

# Cultural Daily

Independent Voices, New Perspectives

## Thoughts on Startup Culture in California

Dan Matthews · Wednesday, April 17th, 2019

“Move fast and break things” is a motto that’s at the heart of many Silicon Valley startups. You’ll be able to test ideas quickly to see if they’re winners or losers, which means you can move forward with the winners quickly too. You’ll learn a lot while encouraging your team to move fast and reach goals. While the ideas behind this motto does have some perks, it’s not the smartest approach for every new business out there.

In this paradigm, people often take shortcuts. While you may not have to deal with the repercussions now, you can’t escape them forever. Company culture can also be damaged by forcing everyone to adhere to this motto. A scrappy team may make a lot of progress today, but they can easily face burnout in the future — or a crushing sense of failure if they do, in fact, end up breaking a lot of stuff. While [business insurance can mitigate liability](#) in such instances, it can’t repair the impact this has on workplace culture.

### Two Examples of Terrible Startup Culture

Startups everywhere should learn from failures of startups that went before them. Theranos and Zenefits are two examples of startups gone wrong. Rampant disregard for workplace culture and unrealistic expectations are at the core of both of these companies. Despite the efforts made to save them, their reputations may be forever damaged.

Theranos could go down in history as one of the most doomed and hollow business attempts ever. You can find out a lot about how Elizabeth Holmes tricked investors, brands and consumers into believing in her company in the new HBO documentary [The Inventor: Out for Blood in Silicon Valley](#). To sum it up, the medical startup made promises about technologies they hadn’t been created, then lied to investors, brands, and consumers about the medical processes they had to use as an alternative. When employees would speak up, either internally or externally, they were met with gag orders or termination.

Zenefits, a human resources software company that was worth \$4.5 billion at one time, [fell from grace](#) due to their company culture. This internal email gives a brief and telling overview: “Cigarettes, plastic cups filled with beer, and several used condoms were found in the stairwell.” As you may have guessed, downsizing soon followed.

How can problems like these spiral out of control so rapidly in Silicon Valley? What underlying issues have enabled this cultural shift? And how can modern business owners avoid following in their footsteps?



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## Sexism in Silicon Valley

Silicon Valley has a bad reputation for sexism and macho culture. Women-led companies don't get anywhere near as much funding as those owned by men, despite the fact that women can be just as good in tech positions and industries. Female employees, working in companies that hire mostly men, are also being subjected to sexual harassment on a regular basis.

They often have no recourse, as when they report such instances, management simply doesn't care. Simply put, [when an employer does nothing to stop sexual harassment at work, it is illegal](#). Nevertheless sexual harassment persists at Silicon Valley companies.

The gender imbalance is a huge risk for companies that have to market to audiences that include women. Brands that cater to all different viewpoints should encourage the same diversity of viewpoints from within. Women can make [phenomenal leaders](#), and those in Silicon Valley are missing out by not recognizing that.

## Healthy Startup Business Models: The Netflix Example

Some Silicon Valley startups [get this right](#). They embrace an open culture where new, innovative ideas are freely exchanged. Building a startup on your own is incredibly difficult, and the smartest startups know that varied perspectives are a must. However, it's important to note that "proper" corporate culture is relative. One person's enjoyable company culture is another person's nightmare. Netflix has been [at the center of this debate for a long time](#).

Netflix's company culture is one of openness and independent decision-making, which requires their team members to be held accountable when they make a mistake. This isn't for the purpose of shaming, though, but to learn from one another. With these sort of "tough love" company cultures, looking at attrition rate is a good barometer of how happy employees are — and Netflix has retained their employees on average with other U.S. companies.

## What Makes a Good (or Bad) Corporate Culture?

The health of startups is often looked at in terms of how popular it is with consumers. However, if you're going to be part of a startup team, what goes on behind the scenes is most important to you. Otherwise, you could find yourself in an unsupportive and unhealthy work environment.

The [building blocks](#) of a great corporate culture lie in how employees are assessed, recognized, and rewarded for their work; company-wide beliefs, ethics and standards; and the behaviors that are common and accepted, as well as those that are unacceptable. It's important to hire employees with a diverse range of skills. The [lack of humanities in Silicon Valley](#), for example, may be partially to blame for poor communication or spiraling, toxic work cultures.

Sometimes looking at negative company cultures can steer you toward creating a better one. To go back to the Zenefits example, the company grew too fast for it to keep up with managing its employees. This resulted in loosened controls and a relaxed attitude toward toxic behaviors. Employees were allowed, whether due to acceptance or negligence, to drink on the job and have sex in the workplace.

When you look at it this way, it's very easy to discern between good or bad company culture. Good equals following industry regulations; bad equals getting drunk on the job. Moreover, the acceptance and prevalence of these behaviors are what turn actions into culture instead of one-off instances.

Stellar company cultures put a lot of trust in their employees. They demonstrate trust in them by [offering remote work opportunities](#). They also hire diverse team members without discriminating based on gender or cultural background in order to get a wide variety of perspectives. The hiring process is important, as that's when employees are vetted to determine how engaged they are with the company's goals and if they'll bring innovation to the table.

Once hired, that trust can go a long way. Helicopter management isn't necessary; business owners should grow to trust that employees will act in the interest of the company, which includes taking care of themselves. However, negative or toxic behaviors should be identified and prevented to create a safe work environment for all employees.

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