Lufthansa Develops New Culture of Cross-Generational Appreciation, Trust, and Teamwork

THE CHALLENGE
Transform a hierarchical and slower corporate culture into one more like its own innovative startups with the agility to recognize, respond to, and leverage opportunities from disruption.

THE GOAL
Empower younger trainees and experienced managers alike to partner and drive innovative new ideas, products, services, and processes faster across the company. Become recognized as a brand that is driving a bold, new vision for aerospace and aviation that attracts and retains the best and brightest talent in the world.

COMPANY: Deutsche Lufthansa AG
FOUNDED: 1953
INDUSTRY: Transportation

RESULTS, OUTCOMES, AND ACHIEVEMENTS

- Tandem partnerships and training at SU is helping drive cultural change within Lufthansa.
- The successful SU pilot for the Aviation Group has created demand for this training across Lufthansa and its subsidiaries.
- New employees who attended SU with their managers are committed to projects that are making a difference.
Lufthansa, the largest airline in Europe, has developed a reputation and corporate culture around safety. A good thing, right? Well, yes and no.

While safety in the cockpit is what you want above all else when you’re a passenger, inside the company it can mean that ideas are only considered from managers, work their way slowly through the chain of command, and are only approved after careful, lengthy consideration and debate across several departments and executives. This methodical process can be devastating to established enterprises, which now require the innovation and agility of a startup or face being disrupted and losing relevance as well as market- and mind-share.

“Today technology is changing so fast, that it is very difficult for a big company like Lufthansa to be as quick as all the others are,” said Susanne Berthold-Neumann, Project Leader, ProTeam Traineeship at Lufthansa. “It’s very difficult if you are checking all decisions twice or five times or ten times just to be very sure that this decision is the right one, or you always have to ask upper management to get your decision approved.”

Moving slowly can be frustrating to new generations of employees and severely impacts a company’s ability to attract and retain the best global talent. Change can also be unsettling to managers who are now being asked to learn new ways to be successful instead of using tried and true procedures.

Finding the Next Generation of Talent to Innovate in an Era of Disruption

To help bridge this gap Lufthansa established its ProTeam Trainee Program to attract new talent. When it began 22 years ago, the program simply aimed to identify the company’s high potential employees from all over the world. Lufthansa would visit leading universities to find the best master’s degree students with the highest grades in sciences and mathematics. When a new board member five years ago asked for a cultural study, it became clear that a new approach would be needed if Lufthansa were to become responsive to rapid change and open to new ideas from tomorrow’s leaders.

As a result, Lufthansa stopped focusing solely on grades and began to look beyond the university shortlist. Instead, the ProTeam Trainee program began searching for young employees just starting their careers who could actively support the changes that would be necessary for Lufthansa. Candidates needed to be effective communicators, persistent about new ideas, and able to defend their views in the face of resistance.

“It’s a question of personality,” observed Berthold-Neumann. “If you are looking for young people who are only here for their own careers, I think they are going to behave differently from the type of people we...
really need. The people we are looking for should be able
to push back and say, ‘No, this is not a good idea, boss,’ or
even be able to say that to a board member or to the CEO.”

“We need the creativity, the optimism of the ProTeamers,”
noted Berthold-Neumann. “We need a culture in which
they can act without fear, saying whatever they would like
to say. Otherwise they will go with the platform companies
where the founders are peers and they can be comfortable
taking risks and trying new things.”

“We wanted to find a way to awaken our
managers to a vision for the future that is vastly
different from what we see today.”
— Susanne Berthold-Neumann

As of 2014, the new ProTeam trainees are each assigned
a personal coach as they embark on their 18-month accli-
mation journey. Their training also includes three special
projects: ProSocial, ProAssociation, and ProInnovation.

Following a one-week period of self-reflection at a
monastery, trainees begin a four-week ProSocial project
in Thailand to help children who are living in the Child
Protection and Development Center in Pattaya. For the
ProAssociation project, departments and businesses submit
possible projects to Berthold-Neumann that they’d like to
see trainees undertake. She reviews the applications and se-
lects one project for the whole ProTeam to work on for two
weeks. It is up to the ProTeamers to decide how to address
the project and achieve the stated business objectives.

While both the ProAssociation and ProSocial projects
have been well received, Lufthansa has taken the most
innovative approach to the ProInnovation project.
This project is known internally as the “tandem concept.”

Long-Time Managers: The Other Half of the
Equation for Building a New Culture

The tandem concept involves an exponential approach
to organizational thinking and innovation. The tandem
pairing involves the ProTeamers, those just beginning
their careers with Lufthansa, and the managers, otherwise
known as Tandem Partners—the pros who have built
successful careers, products, and services for Lufthansa
and have been responsible for doubling the share price
in the last year and establishing its leadership brand.

The tandem concept is seen as contributing to the success
of Lufthansa in these times of disruption, rapid change,
and exponential technologies such as artificial intelligence,
virtual reality, nanotechnology, and robotics, among
others, that are driving this change. The question: How
can Lufthansa engage successful managers who continue
to deliver strong financial and market share growth with
the new ideas, new technical experiences, new tools, and
new mindsets of younger employees? How can Lufthansa
engage managers in new ways of thinking without
causing them anxiety or worse, implying they are no
longer valuable?

“We wanted to find a way to awaken our managers to a vision for the future that is vastly different from what we see today,” said Berthold-Neumann. “It’s critical to impress upon them that the passenger and cargo business we have today is changing and may not be our business in the future if we are to survive and thrive.”

Lufthansa turned to Singularity University (SU) in
Silicon Valley to design a custom program in exponential
thinking, leadership, and technologies. Berthold-Neumann
had learned about Singularity University from watching
a documentary in February 2017 entitled, “German
Genius in Silicon Valley,” featuring Pascal Finette, who
teaches entrepreneurship at SU. In the video, Finette toured
SU, which is co-located on the same campus as NASA in
Mountain View, CA, and spoke about SU’s exponential
programs for startups and enterprises.

“When I saw SU in the documentary, I knew right away
I had to contact Pascal, and realized this is what I’d been
looking for regarding the second project on innovation, a
new approach,” said Berthold-Neumann. “I believed SU
could help us learn what the future would look like in 10
years and help the ProTeamers and Tandems think about
what it would take to be prepared for that future and how to avoid being disrupted. It is important to know what is coming, and to understand how the economy is changing from industrial manufacturing to platform companies.”

“It’s important to bring together the knowledge of yesterday and the optimism for tomorrow. To put them together to talk about ideas, about history, about what worked in the last years and what needs to change for the future.”

— Susanne Berthold-Neumann

ProTeamers and Tandems Learn about Exponential Innovation and Disruption

While employees who have been with Lufthansa for a while are using platforms like Amazon, Airbnb, and Uber in their daily lives, they’re not necessarily thinking about how new business models and technologies may disrupt the business.

Said Berthold-Neumann, “As a company, we should be looking at coming changes in transportation, such as suborbital flights or Hyperloop, and how they may affect our business and fundamentally change what we do. Our ProTeamers will be the ones to push us to consider big ideas and disruption because they know that the disruptive ideas they have today will actually be in widespread use during their careers. Some people can dismiss these ideas as being fringe thinking by saying, ‘This is nothing I can use in the future because it’s 20 years away.’ The trainees don’t have this distance; they don’t have this fear, and are eager to understand robotics and artificial intelligence.”

So in September 2017, a group of 30 Lufthansa trainees and managers in tandem pairs from the Aviation Group attended a two-day Program for Exponential Leadership at SU “to start something new regarding our culture,” said Berthold-Neumann. The goal was to help them develop a new exponential mindset so they could think disruptively and work collaboratively outside the normal parameters of how Lufthansa does business “and begin to move beyond our status as a hierarchical, state-run airline in order to attract the critical talent we need,” she added.

Berthold-Neumann continued, “It’s important to bring together the knowledge of yesterday and the optimism for tomorrow. To put them together to talk about ideas, about history, about what worked in the last years and what needs to change for the future. To learn how to work together on the future, so that each can recognize and appreciate the unique offering of the other and go shape the future together. After all, the younger workers will ultimately be responsible for Lufthansa’s future. We need to give them confidence, let them try new things, let them learn through success and failure, and support them. SU was the beginning of the change, the beginning of making a stronger combined workforce.”

One of the first exercises in the program was eye-opening for everyone. Given a list of innovations, participants were asked to estimate when they would be in common use on a timeline. The list included self-driving cars, in-home robots, artificial intelligence, and augmented reality, among others. The “aha” moment for all of them came when the majority of the innovations were placed at the year 2025. As Berthold-Neumann said, “It was a scary moment. We saw we have only seven years to prepare. And beyond what it meant for the company, what did it mean for the workforce? How do we protect our workers and their employment?”

Next up was an activity to encourage the teams to work together to break common structures, take unusual paths, and rely on the diverse capabilities and point of views of each other to be more creative and innovative, because diverse teams achieve the best results. The competition is designed to help people mutually visualize unforeseen and different possible futures and it involved some unusual tools: marshmallows, straws, and spaghetti noodles.

“What I liked was the marshmallow competition. It was really mind-changing,” said Berthold-Neumann. “One participant became angry with our team because we were proposing new ideas that broke the rules and this
person didn’t want to lose. The rest of us wanted to change the game. Once we started doing our project differently, everyone started reinventing everything. After two days at SU, everything changed for us. We learned to reframe issues in unconventional ways.”

The most popular part of the SU program was the series of visits to startups. Notes Berthold-Neumann, “It is one thing to hear something and see a presentation about the future, but another to actually go and meet 23-year-old founders who had an idea and made it into a business that is now growing so fast they can barely handle it. It was especially impactful for our Head of Sales for Cargo. Shippo is a platform company for cargo. Its two Swiss founders were on holiday in San Francisco when they got their very simple, very good idea for their cargo company. They ended up not returning to Switzerland and founding their company. Three years later they now have 200 employees.”

What had seemed unbelievable when they first arrived at SU had now become not only believable, but reality for both Tandem partners and their ProTeamers. “We’d seen that there are so many intelligent ideas in the world and that the economy now works differently. We cannot continue to prefer the old players and the big companies,” said Berthold-Neumann.

Since the SU pilot, Lufthansa has changed how it looks at innovation. Now Lufthansa’s Innovation Lab is more integrated into the company as well as into Lufthansa’s other startup initiatives, including zeroG.

“We now understand how we can reframe the fear of the future that seems prevalent today.”

— Susanne Berthold-Neumann

The Power of Optimism About the Future

“One of the best things about our time at SU was seeing exponential technology in a positive way, as well as the better future it can provide for us,” said Berthold-Neumann. “After all, the future is going to come. If we don’t accept change and the technology that can help us with change, if we deny both, it will be terrible for all of us. We now understand how we can reframe the fear of the future that seems prevalent today. That’s what I learned at SU that we all brought back.”

She continues, “We have to think about our future purpose based on our own strengths. What does Lufthansa do well? Safety and service. We should open our minds to what is next when economies are disrupted and manufacturing companies are moving to becoming platform companies. For instance, in transportation, should we consider Hyperloop or suborbital flights, as others are?”

“I have no idea, but I think we have to be open to the fact that 20 years from now we may be doing more than transporting passengers and cargo. We have to open our brains and think about our purpose in the future.”

Berthold-Neumann has already seen cultural shifts at Lufthansa from the group that attended SU’s Program for Exponential Leadership. “The ProTeamers started to think in a different way and to be more interested in this technology, to read anything they could get,” she observed. “This new mindset is the most important thing for us. They are looking at the world differently now because they know the future is not in the distance but here today.”

Berthold-Neumann believes the innovation program with Singularity will help get the ProTeamers on a fast track in the company and trusts their projects will have profound impact.

The impact on hiring is also noticeable. Notes Berthold-Neumann, “Our new culture will help us with recruitment and retention. The world has changed so much and to make a career like you did 10 years ago, where you worked your way up, doesn’t work anymore because young people are asking for responsibility, for visibility, for appreciation, for social responsibility now, at the start of their careers.”

The request for SU training is increasing and new hire applications for the next ProTeamer class are also up. Said Berthold-Neumann, “This generation is totally different from the generation even five or seven years ago. They feel very responsible for the environment, for society and, in my opinion, they will no longer be interested in being hired at a company that isn’t also focused on solving these issues. We owe it to the next generation not only to be a successful company, but also to give them a good feeling about what we do.”
Exponential Change Starts with Individuals within a Company

Michiel Bogaert began the 18-month Lufthansa ProTeam Trainee Program in April 2017. As an intern in the communications department, Bogaert and his manager came to SU for the Program for Exponential Leadership in September 2017.

“Mainstream thinking approaches the future in doomsday scenarios, but SU is able to convince people that all those new, sometimes scary technologies, are actually able to solve and prevent many of the world’s problems.”

— Michiel Bogaert

Michiel Bogaert had always been a fan of the concept of group thinking because of the power he saw coming from the contributions of diverse people. So when he heard about the tandem pairing concept at Lufthansa and the opportunity to come to Silicon Valley and SU, he was enthusiastic about joining the program.

“Our Silicon Valley is one of the most important hotspots of innovation, where new things start before they become mainstream,” said Bogaert. “I looked forward to helping bring the newest innovations faster to Lufthansa’s attention. I learned at SU that virtual reality, driverless cars, and connecting your brain to the cloud are not sci-fi, but right around the corner.”

The most surprising thing he learned was that SU holds a very optimistic worldview as a result of these exponential technologies and the opportunities for impact they can have. He noted, “Mainstream thinking approaches the future in doomsday scenarios, but SU is able to convince people that all those new, sometimes scary technologies, are actually able to solve and prevent many of the world’s problems.”

He returned from Silicon Valley with a different perspective. “I work differently now in the sense that I feel very aware of my responsibility to spread my new knowledge within Lufthansa Group. It changes even the way I talk to people at the coffee corner, telling them about what I learned and asking them how they think this might impact Lufthansa and their own jobs. There were several projects the teams have introduced from their time at SU, so I’d say that there has already been a quick, tangible result of our stay there, apart from the less directly attributable effects on company culture in the long run.”

His relationship with his manager has also changed. “A great side effect of our shared SU experience is that now I have a mentor at Lufthansa who is willing and able to help me navigate the company in this early stage of my career.”

He noted that there are benefits for the company, too, in terms of how thinking about innovation is beginning to change, “Before, innovative projects were regarded as ‘trials’ and ‘we’ll see what we can do with it,’ but now innovative projects are considered ‘normal’ projects and receive more credibility and serious attention. I now see my role as one of the guardians of this process. I have become much more optimistic about Lufthansa’s ability to not be the one who is disrupted.”
A Tandem pair from Lufthansa Cargo, the logistics division within Lufthansa Group, joined the trip to Singularity University in September 2017: Dorothea Von Boxberg, a manager who has worked for Lufthansa for ten years and will become a member of the Executive Board and Chief Commercial Officer of Lufthansa Cargo AG, and Maximilian Zaenker, a two-year employee who is a project manager in the product and service development department of Lufthansa Cargo.

“Lufthansa is a company that is always aiming to shape the industry,” said Von Boxberg. “We are among the front runners for digitalization in an industry that is still very manual. What I like about Lufthansa is the opportunity to add innovations to our customer offerings.” Zaenker agrees, “Lufthansa has a willingness to innovate in order to be successful in the highly competitive European aviation market. However, constant change over decades has made employees rather risk-averse in their daily work and upper-level management goals are not always made clear. I’d like to see a culture of mutual trust and shared goals, where employees dare to promote change themselves.”

Both believe the Tandem approach has been instrumental in helping them work mutually for the good of their division and the company. Noted Zaenker, “I believe this bridge between experience levels and perspectives is beneficial for us and for the company as a whole.”

“I was lucky to be paired with Max as my partner at SU,” said Von Boxberg. “He studied at UC Berkeley and is really into innovations. I’d long been interested in experiencing this innovative spirit myself. In large German companies, we often think a 10 percent gain is fantastic. But what I learned at SU was that exponential thinking is in a different league and able to create 10x results. Also, SU’s discussions of abundance is something we need to bring to our company because we tend to think resources are scarce and waste time fighting over them.”

A key SU learning for Zaenker: “Exponential thinking hardly gets a lot of attention in a regular work environment here in Germany. Looking at the speed of technological change and the rising abundance of new business opportunities, I think it is crucial for established companies and their employees to think exponentially in order to track and seize the opportunities of tomorrow that are hardly imaginable today. As a Tandem, we were both interested in learning about the SU perspective in order to act as a multiplier back at Lufthansa.”

For Von Boxberg the biggest surprise occurred when they visited a shipping startup in San Francisco. At this company, the sole business purpose is to make their process x times faster than it is today, an exponential focus that drives the company. For Zaenker it was the multiplied impact of exponential technologies on industries, “Once you can digitize a product, the combination of artificial intelligence, deep learning, 3D printing, and other advancements in technology push or even bypass the limits we thought inevitable.”

And the result of the SU training on their perspective and their work? Said Von Boxberg, “I take away a greater eagerness to try out some of the technologies that are already relevant now. I understand even better that we need to be fast and we need to focus on abundance topics that go beyond automating a process.”

Zaenker observed, “I feel encouraged to offer more of my ideas for discussion and to question some of the established practices and processes at Lufthansa in a constructive manner.” He added, “It is part of my role at Lufthansa Cargo to look at problems from a customer’s perspective and to promote value-added ideas, even if they break with our established processes. Customer needs are also evolving faster with the accelerating or exponential rate of technological change.”
SU and Lufthansa At-a-Glance

SU PROGRAMS
Program for Exponential Leadership 2017, 2018
SingularityU Berlin Summit 2017, 2018 (Sponsor)

EXPONENTIAL TRANSFORMATIVE PRACTICES
Entrepreneurship
Exponential Organizations
Exponential Leadership

GLOBAL GRAND CHALLENGE
Prosperity

About Singularity University
Singularity University (SU) is a global learning and innovation community using exponential technologies to tackle the world’s biggest challenges and build an abundant future for all. SU’s collaborative platform empowers individuals and organizations across the globe to learn, connect, and innovate breakthrough solutions using accelerating technologies like artificial intelligence, robotics, and digital biology. A certified benefit corporation headquartered at NASA Research Park in Silicon Valley, SU was founded in 2008 by renowned innovators Ray Kurzweil and Peter H. Diamandis with program funding from leading organizations including Google, Deloitte, and UNICEF. To learn more, visit SU.org, join us on Facebook, follow us on Twitter @SingularityU, and download the SingularityU Hub mobile app.