

INNOVATION

Zipcar Doesn't Just Ask Employees to Innovate — It Shows Them How

by Soren Kaplan

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Innovative companies have innovative cultures. Always. Think of Google, or of how GE has sustained an innovation culture that goes back to its founding father, Thomas Edison. Today GE has once again reinvented itself, as “the digital industrial company” – not bad for an organization founded in 1892.

As mysterious as it can sound, creating a culture of innovation isn't rocket science. The dynamics are simple: Employees have experiences that come from leaders' conscious and unconscious decisions and behaviors. Those experiences shape assumptions about what behavior is desirable or undesirable. If you want to change your employees' behavior, it's easier to create new or different experiences to shift their assumptions than to directly assail the assumptions themselves.

How do you do that? Here are four strategies.

Use Symbolic Experiences

Zipcar, one of the first ride-sharing services, almost singlehandedly established the “sharing economy” in the United States and paved the way for others in the industry, like Uber and Airbnb. But even a business model innovator like Zipcar must eventually respond to a changing world. A stark reality recently crept up on Zipcar: It had designed its entire customer experience as a desktop-and-laptop experience, so it didn't have a way to sign up, service, and help members manage their memberships from their phones. The world had changed, and Zipcar needed to change along with it. It would require a big shift in employee mindsets and behavior, and Zipcar needed to move fast.

Zipcar did several things to jumpstart its new mobile model, but one of the first actions orchestrated a surprising employee experience that would immediately become a symbol of its new mobile-first mindset. Employees were invited to a meeting where leadership discussed its mobile business imperative. To help drive home the point, people were given sledgehammers so that they could personally take up arms against the “old view” by pounding on two desktop computers. Smashing the old to bring in the new (literally and figuratively) created a poignant experience and instantly wrote corporate folklore that could be passed on as a symbol of exactly what was needed for the future.

Consciously designing experiences provides the opportunity to intentionally design culture.

Create Customer Sightlines

In addition to orchestrating the sledgehammer experience for employees, Zipcar did something even more compelling. The company created a direct line of sight to its new breed of target customer – the “mobile-first Millennial” – by giving employees a direct taste of the 21st century's mobile reality. Zipcar's “member roundtables” occur on Saturdays and include about a dozen

customers who share their needs, experiences, wishes, and feedback directly with Zipcar staff. Roundtables are undeniable experiences; it's hard to disregard customer needs after a face-to-face conversation. These types of direct interactions with customers are powerful ways to shift employee mindsets and create the impetus for change, focusing on delivering value that directly meets customer needs.

Companies don't necessarily have to bring live customers into the office to create a line of sight to them. Spacesaver Corporation, the leader in commercial storage and shelving for libraries and museums, displays giant posters of their customers' installations throughout its manufacturing facility. Even workers who never step off the factory floor are reminded every day of the value they create through their efforts, such as the gigantic storage system used by the Field Museum in Chicago that houses dinosaur bones that are enjoyed by thousands of visitors every year.

Creating customer sightlines gives people visibility into the all-too-often-missed line of sight between the fruits of innovation, which can be highly motivating, and the day-to-day behavior required for it.

Provide “Worthless” Rewards

Some of the most valuable rewards when it comes to shaping culture cost next to nothing in financial terms. The Chinese company Haier, now the largest appliance company in the world, has a culture of continuous innovation. To reinforce that message, it names new innovations after the employee (called “makers” in Haier's language) who came up with the idea.

Or consider the public television and radio station in San Francisco, KQED, which designed an award specifically to reinforce both small and large innovations that surface throughout the year. The award is a trophy topped with the letter Q. This subtle branding links the award to the organization and the other innovation efforts happening there, such as the “Q-vation” team, which is responsible for collecting ideas and promoting KQED's culture of innovation on an ongoing basis.

Other companies give experiential rewards to reinforce innovative behavior. Westin, the hotel chain, awards its top innovators a five-day exotic trip each quarter. Sure, there's a financial value to the trip, but Westin gives away something that's inherent to the innovation and to the service the

company provides. The award reinforces the value of the customer experience by giving that very experience to those who are most successful in making it better.

While most companies reward those who make a direct contribution to technology or product innovation, the best approach involves recognizing anyone who makes a significant contribution, regardless of the type of innovation. Doing so helps spread the value of innovation into areas responsible for the broader operating model. This cultural diffusion happens as a result of highlighting the underlying values tied to the success story (e.g., this was an HR innovation that transformed how we do college recruiting and now we have a flock of new innovative employees). This can inspire other functions to create the innovations they want to add to the business.

The most valuable rewards go beyond financial incentives to tap into what really inspires people to innovate. It's the deeper motivations – a sense of affiliation, contribution, and making a difference – that can become infectious across an organization and that change culture for the better.

Develop Talent to Develop the Culture

One of the greatest forms of employee recognition is an investment in someone's personal growth and development. While many companies provide training, few explicitly link professional development to strategic business growth, let alone create a culture of innovation. NBCUniversal is doing just that. Widely known for its successful television networks, cable channels, motion pictures, and theme parks, the company is facing massive change as it navigates a rapidly changing media and entertainment landscape.

NBCUniversal's Talent Lab isn't your typical corporate university. To promote new mindsets and behaviors that grow the top line, the Talent Lab provides programs specifically geared to senior leaders whose role it is to shape culture and business strategy. Its programs aren't about academic case studies; they focus on high-potential talent, people viewed as game changers, culture carriers, and pioneers for the business. Participants in the Talent Lab's six-month DRIVE program, for example, comprise 25 top executives from across the company's portfolio.

The group is divided into five cohorts, all focused on a specific enterprise challenge that requires rethinking the company's – and the industry's – business model. Cohorts visit parent company Comcast's Silicon Valley incubator, meet with strategic partners, and share their observations and recommendations with executive management to conclude the program. Along the way, participants gain new mindsets, strategic frameworks, and tools to use in their day jobs running NBCUniversal's various businesses. The result is a one-two punch that includes real opportunities for transforming the industry and a talent base that goes back to drive individual businesses with a strategic lens focused on business-model innovation and growth.

Underlying everything the Talent Lab does is the recognition that deep experiential learning viscerally infuses innovation into not only participants' views of their own roles but also their leadership methods, which helps them to collaboratively shape the future of the company, its culture, and the industry.

Supporting a culture of innovation doesn't have to be a multiyear, multimillion-dollar effort. Rewriting the unwritten rules starts with deciding what assumptions will drive the results you want most. If you give people specific, consistent experiences that clearly communicate the importance of those new assumptions, the behavior – and culture of innovation – will follow.



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