

## CIO Corporate innovation online Innovation management best practices

### Uber's Technologies' core values

**A sharp contrast to the core values of CIO's four highly-innovative, idea-intensive companies but Uber's management practices fit – mostly.**

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Uber's core values are so different from the companies which CIO has researched that it begs the question of which core values make for a positive culture to encourage innovation.

Uber has fourteen core values but it is difficult to find all fourteen stated explicitly. CIO has picked up eight, added a note on others, and compared these to four companies which have been researched because of their well documented management practices and policies.

#### Core Values

<b>Uber Technologies Inc.</b>	<b>Deere &amp; Co.</b> see CIO IM report	<b>GE</b> see CIO IM report	<b>3M</b> See CIO IM report	<b>Starbucks -</b> From 'The Leader Maker' a blog about Senior Executive Leadership
Vision	Integrity	Integrity	Honesty and integrity	A culture of warmth and belonging where everyone is welcome
Quality obsession	Quality	Performance	Customer satisfaction	Act with courage
Innovation	Commitment	Change	Attractive return	Challenge the status quo
Fierceness	Innovation		Growth	Connecting with transparency, dignity and respect
Execution			Respect the environment	Delivering the very best
Scale			People development	Accountable for results
Communication			Earn admiration	Performance driven through the lens of humanity
Super 'pumpedness'				

Uber also advertises its 'culture' in other ways and identifies, in other documents, that it has three core values meant to appeal to potential drivers; 1. be an owner, not a renter, 2. take bold bets and 3. the best idea wins.

Apparently new employees – not drivers – are asked to explicitly subscribe to 14 core values including being “obsessed” with the customer and “always be hustling”<sup>1</sup>. Meritocracy is also noted in the same report.

<sup>1</sup> The New York Times report; Inside Uber's aggressive, unrestrained workplace culture. February 22, 2017

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From CIO's perspective, and based on its research into highly-innovative, idea-intensive companies, there are several direct parallels between Uber statements<sup>2</sup> and the management practices of the four companies noted. The F#s refer to questions posed in CIO's on line survey.

- Uber 'kept its structure decentralized' emphasizing autonomy of regional offices. F#18.
- Managers are 'empowered to make decisions without intense supervision from the company's headquarters in San Francisco'. See paper on the relationship between 'Delegation' and a high WEF rating, available on web site.
- 'Bold bets' can easily be interpreted as taking risks; a key characteristic of innovative companies. F#9.
- Learn from mistakes; a comment made on the occasion of defending a senior employee.
- 3M, CIO's choice of the company which has the best set of management practices which encourage innovation, emphasizes its tolerance of 'mavericks'; the only company with this explicit tolerance. F#3. Ms. Huffington, stated that Uber would 'no longer be hiring "brilliant jerks"' and hopefully that would not inhibit hiring their close cousins, i.e. mavericks.
- Uber obviously looks explicitly for innovation. F#2.
- Tolerance for failure seems to be implied by Uber's core values. F#5.
- Rewards and career opportunities appear to abound in Uber, but recent comments suggest that an emphasis on upward motivation may have led to inter-personnel difficulties. F#7, F#14.
- The organization is 'action oriented' and not mired in 'planning'. F#15.

Uber was founded in 2009, Starbuck in 1971 and the other three companies have century-plus histories.

	<b>Uber Technologies</b>	<b>Deere &amp; Co</b>	<b>GE</b>	<b>3M</b>	<b>Starbucks</b>
Revenue in billions	\$5.5	\$26.65	\$123.69	\$30.109	\$21.316
Employees	6700	56,767	Over 300,000	About 88,000	254,000
Market cap in billions	\$70***	\$34.6	\$267.07	\$116.128**	\$83.582**
Return on equity		21.72%	10.34%	45.72%*	48.92%

\*Return on common equity – BOM website/ \*\*S&P Capital 1Q/New York Times report

### A conclusion; somewhat

Uber, in contrast to the four companies noted, makes no reference to one of the more important core values of the four companies; namely integrity. Uber's other core values, 'fierceness' and 'super pumpedness' place a value on aggression and could act to create an unpleasant internal corporate environment. Or maybe it will work out! Is not this the time for Uber to review its core values? Founders, based on CIO's research set the tone for decades to come!

<sup>2</sup> New York Times article