Dharmesh Shah’s Lessons on Leadership
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Foreword

Before you dive into the insightful leadership lessons contained in articles in this ebook, one clarification is in order: This round-up of articles written by Dharmesh Shah was not rounded up or conceived by Dharmesh Shah. Instead, we (the HubSpot Marketing Team) chose our favorite articles from our founder on the subject of leadership. This clarification is important so you, the reader, understand someone didn’t round up their own pearls of wisdom. Humility being one of the tenets of the HubSpot Culture Code, doing such a thing might be a contradiction, after all.

It’s also important because you’re about to read articles that talk about leadership through the lens of humility. And confidence; and relationships; and all the other qualities that bubble up to being a great leader. Whether you’re in the C-Suite, entry level, founding your own business, or a student, these lessons on leadership apply to anyone. (Remember, anyone can be a leader.)
Beyond the Paycheck: What We Wish For

Plenty of studies show that pay increases only serve as a short-term performance motivator. Certainly salary is important; every company should strive to compensate its employees fairly - even, if possible, more than “fairly.” Equitable pay is a given. But it’s also often true that receiving a raise is a lot like buying a new car. Pretty soon we ratchet our expectations upwards and even a new Ferrari is “just” a car (unless it’s a Tesla, which is never “just a car”).

So where long-term performance is concerned, what matters more than pay? What do people wish for from their work? What helps employees feel truly valued and appreciated - and motivates them to do their absolute best?

1 Fulfilling Goals

Goals are motivating. Goals are fun. Goals provide a sense of purpose and meaning to any task.

Without meaning, a job is just toil... and toil sucks the energy out of people.

So how do you make a goal truly fulfilling? Show its purpose. Describe its relevance to larger business goals. Show how a goal isn’t just an arbitrary target but an outcome that truly matters.

Then allows employees to help create goals, both at an individual and a broader level. They may set even higher targets than you. And, when people help set a goal they are much more likely to achieve that goal... because they own that goal.

2 A True Sense of Mission

We all want to feel we are a part of something bigger.

Let employees know what you want to achieve for your customers, for your business, and for your community. And just like with goals, allow them to create a few missions of their own, because caring starts with knowing what to care about – and why.
Recognize:

Even though it costs nothing to give, praise is priceless to the recipient. So start praising. Be specific. Be genuine. Recognize the employee the way she likes to be recognized. (Some people are uncomfortable with public recognition; others love to bask in the glow of applause.)

No one gets enough praise... and that's too bad, because everyone loves to be recognized for their hard work, dedication, sacrifice... for just being awesome.

Genuine recognition rewards effort and accomplishment, reinforces positive behaviors, builds self esteem and confidence, and boosts motivation and enthusiasm.

Recognition gives employees "permission" to be awesome. Help people be awesome. Praise is free – but it means everything.

Basic Expectations:

While every job should include some degree of latitude, every job should also have basic expectations regarding the way specific situations should be handled.

If you criticize an employee for shifting resources to a project that's behind – even though last week that was standard protocol – you risk crushing that person's morale.

When guidelines change, make sure you communicate those changes first.

When that's not possible, take time to explain why this particular situation is different and why you made the decision you made.

Communication creates understanding, and understanding is everything. But at the same time, employees also need...
**Significant Autonomy**

Best practices can create excellence, but every task doesn’t require a best practice.


Even otherwise “systematic” and “process-driven” jobs have room for different approaches. Give your employees the freedom to work the way they work best. If someone screws up, don’t punish the many by creating rules and guidelines designed to “control” the mistakes of the few.

**Meaningful Contributions**

Everyone wants to make suggestions and offer ideas. Deny people the opportunity to give input, or shoot their ideas down without consideration, and you turn people into machines… and machines don’t care. Make it easy for employees to offer suggestions.

Make it easy for employees to question, to challenge, and to share their opinions. When an idea doesn’t have merit, take the time to explain why.

You may not always implement every idea, but you can always make employees feel valued for their ideas.
7 **Genuine Relationships**

People don’t want to work simply for a paycheck. People want to work with and for people. A kind word, a short discussion about family, a brief check-in to see if they need anything… personal moments make a lot more impact than meetings or formal evaluations. A manager doesn’t have to be a best friend – and shouldn’t be – but she must always be friendly, and show that she cares on a personal as well as professional level.

8 **Reasonable Consistency**

Most people can deal with a boss who is demanding and quick to criticize… as long as he or she treats every employee the same in one important way.

While you should treat each employee differently, you must treat each employee fairly. (There’s a big difference.)

The key to maintaining reasonable consistency is communication. The more employees understand why a decision was made, the less likely they are to assume favoritism or unfair treatment.

9 **Deserved Opportunities**

Every job should have the potential to lead to greater opportunities, either within or outside your company.

Take the time to develop employees for jobs they someday hope to fill – even if those positions are outside your company. (If you don’t know what an employee hopes to do someday, ask.)

Employees will only care about growing and developing your business after you show you care about growing and developing them.
An Atmosphere of Excellence

Superstars want to work with superstars. Excellent employees want to work in an environment where outstanding performance is the rule, not the exception. So be unreasonably selective about the people you hire. Then, work hard to turn around a failing employee or, failing that, to weed out the poor performers. As Drew Houston, the CEO of Dropbox, says, “You become the average of the five people you hang out with.”

As a leader, your goal is to surround every employee with awesome people. The best they have ever worked with. Make sure you do. And, if you liked this article, you’ll also probably like Culture Code, a slide deck about company culture.

Source: Dharmesh Shah, LinkedIn
First things first: Confidence is not bravado, or swagger, or an overt pretense of bravery. Confidence is not some bold or brash air of self-belief directed at others.

I’m fortunate to know a number of truly confident people. Many work with me at HubSpot, others are fellow founders of their own startups, some of whom I’ve met through my angel investment activity. But the majority are people I’ve met through my career and who work in a variety of industries and professions.

It comes as no surprise they all share a number of qualities:

1. They take a stand not because they think they are always right... but because they are not afraid to be wrong.

Cocky and conceited people tend to take a position and then proclaim, bluster, and totally disregard differing opinions or points of view. They know they’re right and they want (actually they need) you to know it too.

Their behavior isn’t a sign of confidence, though; it’s the hallmark of an intellectual bully.

Truly confident people don’t mind being proven wrong. They feel finding out what is right is a lot more important than being right. And when they’re wrong, they’re secure enough to back down graciously.

Truly confident people often admit they’re wrong or don’t have all the answers; intellectual bullies never do.

“Confidence is quiet: It’s a natural expression of ability, expertise, and self-regard.”

Confidence is quiet: It’s a natural expression of ability, expertise, and self-regard.
2. They listen ten times more than they speak.

Bragging is a mask for insecurity. Truly confident people are quiet and unassuming. They already know what they think; they want to know what you think.

So they ask open-ended questions that give other people the freedom to be thoughtful and introspective: They ask what you do, how you do it, what you like about it, what you learned from it… and what they should do if they find themselves in a similar situation.

Truly confident people realize they know a lot, but they wish they knew more… and they know the only way to learn more is to listen more.

3. They duck the spotlight so it shines on others.

Perhaps it’s true they did the bulk of the work. Perhaps they really did overcome the major obstacles. Perhaps it’s true they turned a collection of disparate individuals into an incredibly high performance team.

Truly confident people don’t care – at least they don’t show it. (Inside they’re proud, as well they should be.) Truly confident people don’t need the glory; they know what they’ve achieved.

They don’t need the validation of others, because true validation comes from within. So they stand back and celebrate their accomplishments through others. They stand back and let others shine – a confidence boost that helps those people become truly confident, too.
4. They freely ask for help.

Many people feel asking for help is a sign of weakness; implicit in the request is a lack of knowledge, skill, or experience.

Confident people are secure enough to admit a weakness. So they often ask others for help, not only because they are secure enough to admit they need help but also because they know that when they seek help they pay the person they ask a huge compliment.

Saying, “Can you help me?” shows tremendous respect for that individual’s expertise and judgment. Otherwise you wouldn’t ask.

5. They think, “Why not me?”

Many people feel they have to wait: To be promoted, to be hired, to be selected, to be chosen... like the old Hollywood cliché, to somehow be discovered.

Truly confident people know that access is almost universal. They can connect with almost anyone through social media. (Everyone you know knows someone you should know.) They know they can attract their own funding, create their own products, build their own relationships and networks, choose their own path – they can choose to follow whatever course they wish.

And very quietly, without calling attention to themselves, they go out and do it.

6. They don’t put down other people.

Generally speaking, the people who like to gossip, who like to speak badly of others, do so because they hope by comparison to make themselves look better. The only comparison a truly confident person makes is to the person she was yesterday – and to the person she hopes to someday become.
7. They aren’t afraid to look silly...

Running around in your underwear is certainly taking it to extremes... but when you’re truly confident, you don’t mind occasionally being in a situation where you aren’t at your best.

(And oddly enough, people tend to respect you more when you do – not less.)

8. ... And they own their mistakes.

Insecurity tends to breed artificiality; confidence breeds sincerity and honesty.

That’s why truly confident people admit their mistakes. They dine out on their screw-ups. They don’t mind serving as a cautionary tale. They don’t mind being a source of laughter – for others and for themselves.

When you’re truly confident, you don’t mind occasionally “looking bad.” You realize that when you’re genuine and unpretentious, people don’t laugh at you. They laugh with you.

9. They only seek approval from the people who really matter.

You say you have 10K Twitter followers? Swell. 20K Facebook followers? Cool. A professional and social network of hundreds or even thousands? That’s great. But that also pales in comparison to earning the trust and respect of the few people in your life that truly matter.

When we earn their trust and respect, no matter where we go or what we try, we do it with true confidence – because we know the people who truly matter the most are truly behind us.

Source: Dharmesh Shah, LinkedIn
Doubtliers: Dangers Learning From the Exceptional

There are great lessons to be learned from many exceptional companies like Google, Apple, and Amazon. But, can you just copy the best practices from these amazing companies and use them to succeed at your own business? I doubt it.

There is risk of pulling out the wrong lessons from these outliers. To be exceptional, they have to be the exception—not the rule. Often, what worked brilliantly for them might be a blunder for you.

If you or one of your colleagues ever make arguments that sound similar to these, take a step back and question your assumptions:

“This worked for Apple and Steve Jobs...”

“But, Google does it this way, and they’ve done really well...”

“That didn’t seem to stop Amazon...”

Here are the types of mistakes we make when looking to learn from leaders:
Then vs. Now

When you are looking to learn from great companies, be mindful that you understand the history of the strategy or tactic you are looking to learn from.

Loss leaders are a luxury.

Big, well-capitalized companies can often make big bets and investments that most startups simply can’t afford. They can often use these “loss leader” strategies because they have a diversified revenue base and can gain an advantage by losing money in one project with the hopes of making it up in another – often after many years.

Example

Google makes deep investments in technology and infrastructure. Rather than taking “off the shelf” tools and technologies, Google uses custom-built servers and operating systems. Though this makes great sense for Google given their scale – does that level of customization make sense for your startup? What did Google do when they were your size?

Example

When Amazon sells the Kindle, it intentionally does it at razor thin margins (the actual razor, not the blade). The reason Jeff Bezos provides for this strategy is simple: “We want to make money when people use our device... not when they buy it.” That works great for Amazon, because in the long run, they will make money. But, unless you’re Amazon and can afford to give something away at low or no margin, it might not be the right strategy for you.
Great companies don’t always make great decisions.

When we look at successful companies, we automatically assume that every strategy or tactic they used contributed to that success. That’s unlikely. Sometimes companies are successful despite some missteps along the way – not because of them. If you’re making a big decision based on whether or not it worked for someone else, dig into the details. Try and figure out the context of that particular strategy. Talk to the people involved. Did they think it was a great strategy? What were the tradeoffs? What surprised them? If they could do it over again, would they?

Example

When Apple decides for a more closed and proprietary system, do they win in the long-term because of those decisions – or despite them, because they are so good at everything else? Could other companies succeed with a similar strategy?

It is a weak argument to say you should be doing [x] just because some super successful company did [x] and it worked for them. They were a different company at a different time – and in many cases, even the teams that made some of those decisions are likely not certain as to whether they were the right ones.

When you’re faced with big, company-changing decisions, don’t use outliers as a way to rationalize what you want to do. Dig deeper. Do some additional research. Analyze the tradeoffs and make the right decision given your context.

Source: Dharmesh Shah, LinkedIn
The True Meaning of Leading by Example

New managers are often told it’s best to “lead by example.” Rightfully so – but like most platitudes, “lead by example” doesn’t give you particularly instructive action.

So, let’s dig in.

First let’s talk about the idea of “personal brand.”

A great personal brand isn’t an artificial construct. A great personal brand – like a great company brand – is authentic. Your personal brand is simply a snapshot view of who you really are. Yet thousands of people try to use tactics to “create” a personal brand as if it’s a product or commodity when a personal brand is built on genuine statements and authentic actions. When a personal brand is an authentic extension of the real person and not an artificial construct, it inspires trust.

Which brings us back to leading by example. Leaders aren’t given respect; they earn the respect of the people they lead. Leaders are not automatically trusted; they earn the trust of the people they lead. In cases where someone “inherits” a position or is given a position arbitrarily, they don’t really have trust – they have a title. Those are different things.

The best way to earn respect, to earn trust, and to earn the right to lead others is to lead not by word but by example. When I know you truly believe what you say – because your actions support what you say – then I will start to trust you. Then I will start to respect you. Then I will truly start to follow you.

Here are a few ways to lead by example. But keep in mind if you simply go through the motions everyone can tell. If you don’t believe, deep inside, that what you’re doing is important – that what you’re doing is the right thing – then don’t do it. Everyone around you will be able to tell. People have a highly sensitive Insincerity Meter that immediately calls bull-crap.
**GSD (Get stuff done).**

Every company preaches action and execution, yet in many there is a major disconnect: “leaders” don’t actually produce; they ensure production. Many “leaders” care more about how things are done than about finding ways to do things better. Many leaders care more about their positions than their work.

Every day make sure you roll up your sleeves and get your hands dirty. Sure, you might have administrative duties. Sure, you might be in charge of developing big picture strategies. Fine. But never forget that work requires work and getting things done. Don’t say execution is important. Show execution is important.

**Live your culture.**

At HubSpot we aren’t big on executive perks. But we are big on teamwork and cross-pollination. To do this, we have a random seat shuffle. So, every 3 months or so, you’ll be sitting in a different spot than you were before. Oh, and nobody has offices.

We don’t just have an open door policy, we have a no door policy.

That extends to me (I’m one of the founders), my co-founder, our COO, our CMO… to everyone on the team. Would it be easy to assert that I need an office since I sometimes need to have sensitive or confidential conversations? Of course it would. But it is also easy to simply find somewhere private to talk when I need to.

Ultimately every company’s culture is, or at least should be, an extension of its leadership. (Of course if you aren’t actively creating your culture, one will be created for you – and it may not be one you like.)

Mission statements, value statements, and culture codes are fine, but if you are not seen as a living embodiment of your culture, then all those efforts will be wasted.

You should be seen as of the culture, never above the culture.
Take blame and share credit.

With authority comes responsibility – at all levels of an organization. Want your employees to feel a sense of responsibility and accountability? Take the hits you deserve. And then take some hits you don’t deserve.

Say a customer gets angry. Or a client complains about poor service. Or someone in another part of the organization criticizes one of your team’s efforts.

Whatever the issue, regardless of who is actually at fault, don’t throw others under the bus. Throw yourself under the bus. Accept the criticism or abuse. You can handle it – even if you don’t deserve it.

And, when things go surprisingly well, always share credit. Chances are, you didn’t pull it off alone. Nothing breaks trust more than when a leader takes full credit for what everyone knows was a shared effort.

When you take blame and share credit, a couple of things happen. Your employees know you ultimately feel responsible for mistakes and share recognition with others when things go right.

And, when it’s their turn, they will take blame and share credit too.

The cycle will continue, because selfless acts are contagious.

“Don’t say execution is important. Show execution is important.”
Trust so you can be trusted.

Things change when companies grow. More employees result in increased complexity, more mistakes, and greater ambiguity. So in response you create guidelines and policies.

And trust goes out the window – because policies implicitly say, “We’re putting this in place because, well, we don’t trust you to do the right thing.”

At HubSpot we don’t have pages and pages of policies and procedures. We try to guide our decisions with three words: Use Good Judgment.

We define “good judgment” as favoring the company over the individual, and the customer over the company.

It looks like this: **Customer > Company > Individual**

Sound complicated? It’s not: if an action is good for you but bad for the company, it’s not right. If an action is good for the company, but not for the customer, it’s dubious. (In the long term, what is bad for the customer is always bad for your company.)

Trust is based on action, not words. Give people the freedom to make meaningful decisions, to operate in a way that is most effective for them, and to simply do the right thing, and they will trust you. Why? Because first you trusted them.

Source: Dharmesh Shah, LinkedIn

As Dharmesh says, true leaders have a quiet confidence and focus on lifting up those around them.

Leadership isn’t reflected by title – anyone in any role can act as a leader and have a positive impact on those around them. For more of Dharmesh’s pearls of wisdom (+ enjoyable musings),

Follow Dharmesh on LinkedIn