

Learn to Leap #6

# Building a business culture with a single vision at its core

Grab, the eight-year-old Southeast Asian company ranked as one of the world's top innovators, credits its phenomenal success to a strong, value-based culture.



**It's a given** that any digital start-up needs good, user-friendly technology. But the softer side is often overlooked. A start-up that lacks a culture to attract and nurture key talent is destined to fail. Hooi Ling Tan, cofounder of Grab, the Southeast Asian ride-sharing company that bested its competitors to quickly become the leader in the region and has expanded into other services, discusses how to build a growth culture with McKinsey's Philipp Hillenbrand.

### Key insight #1

**The more dynamic your market environment, the more important it is to identify and support the core factor in your success. For Grab, this is customer-centricity.**

**Philipp Hillenbrand:** In just eight years, Grab has grown from a 40-driver operation to a five-million-rides-per-day company that overtook Uber as the leader in Southeast Asia and absorbed its operations there. How were you able to lead a company through these different stages of growth and overcome various challenges under constantly changing conditions?

**Hooi Ling Tan:** As Southeast Asia undergoes major digital and economic transformation, we are constantly evolving to remain relevant and become the place people go for their everyday

services, including transport, payments, financial services, and on-demand delivery. This is a complex setting, and it is easy to get lost in it. To be successful in a dynamic environment, it is important to clearly identify and believe in the one single factor that is the stable core of your initial and future success. In our case, we obsess over "customer-centricity," and to us, that means empathy toward our users and a consistent delivery of our promise. As much as possible, we try to walk in our customers' shoes and always strive to give them a perfect experience. That is our ultimate goal and will not change over time.

### Key insight #2

**A shared passion for your company's core values is as important as the right technical skills in evaluating potential hires.**

**Philipp Hillenbrand:** What was your philosophy during Grab's early days around establishing the kind of culture that would attract the talent you needed to accomplish this goal while growing at such an ultrafast pace?

**Hooi Ling Tan:** Attracting the right talent depends mostly on our systematic ability to spot talent with the right mindset that is compatible with our core effort to "obsess about customer needs." As long

Sidebar

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## Hooi Ling Tan biography

Hooi Ling Tan cofounded the ride-hailing, food-delivery, and payment-solutions firm Grab in 2012. Prior to joining Grab full-time, Hooi Ling led strategic projects at Salesforce.com, working at the company's San Francisco headquarters. Before joining Salesforce.com, Hooi Ling was a consultant at McKinsey & Company, advising corporations in Southeast Asia, North America, Latin America, and Australia on corporate strategy and operations. Hooi Ling has a bachelor's degree in mechanical engineering from the University of Bath and an MBA from Harvard Business School.

as you possess our passion to serve, have the right attitude, and share our vision, we are keen on you.

Different roles also require different technical skills. If there is a match on both dimensions, we can put the right person in the right job—regardless, of course, of his or her age, race, gender, religion, marital status, family responsibilities, or physical abilities. That's why our workforce is multicultural and diverse, comprising more than 50 nationalities.

How do we do this in more practical terms? We ensure, through our processes and hiring managers, that we acquire talent that embodies our four core values, which we call the “four H.” They are heart, honor, humility, and hunger. These four core values allow us “Grabbers” to realize our vision, which is to drive Southeast Asia forward by elevating the quality of life for everyone. Every Grabber is

expected to have the heart to do good for the communities we serve, possess hunger and grit to better themselves, uphold honor in delivering on our promises, and listen to feedback with humility in order to improve.

At Grab, we believe it's on us to improve the quality of life for 650 million people in Southeast Asia by empowering our customers, micro-entrepreneurs, and businesses. Future Grabbers need to share our excitement about the huge opportunity to use tech as a force for good to improve everyday life, give people access to better opportunities, and drive the region forward. In fact, we view it as a responsibility, and we intend to build the ecosystems, platforms, and partnerships to help the region realize its full potential. We want to see this genuine belief in each of our future hires.

### Key insight #3

## Leadership must model the commitment and behavior it expects from its employees.

**Philipp Hillenbrand:** How do you maintain this core DNA that made you strong and successful while expanding into different geographies and offering new services?

**Hooi Ling Tan:** This is a tough challenge, and there is no secret recipe. Ultimately, we try to look for talent that can act as replicators of our four H: people committed to our vision of bringing

people closer together, not just brilliant engineers or brilliant marketers. Alignment to this broader goal is crucial. Therefore, we spend time in training our Grabbers in what this means in our day-to-day and also in our leadership behaviors.

Another important component of preventing any dilution of our strong culture is that we as a leadership team embody our values. We don't

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## About Grab

Singapore-based Grab is Southeast Asia's most popular ride-sharing company and has facilitated more than four billion rides since its founding in 2012. It's also a leading regional app, providing a wide variety of everyday services to its users. To date, the Grab app has been downloaded onto more than 163 million mobile devices, giving users access to more than nine million drivers, merchants, and agents. It offers a wide range of on-demand transport, food- and package-delivery services, as well as payment and financial services, across 339 cities in eight countries. In 2019, Grab was ranked the second-most-innovative company in the world on Fast Company's list of The World's 50 Most Innovative Companies and also ranked fourth on CNBC's Disruptor 50 list, making the list for the third year in a row. It is currently valued at \$14 billion, according to CB Insights.

complain, we don't whine; we try to solve. We are far from perfect, and we are always learning. Therefore, I am grateful that my cofounder and friend, Anthony Tan, shares the exact same vision of helping the region we call home, which hasn't historically been dealt the best hand.

Only in this way can we realistically aspire to someday get to the point where people in our region don't have to worry so much about their everyday safety and livelihoods and can just focus on important things, like spending more time with their families.

#### Key insight #4

### Staying agile through constant feedback and learning is critical in managing fast-paced growth.

**Philipp Hillenbrand:** Start-ups that grow fast during their scale-up phase often slow down as they become ever more chaotic or overly bureaucratic. How did you manage to preserve a structure that enables employees to make decisions in an entrepreneurial way?

**Hooi Ling Tan:** For us, it is about two components: measuring ourselves as company teams but also as individuals against committed goals and constantly learning how to get better at what we are doing.

Objectives and key results (OKRs), especially jointly owned OKRs, are our way to set goals and drive cross-functional alignment. Along with the concept of continuous learning and working in quick iterations, I believe in constant feedback and learning loops that we have implemented through our regular postmortems. These ensure that we as an organization are nimble and agile enough to keep adapting to changing customer and business needs.

#### Key insight #5

### Commitment to a shared culture is the key to minimizing failure and bad decisions.

**Philipp Hillenbrand:** Given Grab's pace of expansion, there must have also been some failures and bad decisions along the way. What's your favorite, and what can we learn from it?

**Hooi Ling Tan:** I don't think I would ever have a favorite failure, but probably many memorable mistakes that remind me that we need to learn and relearn in order to progress.

If I step back and think about it, the most important lesson is that our business is ultimately as strong as the people we hire and nurture. I believe that the

root cause of all greatness is ultimately the people behind it.

We take the time to focus on hiring, developing, and growing our talent. Beyond bringing the best possible members to the team, we also need to spend time on keeping the team well oiled and in sync. The larger the team, the more important—and difficult—it is to nurture the team's culture. Culture is the invisible glue that keeps the team together—or pulls people apart. If there's one thing we can never spend enough time on, it's our people and culture.

**Philipp Hillenbrand** is an associate partner in McKinsey's Berlin office.

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