

URL: <https://stvp.stanford.edu/clips/avoid-culture-debt>

HubSpot's Dharmesh Shah explains how a company can incur what he calls "culture debt" in the same way that a venture can create "technology debt" - where it settles on an imperfect technical solution to achieve an immediate goal. But whereas such flaws can be fixed, Shah says putting off a personnel problem gives it time to metastasize within a company.



Transcript

- Those that are engineering, understand the notion of technology debt.. So technology debt is you take the shortcut, you hack something together and you put it out there because in the interest of time you just want to get it out there and you know that was hacky code and you're gonna have to go fix it someday and pay off the debt.. Similar to financial debt.. I need the cash now and I'm willing to pay some interest rate and pay it off in the future because the cash right now is necessary.. Same thing with technology debt and there is such a thing as culture debt.. And culture debt is, this person is sort of a jerk, but they're so good and we've been recruiting.. We've been trying to find this designer for like two and a half months.. They're the best one we've seen so far and we have no idea when the next one's gonna come along that we really like, but I don't really want to be around them.. And then you'll rationalize, like oh yeah, but they'll just work remotely, it'll be fine.. It's usually not fine..

What ends up happening is that they make everybody around them miserable.. Everybody that comes in and interviews with the company that interacts with that person is like okay, I don't want to work for this company.. They won't tell you that, right, because they're interviewing and the funny thing is, when you incur technology debt, you can go back and say, you know what, I wrote this hacky code, it's really slow or really buggy or something's happening.. I am going to pay this debt off.. I'm going to rewrite this and it's gonna be beautiful.. I'm gonna refactor the code.. It's gonna be awesome.. Culture debt, you might do the same thing.. Like (mumbles) we discovered this person's a jerk, we're gonna let them go, right.. Now the difference is that, when you refactor that code, you've basically paid off your debt..

When you fire that person that was a jerk, you haven't completely paid off the debt because the things that they, like the plant that minds the people there, it's like you're still kind of routing out.. You will never know whether you completely got rid of some of the toxicity they left behind.. It's amazing how much impact, especially in an early team that can have.. So be very, very careful.. And it's easy for me to say but it's so tempting.. Okay, we just need this person.. We'll figure out later, it'll be okay.. It won't as it turns out.. It'll be okay, but it'll be painful.. It's not worth it..