CULTURE GUIDE



# Our Purpose We are in business to democratize professional technology training. democratize verb [dih-mok-ruh-tahyz] to make (something) available to all people : to make it possible for all people to understand (something) We are improving people's lives every day by giving them access to a high quality, affordable education that they can consume anytime, anywhere. This is our North Star, and we must always remind ourselves of this when making strategic decisions. Our subject matter will continue to expand and evolve. And we will keep looking for better methods to educate our customers. This journey has no end. In order to succeed, we must remain financially sound, but we didn't build Pluralsight just to make a quick buck for investors. We believe that if we continue relentlessly improving, delivering more value to our customers at an ever more affordable price, our investors will win alongside our customers. We are in this for the long haul, and we must not succumb to short-term thinking. We must continue to provide great service today, but just as important we must think ahead of our customer, anticipating her needs and delighting her with new innovations. This will require significant investment in research and development, but we believe this will result in higher profit in the long term than simply focusing on the short-term benefits of cost cutting.

# We are Truth Seekers

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### Truth Seekers.

No. 1

We study things out and do what's right, focused always on continuous improvement.

We are continually seeking higher truths; this is a neverending journey of discovery together. If your idea has merit, we don't care if you're the CEO or if you're the janitor, we're going to get behind your idea if it aligns with our purpose. We love ideas and despise politics, which can crush both great ideas and great people.

We are not afraid to experiment. We are in a creative-inventive market, not in the business of building nuclear plants. Quick recovery from mistakes is essential, but errors are not life threatening in our business.

We engage in healthy conflict. The way to get to the highest truth in a meeting is to engage everyone in debate on the subject at hand, often with great passion. The goal is to find the best possible truth, so if you think the current idea is flawed, don't quietly let the group move forward without sharing your thoughts. Speak up! Once you feel understood, you're in a much better position to move forward with the final decision regardless of whether your idea "won."

During conflict, we prefer to inquire first and advocate second. Ask questions to better understand your colleague's idea and help them realize the depth of your understanding. Not everyone will agree with any given decision, but truth seeking implies not always being the one with the winning idea. What's important is that we all understand the resulting decision and commit to moving forward without harboring negative feelings.

# We are Entrepreneurs

No. 2

# Entrepreneurs.

We take ownership and embrace autonomy. We're not afraid to wear multiple hats to provide solutions.

We don't need to rely on someone else to fill our queue with work items. If we find ourselves with nothing to do, we look for useful work. Spend some time improving the system you work in, which could mean lounging in a hammock and thinking about better ways of getting things done, or reading an article that helps you improve in some way.

We value taking risks focused on improvements. We take ownership of the systems in which we work, constantly innovating to make things better.

We value learning, which comes from having a theory, experimenting, and measuring results. We value failures - and failing fast - because of what we learn from them.

# We are Eternal Optimists

No. 3

# Eternal Optimists.

We bring positive energy and lift others up. We find joy in our work and we're not easily discouraged.

We value optimism and the positive energy it brings. When presented with a problem, a pessimist might spend a lot of energy grumbling about how it spells doom for the company, whereas an optimist would spend that energy seeking potential solutions. Who would you rather work with?

We don't value blind optimism, turning a blind eye to problems. But when we do bring up problems we do it in a healthy, positive way, not pointing fingers at people, but rather working together to find solutions.

#### WE ONLY HAVE TWO RULES

- 1. Be respectful, considerate, and kind, even when you disagree.
- 2. Always act in Pluralsight's best interest.

#### The two rules

Please note that rule (1) applies in all scenarios when you are representing Pluralsight. This means treating colleagues, customers, and anybody else you happen to meet with respect, consideration, and kindness.

Our behavior should be a model for others.

The next few sections give some examples of where we apply the two rules. We keep these rules simple because we respect the people we hire and expect them to share our values. We'd rather deal with exceptions on a case by case basis rather than penalize everyone up front with a thick book of policy.

# We don't have a travel & expense policy

We once had a T&E policy, and it generated questions, which could have led to a fatter T&E policy, which would have lead to more exceptions, and more policy...

Instead, we decided to throw away our T&E policy and rely on the two rules above. Imagine you are spending your own money when you book travel. Just like you would for yourself, you'd be price conscious and not book unreasonably lavish accommodations. You'd look for the best value in any purchasing decision and use good judgement.

Expense items that are valuable for work when you would otherwise not spend your own money. Take from Pluralsight only when it would be wasteful not to (e.g., personal phone calls, printing personal documents).

If you are ever in doubt about how these rules apply in a particular scenario, ask your leader for help. And if you see someone taking advantage, remember that we're all in this together. Inquire to fully understand, then gently remind them how delightful it is to work at a company with so few rules and that if we all cooperate, we can keep this simplicity forever.

#### We don't track time off

We used to have a PTO policy, but we felt it was awkward having to ask a manager permission to take time off. We don't clock you in and out each day, so why should we track days off? All we ask is that you coordinate the time off with your team so they can continue to function while you are away.

Taking too little time off is just as damaging to Pluralsight as taking too much. We all need to recharge and reconnect with loved ones, so don't let the lack of a PTO policy discourage you from taking a well-deserved break.

### We don't have a dress code

Just like our lack of a PTO policy, we also don't need a dress code, because our two rules already cover this. Be respectful, considerate, and kind to the people around you. If in doubt, ask!







# Continuous improvement

We believe that to succeed as a company we need to constantly strive to improve every aspect of our business. Just because our business is growing quickly today doesn't mean we can afford to be complacent. We work hard everyday to improve the value we deliver to our customers. We can always do better.

We will never fire anyone for working to improve our systems. We embrace experimentation.<sup>1</sup>

We don't fear taking risks, although when considering risks that could sink the ship, we vet our idea with our colleagues and leaders before taking action.

## Systems thinking

Some companies think they need to hire rock stars in order to succeed. At Pluralsight, we focus on building systems that help normal humans do great work.

When a worker is struggling, we first look at the system rather than assuming the worker is to blame. What can we improve in the system in order for this worker to succeed? Do we need better training? Different equipment? Is this job just not a good fit for the worker? Maybe there's another place in the company where this worker could really shine. Ultimately we may have to part ways with a worker who is not fitting in to our culture, but that will be our last resort.

Many companies explain their organization through reporting hierarchies. We don't care nearly as much about who reports to whom. Titles are not important at Pluralsight. We care much more about processes and systems - what are the inputs? What are the outputs? How can we improve any given process so that its output better serves the needs of the customer (which may be another internal process or system).

We strive to optimize the ENTIRE system (the company) so that our customer gets the highest quality product that we can provide. This may mean that from time to time we have to run certain processes and/or teams in what may seem like non-optimal ways. Trying to suboptimize every process without regards to the whole would lead to disaster.

### Selflessness

We put our team before ourselves. We put our company before our team. And we can never forget who our company serves: our customers. This formula sums it up:

### CUSTOMER > COMPANY > TEAM > SELF

What this means is that we don't put our own personal interests ahead of what's best for the team. And we don't optimize our team without respect for the rest of the company. We need to optimize the whole system (the company) and sometimes that means suboptimizing certain teams at times.

You might look at this and think, "But I put my family first above all." True, we all do that. We want our workforce to have a healthy balance with sustainable work hours so nobody burns out. This is an example where long-term thinking is helpful.

# Numerical goals

We believe that "holding people accountable" for numerical goals leads to fear and distortion. We'd rather be realistic and work together to come up with theories of how we can improve our metrics. We prefer to experiment and measure as a team, continually working to bring the numbers closer to whatever targets we have, reducing variation along the way. The scientific method starts with a hypothesis, a theory. "By what method?"

# Self improvement

We are learners. We believe that there's nothing we cannot do if we put our minds to it. We can always improve ourselves. Just like the company takes a long-term view of its future, we take a long-term view on ourselves. Our journey of self-improvement is never ending.

We believe that "natural talent" is often overrated, and that someone who sits back and relies on "natural talent" will ultimately be eclipsed by a learner who works hard and continually improves.<sup>2</sup>

With that long-term vision in mind, we invest in educating our workforce. Education is different from job training. It's a larger vision that helps you become a better person in ways that may have nothing to do with your current job. Some companies worry that if they educate their workers, those workers will simply leave to find better jobs elsewhere. We don't fear this - it's inevitable that some people will grow and need to find their way outside of Pluralsight - and we will do all we can to help those people succeed, including writing letters of recommendation for them. The flip side is that many will grow into jobs in other departments at Pluralsight, staying because they have grown to love the culture of learning and the great colleagues they have at the company.

As learners we don't fear failure. An experiment that fails is not a failure if we learned something from it. Think about steering a car - it's a constant series of adjustments. We steer the company by continually trying new experiments. Keeping what works, and leaving behind what doesn't, continually growing our knowledge as we go. The only failures in life are people who are afraid to challenge themselves to grow.

Imagine a company full of learners. There's no limit to what we can become together!



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2 Mindset, by Carol Dweck www.pluralsight.com/careers

# SOME WORDS FOR LEADERS

# What is leadership?

Letting subordinates know that you're the boss is not leadership. It's being a bully. It's the lazy way. Real leadership takes constant effort.

Deming described three sources of power<sup>3</sup>:

- 1. Authority of office (e.g. your title).
- 2. Knowledge
- 3. Personality (e.g. charisma, tact)

A leader develops (2) and (3). He knows that people will follow him because of his knowledge and/or experience. Alternatively, he knows that he can lead with his personality and emotional intelligence<sup>4</sup> while he develops that knowledge and experience. When his team doesn't have the authority to improve the system in which they work, he uses (1) to go up the ladder and make those improvements.

A leader helps her team. She knows that the vast majority of errors are caused by the system, not by the workers, so she avoids pointing out mistakes. Instead she works with her team to improve the system that allowed the mistake to happen in the first place.

A leader acts as coach and counsel, not a judge.

A leader gives his team great autonomy<sup>5</sup>. He presents problems and works together with them to come up with solutions. He makes regular use of the Socratic method when he thinks they may be missing something: he asks questions that stimulate truth seeking. He gives up command and control because he knows his team will take great responsibility when they realize their leader trusts them.

A leader models our company values. She leads by example.

A leader develops his people not only through job training but also encouraging education that has nothing to do with the employee's current job. He realizes that we work in a creative/inventive market and encouraging healthy brains is important. Modern brain science shows that people can get smarter if they work at it!

A leader shows her team how they fit into the system. She explains why their job is important, shows who the customer is, and knows that her team must work to please their customer, not their leader. She encourages the team to work with the customer to constantly improve the output so it more closely matches the customer's needs. Note that this need not be an end user - it could be someone else in the organization.

#### Drive out fear

A person can't act like an entrepreneur if he spends his day watching his back. Imagine yourself in your team members' shoes on a regular basis, then seek out and eliminate sources of fear, and substitute leadership.

# Hire people who can best you

The company culture we have today would not exist if we had limited ourselves to hiring automatons who would do our bidding as founders. Instead we had the courage to hire people who had more experience and knowledge than we did in certain areas, and we kept our minds open and learned from them (truth seeking). The books that our employees encouraged us to read and the ideas they shared with us led us down the path to discovering a better way of doing business.

Don't let your pride get in the way of our future.