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Context to the nugget

Sanjeev and Hari speak about how entrepreneurs can get intentional about building a certain culture in an organization. They speak about the role of the founder initially but also the criticality of having processes, systems and role-models as the organization scales.

Transcription

Deepak Jayaraman (DJ): A related point you talk about in the book is around culture, right? And I think Hari you talk about in BigBasket, you talk about driving customer centricity and urgency as two of the things you identified as something that you wanted to drive through the organization, but you go on to say that you succeeded in driving the former but not the latter as much through the organization. So, I am curious in your experience how can organizations be intentional and deliberate about culture from day zero when they set out?

TN Hari (Hari): Right. So, let me just talk a little bit about the point that we made about BigBasket being very successful in driving customer centricity but not being able to drive a sense of urgency both though we have called out both of these as core elements of our culture. I think the point that we are trying to make through this is that culture is never about stated intents, it is never about espoused values, it is about what the leaders do every day, it is about the behaviours that they display every day, it is about the kind of things that are recognized and rewarded every day. So, what you say or what your intents are don't mean anything when it comes to culture. So, when it came to laying out specific aspects of our culture, we realized that customer centricity is deeply reflected who we are already, because BigBasket was a very customer centric company, but a sense of urgency did not reflect who we were but we thought it is important and therefore built it out or called it out as an aspirational element. And the point I am trying to make is how difficult it is for companies to fulfil an aspiration that requires them to undergo some change in DNA. It is like an individual, a company is like an individual. An individual has a personality, you know some of us are good at something and not good at something and as Sanjeev mentioned at his introduction, and his strengths continue to be his strengths all his life. So, we are who we are. We might add a few capabilities, competencies, skills along the way. We might take off some sharp edges, but we remain who we are and that is true for companies as well. And there are several stories around this. So, the point I am making is it is very difficult to change who you are and aspiration is not sufficient because culture really reflects what you do every day and it reflects your DNA. Coming to your question about how you can be intentional and deliberate about this, I think, we can just take the analogy of an individual. How can individuals be intentional and deliberate about their careers and developing their personality? So, I think, self-awareness is a great starting point because in a start-up culture equals founders' period. I think it is not more complicated than that; it is as simple as that at one level. So, I think the founders need to have a good sense of who they are, what their strengths are,

what they are good at and how it would reflect in the way they built their firm. So, I think self-awareness is a starting point and therefore if you are self-aware, you will not aspire to be who you are not, you will try and build around what you are good at and make that work for you. So, it is important to make culture work for you. So, there's no good or bad culture therefore I mean excepting for some culture which can be patently bad or toxic otherwise, there is no good or bad culture as there are no good or bad personalities. All of us have different personalities and we need to make our personality work for us. So, we need companies need to make their organizational cultures as what they stand for, make it work for them. And there are many ways in which they can make it work for them if they understand that well.

DJ: And you also go on to say that there are extremes, right? You have an approach like what Netflix does where you spell out every element of culture and detail versus another approach you talk about Nordstrom, I hope I am pronouncing it right, where you give a broad framework and let people figure out how they want to run within a framework. Do you have any perspectives around how organizations and leaders should think about super micro versus macro when it comes to defining and running culture?

Hari: Yes, so, Deepak, I think from whatever I have experienced or we have experienced both these tend to be a bit of an extreme position. So, I think a broad framework, leaving it to the manager, leaving it to individual leaders to answer questions on culture or explain the nuances I think is a risky proposition because these are not easy to understand topics and most managers tend to be as confused as their team members. So, I think it is important to lay out some very specific aspects of culture and create some beautiful FAQs which can be then published and used across the firm to answer questions. So, for example, integrity, you might call it out as a value and as a culture element, but different people understand integrity in different ways. For instance, somebody might just believe that not stealing is a sign of integrity and that is the ultimate of integrity but somebody else may believe that integrity is about giving credit to some team members if they are not around. It's in being able to say, you know, I don't know when you don't know. So, integrity can be defined in many ways. So, I think it is important for the firm to create, call out some elements of culture and describe how that culture manifests itself daily in the firm through specific behavioural examples. I think that is very helpful. I think going on to spell out everything in detail is very, very constraining and will prevent too much, will prevent, you know, any course correction along the way. Some bit of course correction is always possible and I think spelling things too much in detail will prevent that course correction, and I think it is unnecessary and it is not helpful.

DJ: Sanjeev, did you have any views on this one?

Sanjeev Aggarwal (SA): Yeah, for sure. So, actually I think the way to possibly look at culture is also that it is really about values that are lived. And one thing that I saw very closely at IBM which had acquired Daksh that for every value / competency, they would have a role model leader in the company who would come and talk to people who are joining the firm as to how they were living that particular value and competency. So, I think lived values which are co-created and then demonstrated by living people and then embedded in our performance management, compensation is a very good way to ground the culture as Hari said, you may say anything and you may stick anything on your wall, but if it is not grounded and doesn't become part of your DNA then it is practiced by a handful of people. But if you put it in your HR system, then actually the probability is very high that it becomes a way of life.

Reflections from Deepak Jayaraman

DJ: Building on everything that Sanjeev and Hari said, the one additional piece I would add around building culture is that it is worth thinking about what are you willing to say No to in the pursuit of a certain culture. If I take the example of a Consulting firm. Imagine you are the head of the organization and you have a Senior Partner who is one of the top billers but is toxic to the culture of the organization are you willing to take that issue head on and forgo the revenues if the partner doesn't change his or her ways? When push comes to shove, are you willing to take a hard call?

I will share a recent example. I am working with an Investor backed start up where we are building the team out from Ground Zero in the retail space in Bangalore. Once we had the first 2-3 leaders in the room, we huddled and said what should the DNA of the organization be and we defined 4 intrinsic that were must-haves. As we ran the CFO search, we came across a situation where we had a candidate who was a super star on all parameters. Had been in the retail space, had been in an entrepreneurial environment and brought the right set of functional skills. We were almost about to hire him when one of the panellists expressed his discomfort around the DNA fit. And the team listened to this opinion and chose not to go ahead with the candidate despite all the strengths that he would have brought on board.

Coming back to the broader point I wanted to make, it is helpful to ask the question, what are you willing to say No to, in service of building your culture.

End of nugget transcription

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Sanjeev Aggarwal and TN Hari - Nuggets

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About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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