

Stanford eCorner

Transferring Big Company Culture to Startups

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Dominic Orr, CEO of Aruba Networks, describes his experience applying the HP way to a startup environment. Orr speaks about his focus on giving people freedom and trust which in turn sparks the passion and confidence that drives innovation.



Transcript

I'm fascinated by the fact that you spent 12 years at HP.. And HP was known to have, of course, the HP way, a very very strong culture.. How has that affected your running of a company like Aruba, that's a small company that's very quickly growing.. Does that culture translate easily, or not? HP is a big phenomenon, right? And there is the old HP and then the intermediate HP and then the current HP.. So I have to preface that first of all, I left HP in 1994.. And also, it's a little bit presumptuous for me to try to capture in a couple minutes, the sense of what is called the HP way.. But if I would dare to do so, I would say fundamentally, at least the HP way that I grew up in as a manager, it can be distilled down to one thing, which is: from a just pure business good judgment, productivity of your employees can be maximized by giving each one of them dignity and freedom and trust, and let them create passion based on that confidence and run for it.. So that is a very very noble goal.. And as you can imagine, actually, it needs more management technique than in much more controlled environments.. And at least at the time that I was there, one of the criticisms of this approach is that if you're not careful, then you run into a kind of consensus management because then, now you are all feeling good, and no decisions are being made..

And I think it was at that juncture they felt they were losing the speed to execute, and they need some changes. And then the previous generation of management came in and took it the other way, to be very very dictatorial, and so on.. And I heard recently that it got back. So how do I translate that into a startup environment, right? I think, in a startup environment, it is very very important, even doubly important to give that dignity and respect for the employees because it is a self-sorting population over there. People kind of just are middle-of-the-road guys. They will probably stay in large corporations. The fact that they could leave a safe job and come join the startup for salary cuts for some, they normally come with some passion, and if you don't let them cultivate that, that's very very difficult, to make them feel happy. And also, because it is a small environment, much more focused, this whole danger of running into a consensus management environment is lessened, actually, in a small environment. So in other companies I managed, I tried to apply the HP way, and I think people appreciated it.. Great..

So it does seem to translate.. Yes, yes.. You can move it from a big company into a small hybrid company.. I absolutely think so, because it all boils down to: at the individual level, the dignity and freedom that you give, the trust.. And when people feel trusted, they go for it...