

# How to Build a Scale Up Culture



**Tips and ideas to help you build an  
effective culture in your business**

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# How to Build a Scale Up Culture

## Insights from high growth companies with a fantastic culture

Having great company culture is no longer just an option it is a prerequisite for high growth. Today's employees consider it as much as they consider salary and benefits. In fact, a fantastic company culture is almost expected along with other traditional benefits.

While the culture that works for one company might not work for another, you can learn a lot from companies who are doing it right. Below are exemplars I often quote from around the world.

### **Zappos**

Zappos has become almost as well known for its culture as it is for the shoes that it sells online. What does that culture look like?

It starts with a cultural fit interview, which carries half the weight of whether the candidate is hired. New employees are offered \$2,000 to quit after the first week of training if they decide the job isn't for them. Ten core values are instilled in every team member. Employee raises come from workers who pass skills tests and exhibit increased capability, not from office politics. Portions of the budget are dedicated to employee team building and culture promotion.

*Learning:* Zappos recruits according to cultural fit first. It has established what the company culture is, and fitting into that culture is the most important thing managers look for when recruiting. This promotes the culture and happy employees, which ultimately leads to happy customers.

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## Southwest Airlines

The airline industry is often characterised by poor customer service, but Southwest Airlines bucks those trends. Customers loyal to Southwest often point to happy and friendly employees who try hard to help. Southwest isn't new to the industry. It's been in operation for 43 years. Yet somehow, during all that time, the company has managed to communicate its goals and vision to employees in a way that makes them a part of a unified team. Southwest also gives employees "permission" to go that extra mile to make customers happy, empowering them to do what they need to do to meet that vision.

*Learning:* Employees who aligned and engaged with a vision are people who are excited to be part of a larger purpose.

## Twitter

Employees of Twitter can't stop raving about the company's culture. Rooftop meetings, friendly coworkers and a team oriented environment in which each person is motivated by the company's goals have inspired that praise.

Employees of Twitter can also expect free meals at the San Francisco headquarters, along with yoga classes and unlimited vacations for some. These and many other perks are not unheard of in the startup world. So what sets Twitter apart?

Employees can't stop talking about how they love working with other smart people. Workers rave about being part of a company that is doing something that matters in the world, and there is a sense that no one leaves until the work gets done.

*Learning:* You can't beat having team members who are pleasant and friendly to each other. No activity or set of rules can beat having happy and fulfilled employees who feel that what they are doing matters.

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## Google

It would seem wrong not to mention Google on a list of companies with great culture. Google has been synonymous with culture for years, and sets the tone for many of the perks and benefits startups are now known for.

As Google has grown and the organisation has expanded, keeping a uniform culture has proved difficult between headquarters and satellite offices, as well as among the different departments within the company. The larger a company becomes, the more that culture has to reinvent itself to accommodate more employees and the need for management.

*Learning:* Even the best culture needs to revisit itself to meet a growing company's team. The most successful company culture leads to successful business, and that requires an evolving culture that can grow with it.

## Adobe

Adobe is a company that goes out of its way to give employees challenging projects and then provide the trust and support to help them meet those challenges successfully. While it offers benefits and perks like any modern creative company, Adobe's is a culture that avoids micromanaging in favour of trusting employees to do their best.

Adobe products are synonymous with creativity, and only through the avoidance of micromanaging are the people who create those products truly able to create. For example, Adobe doesn't use appraisals with a rating system to establish employee capabilities, feeling that that inhibits creativity and harms how teams work. Managers take on the role of a coach, letting employees set goals and determine how they should be assessed.

*Learning:* Putting trust in your employees goes a long way towards positive company culture, because trust leads to independent employees who help your company grow.

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## Culture Misconceptions

Scale up companies know that in order to attract and retain top talent, they have to create an environment where people actually want to work. Over the past few years, what used to be motivators for employees – pay, benefits, perks – have simply become satisfiers. Now employees want to feel like their job matters and work for a company with values similar to their own.

Although focusing on a businesses culture as a differentiator has become a more common practice in the business world, they're are still many misconceptions about what culture really means and how to make it successful Here are a five tips about creating a great culture:

### **1. It takes more than a pool table and free food.**

A lot of companies mistakenly associate culture solely with fun. Don't get me wrong, having fun at work is important to your employees' engagement and can help stem burnout. Like most companies with great cultures, have spaces for employees to unwind and build friendships with coworkers. However, fun rooms, free food, and pool tables are just a small part of the equation. While it's important to have a good time at work, fun has to be combined with an atmosphere of trust, caring and support. Employees should be free to be themselves and feel comfortable sharing their opinions and ideas without fear of retribution. Fun, in and of itself, is not enough to sustain a culture.

### **2. Culture impacts business success.**

Culture and business go hand in hand. Employees who are actively engaged in t heir job produce better results. In fact, 30 years of research has found that companies who invest in creating people-centric cultures average 50 percent less turnover and grow their profits as much as two times faster than the competition. But the return doesn't stop there. These companies also experience increased customer loyalty, higher quality job candidates, more brand recognition and increased innovation.

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## **3. Culture doesn't cost too much.**

Let's be clear, over the long-term you'll need to invest money into your culture. There's no way to sustain it without investing in more listening, more communication and more training. But you can start small. Try sending out surveys and holding focus groups to get a pulse on what employees like and dislike about your company. Listening, being transparent and making changes based on feedback not only ensures you're making meaningful improvements, but it also helps you build trust more quickly.

## **4. Leaders are not the only owners of culture.**

There's no way around it, culture has to start at the top. Leadership shapes and sets the tone for what the culture should be within the business. If leaders aren't invested in creating and maintaining a strong culture, it will become hollow and meaningless and employees will never believe in it. However, ownership of your culture does not lie exclusively with leaders. It's true that leaders are essential role models for a company's culture, but real success comes when you also empower employees to take ownership. By doing so, they become invested in seeing it succeed. When everyone takes an active role in driving the culture it gets even stronger.

## **5. Culture isn't created overnight.**

People ask us for tips about creating a strong culture and I always remind them that this will not happen overnight. Approach your culture plans the same way you do fir long-term business plans – make goals, develop strategies and tactics, monitor results and hold yourselves accountable. Then every year make changes to stay on track and get better.

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## Creating a Scale Up Culture

In many coaching sessions discussions about business performance usually centre on topics like marketing, financial management, and productivity enhancements. While these factors are important, in my experience they are best leveraged when employees are engaged, aligned, and motivated to win.

In my early career leading many JV's and organisational changes, I've learned that culture can be powerfully leveraged to enhance long-term success. Yet many leaders in organisations don't make culture a priority. Every individual on every team in a company can work together, to deliver beyond what is deemed possible. For employees to do that, they need to feel a powerful sense of purpose, reinforced by a culture of ownership, accountability, and continuous learning.

These are some of the steps that help establish a high performance culture:

### **Set clear expectations**

Show the path of the journey, communicate a clear vision, and get a mandate for change from the team, so they become ready to make the necessary sacrifices.

### **Role model positive attitudes and behaviours**

Leaders, starting with the CEO, must consistently act with the same business authenticity that they want to see in their teams. In all teams/companies I led, we published five or six 'rules of the game' we all expected of each other so that we could share, learn, innovate, and grow as individuals and as members of a team.

### **Build trust**

Trust in the senior leadership team is an important indicator of organisational health. To build trust, CEOs must actively show employees that they make fair decisions, value people, and value good work.

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## Execute via a high-performance culture

A culture of ownership, accountability, and continuous learning leads to powerful execution. Organisational leaders should keep encouraging employees to take ownership of both the problems and the solutions. In today's era of accelerating change, culture can still lead to unexpectedly strong performance. The good news is that while it requires time, commitment, and a strong CEO leader, a high performance culture can be built into almost any business.

## Embedding Culture

There is a saying that “Culture eats strategy for breakfast”. This is a very true and often overlooked by business owners who are frustrated by their inability to get their staff to change and implement new strategies. Culture in a business is similar to personality and if our personality is the sum of all our habits then changing the culture in the business is about changing the collective habits of your employees in your business. We know changing a habit is hard and requires lots of discipline. So similarly it will require lots of discipline and persistence on the part of the leadership in a business to change the prevailing culture.

Edgar Schein's book “Organizational Culture and Leadership” provides a great framework for changing the culture in a company. The framework proposes changing culture through primary embedding mechanisms and secondary reinforcing mechanisms.

Primary embedding mechanism would require the leadership of the business to undertake the following actions to make changes to the prevailing culture:

**Pay attention to, measure and control areas that need change on a consistent and regular basis** – what gets measured gets done, so if you want to change, for example, the activity levels of your sales team then you need monitor this on a daily basis.

**React to critical incidents or crises in a manner consistent with the culture you desire** – if eliminating discrimination in the workplace is a culture you desire, then, if someone discriminates you must take action and deal with the incident regardless of the offender.



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**Allocate resources to effect the required change** – this could be an allocation of time to implement or manage a desired change or could be an investment of funds in training to assist employees to change a certain behaviour.

**Be a role model, teacher and coach for the culture you desire** – our businesses are often a reflection of ourselves, so to change the culture we need to model the culture we desire to our employees and spend time teaching and coaching them to do the same. For example if we want our company to be a learning organization we must ourselves undertake on-going learning and share what we have learnt with our staff.

**Allocating rewards and status for complying with defined culture** – whilst bonuses and increases are often linked to meeting job expectations these also need to be linked to achieving a behaviour consistent with the culture of the business.

**Making compliance with company culture a basis for recruitment, promotion and dismissal of employees** – we should only recruit people who are willing to fit with our desired culture and for current employees their future progress should be dependent on their willingness to embrace this culture.

Secondary reinforcing mechanisms are there to reinforce the actions taken above and would include having your culture statement displayed in your business, introducing team rituals and traditions and designing an organisational structure to support the desired culture.

If you are not happy with the culture in your business then the starting point is to clearly define the culture you would like, make sure you model this yourself and then use the above framework to effect the change in culture in your business.

## 10 Crucial Interview Questions to Ensure a Culture Fit

Having great employees who 'fit' your company's culture, is one of the most important components of any business. That means that during the recruitment process you have to ask the right questions that determine whether or not an applicant fits your culture. Below are my favourite interview questions which will help assess this:

### 1. What was your first job?

Was there anything that you learned from the experience? Personally, I honestly don't care what an applicants first job was. You are really looking to see what they learned from the experience, if that is still applicable today, and if that gels with the company's culture. More importantly, you want to see some creativity, motivation, and innovative thinking as well.

### 2. What stops would you make if you were going to give public tours of this company?

What's great about this question is that it forces the applicant to think about what they perceive as the best parts of your business as well as how much research they have done!

### 3. How have you delegated tasks in the past?

Instead of just recruiting entry level employees, always lookout for future leaders. By asking them how they have delegated tasks gives you a better idea on their leadership skills and techniques.

### 4. Why do you want to work at this company? What expectations do you have?

This question gets right into finding out if the applicant is the right fit for your company. For example, do they want to join your startup and help it grow? Do they like the challenge of working with limited resources? Do they want to be a part of a collaborative environment? Or are they just wanting a wage each month?

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## **5. Was there ever a time when you didn't know how to do something?**

When you're in a high growth business it must be expected that employees wear multiple hats and help others with their workload.

## **6. Who is your biggest inspiration and why?**

You can learn a lot from people's role models since it can give you a clue on their behaviour patterns, work ethics and values

## **7. If you could start your own business, what would it be and why?**

Asking this question gives you an idea on how strong the entrepreneurial spirit is in the applicant.

## **8. What's your superpower...or if you were an animal what would you be?**

Whether you know it or not, we all have some sort of super power or connection to an animal. Sharing this information will assist you in determining how the applicant will overcome obstacles and what type of employee they will be.

**9. Can you elaborate on your hobbies?** A candidate's hobbies let's you know what they're passionate about and how that can fit with the culture of my company.

## **10. What do you love best about the culture here?**

This is a great final question since it lets you know why they will keep coming back to work each and everyday and deliver 100 percent – here's a clue, it's not just the salary. If their answer sounds too superficial, then this candidate might not be a solid fit in your culture.

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## How to tell your company's culture story

Have you ever met someone out networking who told you about their company while gleaming with pride, which made you think, “I would love to work there”. Experiences like these are the reason why companies that focus on cultivating a great culture and communicating that culture externally drive excellent business results, retain employees and generally enjoy a thriving work environment.

While thousands of companies develop culture and do their best to communicate it, there are three common themes that companies that are known for their culture do differently.

### **They are intentional.**

Companies that discover increased success ensure everyone within the organisation is aware of the aspects of the company culture and go out of their way to prioritise keeping that culture alive. For example, Zappos has been making headlines with stories of its engaging culture for years. Zappos's core values include: Deliver WOW through service, create fun and a little weirdness, be passionate and determined, etc.

Companies also create intention around their culture by recognising employees who exemplify or live out the aspects of their defined culture.

### **They remember where they came from.**

Another important common thread that culture-centric companies weave into their day to day is celebrating their roots and defining bonding rituals. When Howard Schultz returned to Starbucks as Chairman and CEO in 2008, his priority was to return to the core of the business: serving quality coffee. Schultz recognized that this starts with employees (known as partners). In his 2012 book, *Pour your Heart Into It* Schultz writes “It’s our partners who pass on to customers their knowledge and passion about Starbucks.” As a way to ignite this in every partner, every new hire takes part in a ritual tasting of his or her store manager’s favourite coffees. The manager tells the story of where the coffee is from, how it’s grown, and how it’s brewed. It’s a ceremonial experience that reinforces Starbucks’ values—for the new partners and managers alike.

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## **They don't force it.**

One major theme among all of these companies is that the culture is not rigidly defined. Rather, employees exemplify what “living the culture” looks like to them. At Southwest Airlines, the culture has a different meaning to everyone in the Southwest family. According to the CEO “There are consistent trends and we have core values around how we live the Southwest way, but each employee has their own way of showing culture.”

## **Traits of the most successful culture keepers**

Over the last few years one of my most popular blog topics has been about business culture, and justifiably so. High growth companies and business leaders know the right culture can make all the difference.

Unfortunately, much of what grabs the headlines revolves around the more sensationalistic cultural components. Egg freezing, no holiday limit and paying for the university tuition of employees' children are just a few innovations that have drawn mainstream media attention.

While there's nothing wrong, per se, with any of the above mentioned benefits, they can steer leadership teams to focus on the wrong drivers of culture. The “wow” factor quickly wears off and elaborate benefits packages can get taken for granted by even the most conscientious employees.

The companies who have great cultures that endure are the ones that don't necessarily ignore the bells and whistles of culture. On the other hand, they understand the most significant component: the right people. Here are three traits that cultural keepers must possess:

### **Look for friendly professionals**

Never underestimate the power of surrounding yourself and your team with friendly positive personalities. If your entire team were naturally friendly and happy, imagine how much more pleasant your work environment would be. All of sudden, people actually look forward to Mondays and employee retention soars. Friendliness is infinitely more transmissible and merits greater attention than indifference. With the right people, a “friendly” culture can quickly develop. This translates to how customers are treated, which impacts new sales, repeat business, customer service and beyond.

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## **A willingness to go the extra mile.**

Like most characteristics you desire for your business, this one starts from the top. When was the last time you went the extra mile for an employee? I'm not necessarily talking about big gestures such as massive bonuses or unexpected gifts. Did you wish someone happy birthday, take them to lunch to celebrate closing a good deal or better yet, offer them a helping hand when they were overwhelmed? Going the extra mile for an employee is a simple way to set the tone for the entire organisation.

## **A team-first mentality.**

Many businesses are obsessed with attracting star players. They believe strongly in the pareto principle or the 80/20 rule and given that, do whatever they need to accommodate the top performers, sometimes at the sacrifice of teamwork. Great organisations value excellent performers, but by putting the team before the individual, they actually attract and develop more of them than their competitors do. As Jim Collins wrote in "Good to Great," Level 5 leaders are ambitious first and foremost for the company, not themselves.

# Next steps....

I hope you enjoyed some tips and ideas to help you create and maintain a scale up culture in your organisation. Please check out how High Growth can help you further by clicking on the button below.

[\*\*Learn more\*\*](#)