

URL: <https://stvp.stanford.edu/clips/a-controversial-take-on-culture>

Ali Ghodsi, CEO and co-founder of Databricks, observes that a company's culture is more or less the personality of its CEO. He advises founders to formalize cultural principles based on an honest assessment of the CEO, then promote, hire, and manage people out based on that culture.



Transcript

- I have very controversial opinions here.. 00:00:04,890 I think when you start your company, the culture of your company is more or less the personality of the CEO, and that's it.. Nothing else, okay? And as a result of that, by extension of that, that means also recursively, like if you have a leader that runs this whole department, the culture of that department is that leader, and it's kind of recursive all the way down, right? So, and you know, just to prove that, 'cause that might seem really controversial to people.. Like, oh I thought this the culture principles or like I read about these like, you know, the Netflix deck or something like that.. But if you look at it, what I'm saying is that Bill Gates' Microsoft is a very different culture from Steve Ballmer's Microsoft, which is a very different culture from Satya Nadella's Microsoft, right? So ,it's like literally the personality.. And if you can get along with Satya now and you operate the way he likes to operate, you're gonna be successful with him.. And if you operate probably the way you would do with Steve Ballmer, it's not gonna work great.. And then it's turtles all the way down.. And so, my key thing is this: Can you formalize that? So, make culture principles out of that, then you're giving people the cheat sheet of how they can succeed in your company, okay? So, culture is just can you write down what those are? Those things that make the CEO.. By the way, I believe at Amazon this is how they came up with their 11, and then now 13, leadership principles..

I think initially they just wanted, Jeff Bezos just wanted one, which is leaders are right.. And then eventually they like studied how he does things and they kind of try to replicate his personality.. And that became the leadership principles I believe.. But so, if you codify them you're giving the cheat sheet to the employees to know like, hey, here's how it is working with me.. So, you're making their life easier, okay? When you're codifying those principle, you can lie to yourself and pretend you're someone you're not that's not gonna go well.. You're misleading the employees.. So, you know, Ben Horowitz has a great book, I think I always screw up the title.. I think it's "You Are What You Do" or something like that, which means it's what you do that's who you are not what you say or what you think you should be.. So, write down properly what who you really are.. Introspect that, write down those as a counter principle, okay? Second, after you've done that make sure that you are promoting people and making them successful in the company, if they follow the culture principles..

Third, hire people according to the culture principles.. Fourth, manage people out according to culture principles.. If you do these, you know, you will have a consistent culture.. - And these principles are your values, 00:02:29,645 because before there was also a takeaway of diversity.. You don't want everybody to look like you.. But you do want everybody to look like you

along certain values.. Is that the idea? - Yeah, you can't have a CEO that's super introverted 00:02:41,220 and quiet and maybe passive-aggressive, which by the way believe it or not there are successful CEOs that have that personality trait that I know.. And then you hire a sales leader that's like the polar opposite.. They're not gonna be able to work well together.. So, there's certain values you need to have in common to work..

This is what all these business books call is the person a culture fit or not.. - But I just wanna make sure that the takeaway is clear.. 00:03:01,770 So, there's certain values that are sacred that are through lines for the whole organization.. But then you want diversity for skills.. - Yeah, I mean let me tell you what the culture means 00:03:08,580 about Databricks is so you get a sense.. But really they're like we came from research.. We're research personality.. The 7 people that started the company.. It's really those values that all of us kind of had.. We work from first principles..

We added that.. Yes, I know earlier that we should broaden it, but it's still if you look at Databricks it's gonna be a company that largely works from first principles.. We're very picky about who we hire.. So, we have a culture principle called Raise the Bar.. Don't settle on hiring.. Because we saw a lot of people coming, successful leaders coming from other companies.. And we were completely constantly fighting each other.. We couldn't get along.. We were like that person is no good.. And they're like no they're amazing..

And so, that's a culture principle for us.. We're truth-seeking, which comes from the research background.. Like we're very like tell it as it is, be honest about it.. We don't like, that's not common in the industry.. A lot of execs in the industry they like to present a nice, you know, executive presence.. Nice, you know, rosy picture of how things are going.. Those people don't work out at Databricks.. But it's really like my personality and my co-founder's personality that we've codified...