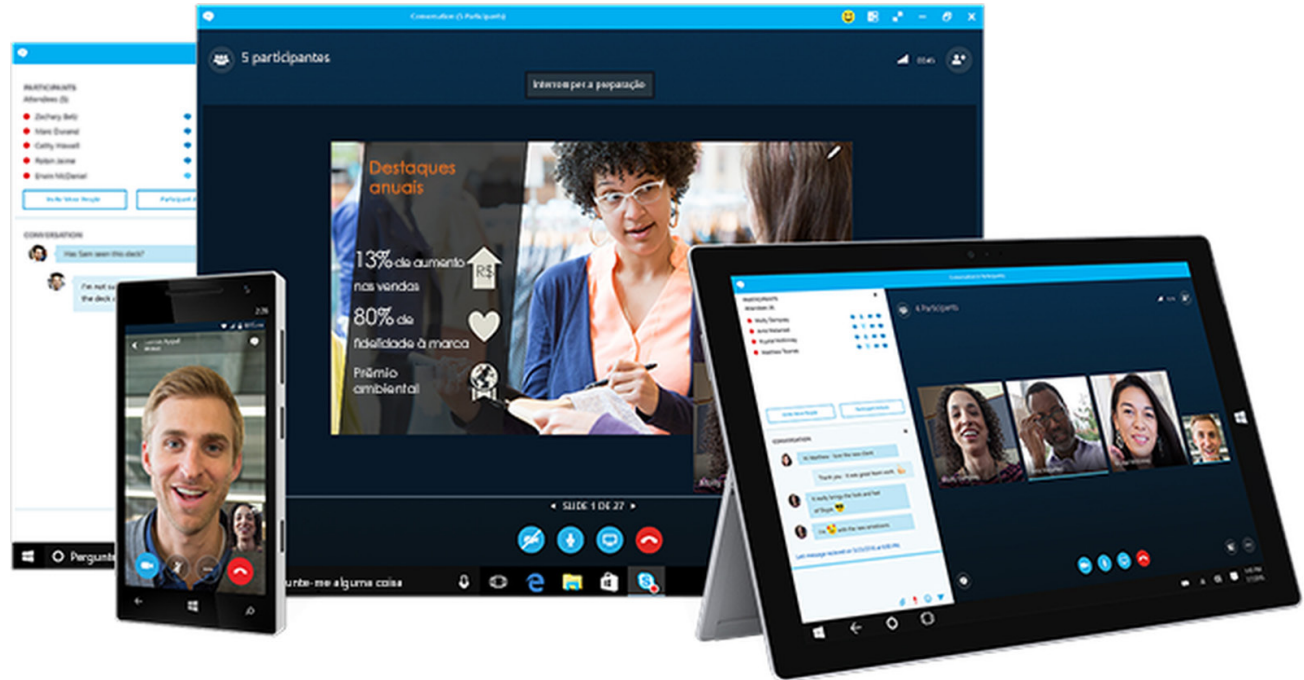
Innovation depends on knowledge. This is why it needs an atmosphere in which the flow of important information can proceed quickly. Alongside sharing knowledge within the company, the exchange of information with external partners is growing in importance. This insight is nothing new, however many corporations are still a long way from generating a rapid exchange of knowledge. Even the most ingenious knowledge management system cannot replace personal interaction. The sharing of knowledge between

teams whose members live and work in different places is becoming more and more important. Digital systems that support teamwork are also assuming an increasing importance for work groups like these. Technically speaking, working on a document together in the cloud is now perfectly straightforward. The greatest obstacle to this, however, are often company-specific guidelines that have not yet allowed the use of these state-of-the-art collaborative tools.

## Top Nudge

Eighty percent of communication is nonverbal. This makes video conferences significantly more productive than audio conferences. The willingness to hold video conferences largely depends on how much effort it takes to organize and prepare them. When all meeting rooms and

workplaces are equipped with high-quality Skype cameras, employees are given the nudge they need to communicate with customers or colleagues at other locations via video conference. The result is a better mutual understanding and greater effectiveness.





# Bold Action

## Relevance

Even more important than having good ideas is using these ideas to achieve rapid-fire success when it comes to implementation. This is true for both new products and services for customers as well as for improvements being made within the corporation. One of the greatest obstacles is above all a lack of boldness and decisiveness necessary to tackle matters quickly and consistently. In this day and age, which is largely characterized by technological change, it is a deci-

sive factor for success. Many corporations and large companies wish to establish competitive advantages by acting in a similar way to the founders and employees of start-ups and small enterprises. This involves trying things out, even if plans have not been finalized down to the last detail. A bold action is a key principle at the heart of an innovative working atmosphere. Specific activities in the working environment can inspire employees to "just do it".

## Top Nudge

One effective way of achieving this is by spending less time sitting down and more working while standing. This is based on insights by renowned researchers from Harvard University. Standing is a power pose: People think more clearly when they are standing up while working. This often occurs unconsciously. When important discussions

are held, most people are standing up and often even walk back and forth in the room. Studies have shown that teamwork can also reap enormous benefits from this approach. Discussions held at standing tables are twenty-five times more productive than those held with the participants seated.





# Diverse Perspectives

## Relevance

Numerous studies have demonstrated how many benefits a diverse team has for the development of creative solutions. Products and services that are truly innovative can emerge when diverse perspectives, experiences, and competencies contribute to the process of invention. This is why efforts to encourage diversity have benefits for innovation. A diverse workforce in terms of gender, internationality, generation, and capability is a key to corporate success. A mixed team generally comes up with solutions that are more creative than a homogeneous group. This is why many corporations are aspiring to more diversity within their own ranks. Of course, the cooperation between diversified teams also needs to function. So too will a meeting involving the same

participants take a different course when held at different locations. Even seemingly incidental matters have a huge impact on teamwork and outcome. The higher the ceiling, the more strategic the thoughts are. Similarly, what can be seen through the window has a major effect on what happens in the room. There is good reason why labs operated by German corporations are sprouting up everywhere in Berlin. The dynamism of the capital city promotes a diverse perspective. Many large corporations are endeavoring to exploit the proximity to this inspiring environment to boost their capacity for innovation. There are, however, much easier ways for corporations to create a stimulating environment. A change in location is not always necessary.

## Top Nudge

Making specific changes to the equipment found in meeting rooms allows creativity to be systematically promoted. People are permanently assessing their environment with all their senses. Our perceptions are a major factor in determining how we behave. Smells and emotions are particularly closely linked in the brain. What people smell has a big effect on their response. Scents offer huge potential for improving the working atmosphere. For most people, for example, the smell of lavender reduces stress. Those who are more

relaxed are less susceptible to inappropriate instinctive reactions and more receptive to diverse viewpoints on one and the same topic. The scent in a room can therefore contribute to an increase in teams' capacity to innovate. In many areas outside the office, people have been profiting from the advantages provided by a specific scent for decades. They are used, for example, to encourage consumers to make purchases at shops and create a sense of well-being in hotels and airports.



# Cognitive Regeneration



## Relevance

Innovation requires a top cognitive performance. Just like the muscles, the brain cannot perform at peak capacity all the time. Regular periods of rest are required, because the better the intellectual performance is, the faster the brain will fatigue. When performing mentally demanding tasks in particular, short breaks increase productivity. These breaks not only boost the ability to work with more concentration

but also provide an opportunity to reflect on one's own (possibly incorrect) approach to solving the problem at hand. After around thirty minutes of highly concentrated mental exertion, the brain starts to tire. Our analyses show that what is known as mental fatigue represents a menace to effective discussions in particular.

## Top Nudge

This is why taking a mental break every forty-five minutes is recommended. This is particularly important in discussions. This can be nudged by aiming for meetings that last forty-five minutes rather than sixty minutes. When longer

meetings are held, there should be a short break every forty-five minutes. Five minutes are sufficient for improved cognitive abilities. The advantages are higher quality decisions and more effective discussions.



**Just a few nudges can significantly improve the working atmosphere. The individual nudges are important building blocks for New Work. The more nudges that are put into practice, the more effective and agile teamwork will become. This is of key importance for realizing a high capacity for innovation.**

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## Porsche Consulting.

Headquartered in Bietigheim-Bissingen, Porsche Consulting GmbH is a subsidiary of the Stuttgart-based sports car manufacturer Dr. Ing. h.c. F. Porsche AG. Founded in 1994, the company currently employs 500 people and is among the top 10 management consultancies in Germany (Lünendonk analysis). Active around the globe, it has offices in Stuttgart, Hamburg, Munich and Berlin as well as in Milan, São Paulo, Atlanta, Belmont (Silicon Valley) and Shanghai. Following the principle of "Strategic Vision, Smart Implementation," its experts support companies worldwide primarily with their major transformations, the improvement of their performance, and enhancement of their innovative capacity. Their clients are large corporations and medium-sized companies in the automotive, aviation and aerospace industries, as well as industrial goods. Other clients originate from the financial services, consumer goods, retail, and construction sectors.

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Design: Daniel Vogel, Porsche Consulting

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