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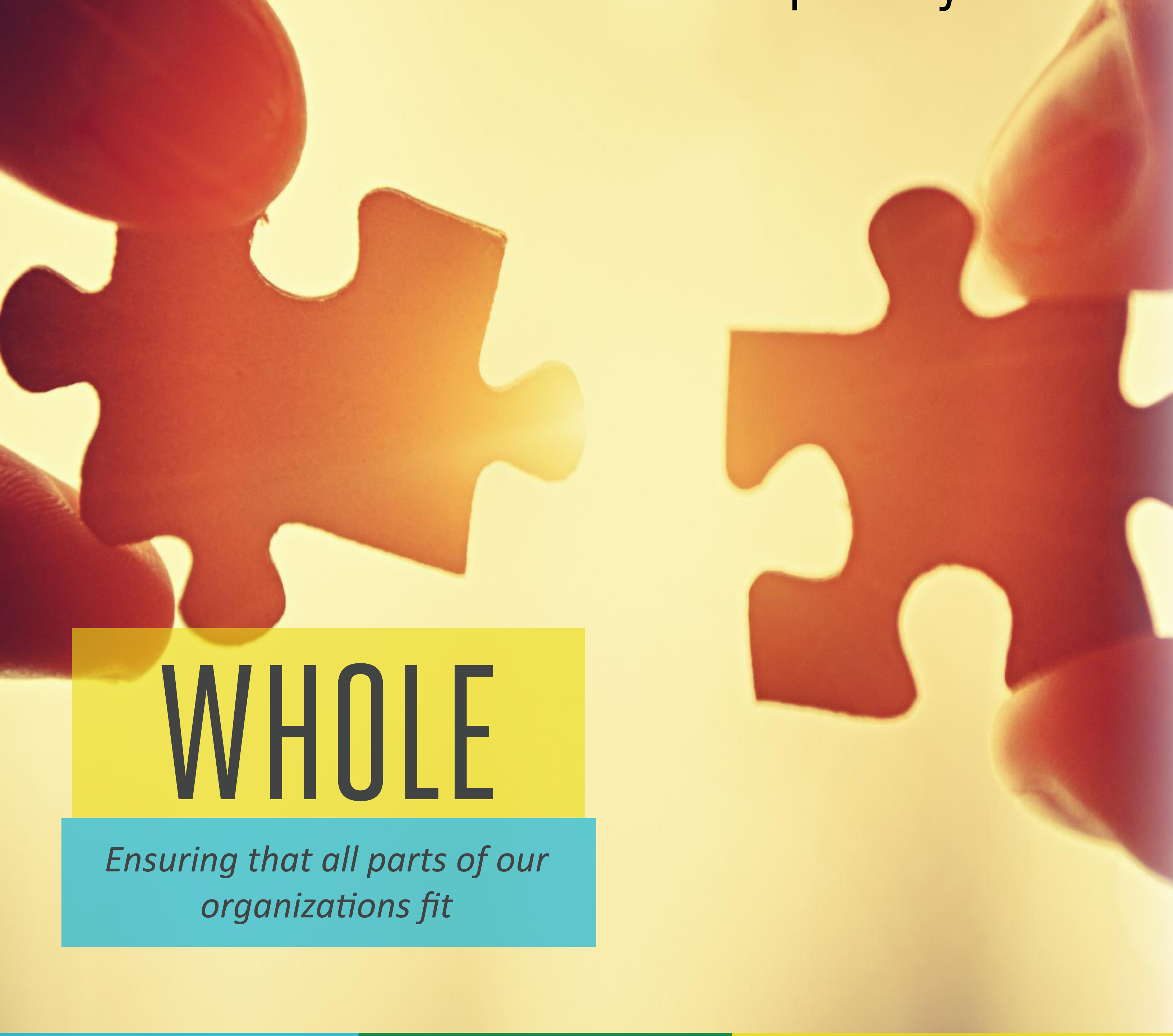

WHOLE

Ensuring that all parts of our organizations fit

values *How do you align on what matters?*

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cohesion *How to get it and how to avoid frauds*

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FROM THE TEAM

"Arrange whatever pieces come your way" - Virginia Wolf

We are obsessed with being like the best. We want to innovate like Apple, tell stories like Pixar and stay focused like Southwest. And our organizations spend millions of dollars attempting to emulate these best-in-class companies and capabilities. But what if someone else's best-in-class isn't always right for you?

Benchmarking used to be the noble practice of deriving lessons from exemplars. Now it's being used as a fast and cheap attempt to clone what often isn't ours to replicate. The failed attempts to bolt on the success of others fragments us from the best toward which we aspire. We can never become whole organizations, rich in our own unique identities, when we are infatuated with copying the identities of others.

Many organizations ask "what can we do?" to improve. Can we manage our business through independent business units? Can we allow our top talent to work remotely? Can we centralize purchasing to reduce cost? There are efficient, proven ways to execute these things excellently. Yet we believe that much of organizational pain is not a lack of excellence, but an absence of "fit" – the congruence of the choices we make. For us, it's not about forcing things to work together, but identifying the things that fit together.

Asking "what can we do?" is an excellent exercise to explore possibilities. But most of the companies we work with are already quite formed, and spending too much time asking what can we do leads them further away from their identity. So rather than asking "what can we do?" we need to begin asking, "what ought we do?"

Asking what can we do risks directing us away from being a whole organization. Asking what ought we do forces self-reflection (on our values, current state, etc) and leads us to choices and tradeoffs that guide us toward wholeness.

WHOLE infers integrity not just of distinct organizational components, but between them.
We work with organizations that have chronic misalignment between various parts of their organizations. We see excellent strategies but not the leaders to execute them. We note well-articulated values, but not the compensation methods to support it. We see excellent marketing plans, but not product to back it up. We see excellent leaders who do not have the character to survive their position of power. And these fragmentations often exist because leaders have avoided self-reflection and the difficult tradeoff decisions required to create a whole organization whose parts all fit.

But rather than focus on the dis-integration and inconsistencies, this issue works to discover and describe organizational WHOLENESS - how it is made, its counterfeits, its enablers, and its enemies. So as you read this NQ, we hope that you are asking with us, "What ought we do to pursue whole organizations with whole people in them?"

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STOP HIDING

The real dangers of hiding our whole selves at work: An interview with Dorie Clark

As NQ has been pursuing the theme of "Whole" this quarter – what it means to have whole organizations and fill them with whole people, we sat down with Dorie Clark, known expert in distinguishing ourselves and our ideas, and best-selling author of Stand Out.

Many organizations struggle with how to access people's fullest potential and passions. Yet most research on employee satisfaction and engagement would suggest the efforts are falling short, despite most experts agreeing that people being their most authentic selves is a critical element to job performance and satisfaction. "It's nice for individuals to feel like they can be themselves, but it's more than just nice for the organization. It's what drives business results. Studies clearly show when professionals feel comfortable being authentic at work, they concentrate better on work, and their performance and contribution increases" says Clark.

There are many risks to both individuals and organizations of people showing up to work without their best game on. Here are some of them.

1. Distraction from the important things

"When employees don't feel comfortable, their attention is distracted. They are spending more time focused on managing and concealing their identity and less time on their work. It lowers productivity and performance. Concealing yourself takes a psychic toll." It's not just minority employees for whom this is a major issue. The studies show that 45% of white males don't feel comfortable being themselves at work, and spend time covering their true identity. The Deloitte University Leadership Center for Inclusion report, Uncovering Talent, reveals that 61% of all employees "cover" their identities in some way – not necessarily hiding something, but downplaying it for fear of drawing unwanted attention or making others uncomfortable.

2. Loss of confidence and increased fear

Some research that shows how certain populations of people are more predisposed to hide some parts of themselves at work, feel a fear of exposure. "Sometimes there is a bona fide legal fear – despite laws to protect minorities like LGBT people, there is still fear of being fired." Covering isn't just hiding your identity, it's also downplaying who you really are. It could be minority employees avoiding being near other like minority employees so they don't get labeled or associated as "just that" minority. Clark says, "They may fear that certain elements of their professional background would get "held against" them and prevent promotion or opportunity." People feel pressured to adhere to unspoken standards of what looks to be getting promoted or advanced. "We need environments where people don't have to fear contorting themselves to adhere to those unspoken scripts to succeed."

3. Career stagnation and isolation

Research says that closeted employees (whether LGBT or minority) feel more isolated and stagnated in their careers. "The irony is that they feel in a worse position because if you are shutting down and isolated, others feel more distant from you as much as you feel from them. You appear aloof and inaccessible." The very disconnection people sought to avoid they actually run right into. Trust and authenticity in relationships is the basis of success in organizations. "If people feel they don't know you, they don't know where you're coming from, and find it difficult to trust you."

"IF PEOPLE FEEL THEY DON'T KNOW YOU, THEY DON'T KNOW WHERE YOU ARE COMING FROM, AND FIND IT DIFFICULT TO TRUST YOU"

4. Arresting creativity and ideation

When a company implicitly sends a message that there is only one correct way of thinking or being in their workplace, it limits the options of what's possible for that organization. Companies inadvertently shut down new ideas and make it less likely that the full talent and perspectives of employees will be tapped. "They might be able to execute well on one matrix, but it could be a recipe for disaster if you fail to take off your blinders and see the landscape around you is changing – you could be taking a straight dive into obsolescence."

There are important steps organizations can take to ensure their people confidently bring all of themselves, and their talents and ideas, to the workplace. Topping that list, of course, are the leaders themselves. "Leaders have to model for the organization disclosing who they are and their own stories. Leaders who are willing to share the struggles and adversity of their own journey, will set the stage for others feeling safe doing the same."

Measurement plays a critical part of how well organizations stay on top of how well they are fostering authenticity. Using analytical tools to interrogate what they are doing within the organization and the messages and norms they are reinforcing. "If "every best person for the job" looks the same, you may not be reinforcing the need to allow wider ranges of people to excel or advance." Most companies espouse the desire to have a diverse and inclusive workforce, but fail to understand what they are doing to undermine that.

Beyond measuring, the data you collect has to have accountability within performance systems of the organization. There have to be consequences to the data – both positive and negative. So once you have honest looks analytically at what the organization is doing, you have to meaningful actions to take to make sure improvements can actually happen in areas where underperformance exists.

6 STEPS FOR HIRING YOUR NEXT BOSS

By Mindy Millward

When it comes to hiring, employers have more tools at their disposal than ever before. They utilize psychoanalytical assessments, online network analytics, and complex selection processes to identify the best talent that fits their organization. But what about employees? What tools do employees have to decide whether an employer is a fit for them?

Employees are often left to their own devices to figure out whether a job opportunity will go beyond meeting their base needs. It is often after orientation and the first few months in role that we find we've sub-optimized our choice -- leaving much of our brains and heart at home and fragmenting our contributions in the workplace. What seemed essential and attractive during the "courting process," now feels like the bare minimum to keep us engaged. The dreams and desires we once had for holistic fit among ourselves, an employer, and a role are once again dashed, and all too soon we fantasize about what's next.

So how do you go about determining whether an employer and an organization are right for you?

All too frequently we short-sell our vision and focus instead on the tangible components of an offer (salary, benefits, reporting relationship) without realizing they are only the table stakes for creating "personal employment fit." Sometimes this happens because we have not done a thorough enough exploration of who we really are, what makes us tick, and how this next opportunity will both challenge and engage. Other times we've been fooled by the interview process and received a hollow promise that, while well intentioned, does not resemble the reality of what an employer can deliver.

Regardless, we want jobs that fit us like a glove, not a burlap sack. So what then do we do to ensure this tight fit? Here are six ways to explore personal employment fit (without sounding entitled) and make a holistic decision for yourself.

How do you go about determining whether an employer and an organization are right for you?

1. Know yourself. Yes, you are in "sell" mode, but at least in your own head be very clear what you do well and what you don't; and don't be swayed by an employer's sales job that doesn't match who you are, or you'll both be disappointed.

2. Know how this opportunity furthers you toward who you want to become. Think of your career as a series of chess moves. You don't have to have a 25-year vision for yourself; but understand whether this is just the next move or there is potential for three more moves. Then think about what you will learn in the meantime.

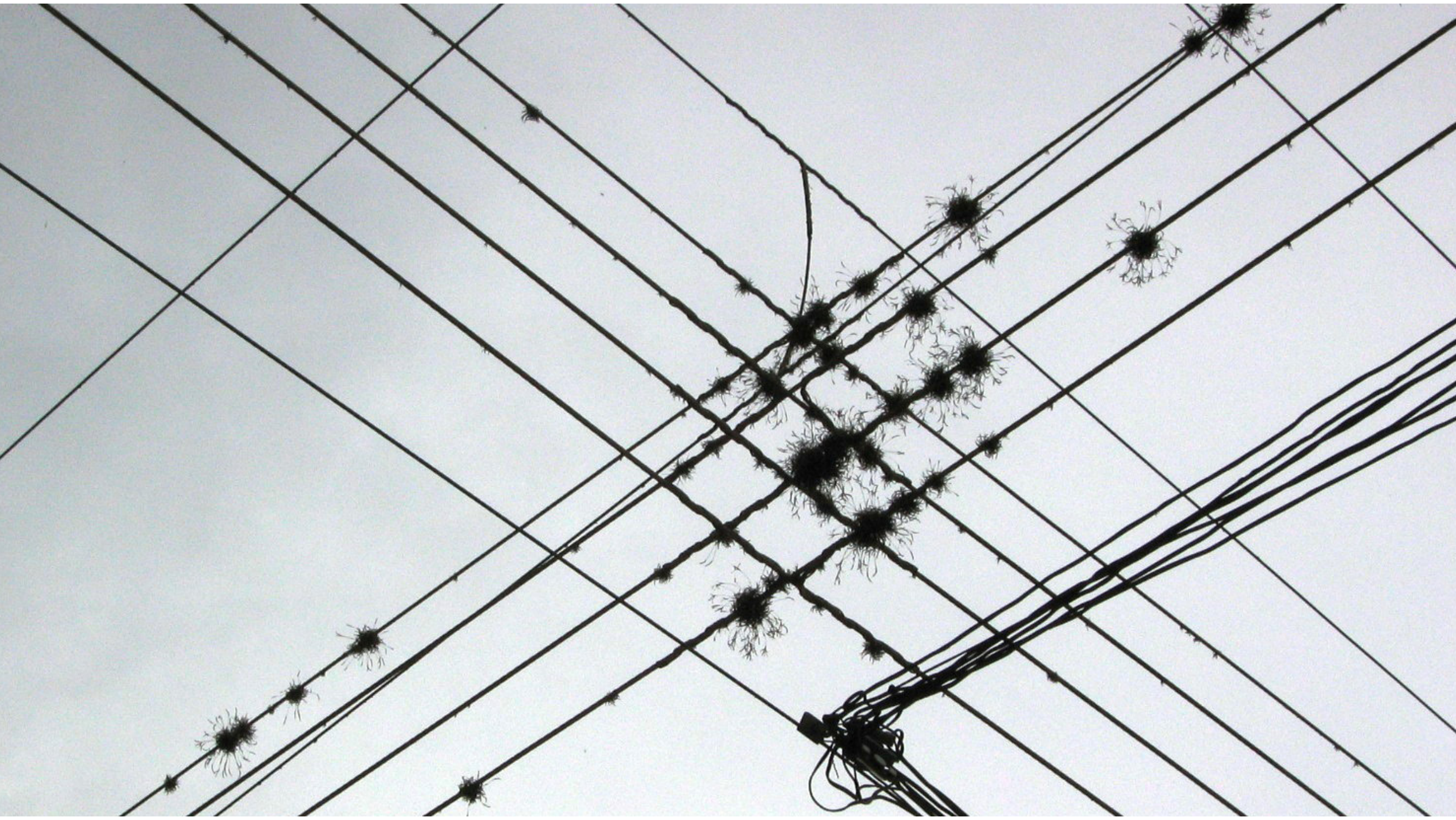
3. Rehearse your future. Show employers, don't tell them, who you can be and what experience, capability, and contributions you bring. Invest the time in deep conversations about how they see the role evolving, and allow yourself to act as if you are already in role, rather than auditioning.

4. Through the interview process ensure your exposure to the whole, not just the seat you'll be filling. Through interviews, reading and research, and casual conversations, develop a good picture of the organization end to end. Make sure it is clear where you fit into creating value and what potential there is for moving up or down or across that value chain.

5. Find the "white spaces." As you hear the job, opportunity, and organization described, make sure you are filling a capability need, not becoming a replacement person or role. An employer who wants you to take a job "because Sally quit" is usually not providing an opportunity that allows for your own definition of what need you can fill or one that takes best advantage of what you bring to role.

6. Above all else, become an anthropologist or archeologist during the process. Explore and catalog the artifacts and stories you collect as you interview. Does it all "add up" to the story they want to sell you? Does the reality of what they are offering as an experience match the promise?

While the "perfect" role is an elusive target, we can all do a better job assessing fit and making sure from the get-go that we will be holistically engaged and utilized, allowing for our contribution and the joy we get from it to be maximized.



FAUX-HESION

attempts to unify an organization that actually divide it

By Ron Carucci

The CEO's words echoed with the drama of an Olympic ceremony. "We will be one Henley Industries!" With that, banners broadcasting "One Henley" unfurled around the world. We've seen at least fifteen corporations put "one" in front of their names, launching campaigns to dramatically increase interconnection across the organization.

As if that would work.

Fragmentation is a natural byproduct of scaling. Whether $20M or $20B, the routine mitosis of growth will eventually divide your organization into pieces. A holistic approach to organization design with continual adaptation ensures a cohesive identity across an enterprise. Unfortunately, the difficulty and ongoing effort required to sustain it lead most organizations to settle for cheaper knock-offs, perpetuating cosmetic cohesion while ignoring splintering at the organization's core. Like new home-owners who put laminate over linoleum, executives take dangerously superficial approaches to unifying organizations. They forfeit the organizational magic where everyone feels part of an epic story greater than themselves, contributing with reckless abandon.

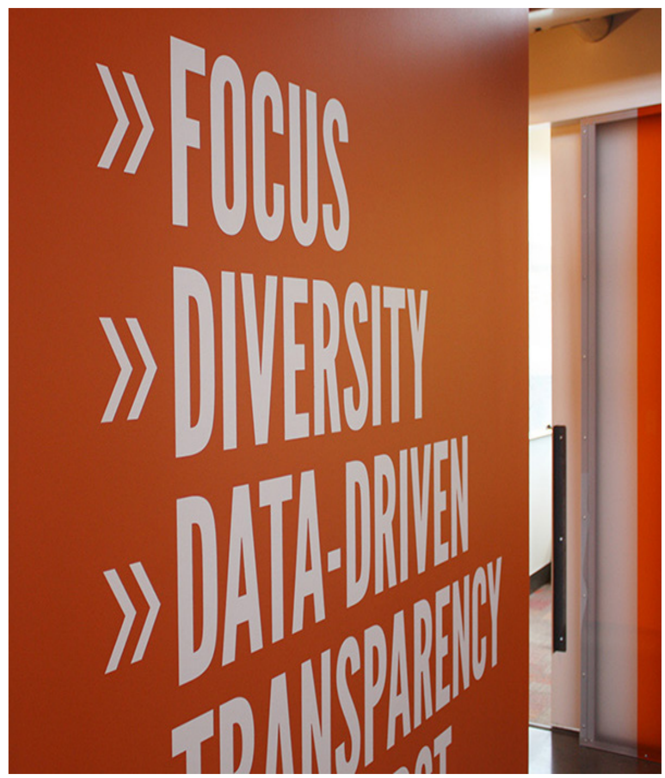
Here are the four most lethal "faux-hesion" culprits that do more to undermine unity than create it.

1. Big targets – Forgery for Strategy

The single most unifying factor of an integrated organization is shared, understood direction. A widely known, embraced strategy is the mechanism that creates this. It's astounding how many organizations don't have one. If you go around the room and ask members of the executive team "what's our strategy," you'll likely get many different answers. Sales and product quotas, growth targets, and mission statements are widespread counterfeits for real strategy. Big targets are notorious substitutes for direction intended to "rally" the organization: "We will be the #1 provider of…," or "We will be the fastest growing…," or "We will dominate…." There's nothing wrong with ambitions that inspire organizations to stretch, but declaring big targets doesn't unify organizations to reach them. It may whip them into a brief frenzy of enthusiasm, but once the hype settles, it's back to business as usual. The loss of credibility from "All hat, no cowboy" declarations fuels eye-rolling when anyone mentions the aspiration. Credibility of the goal is shaken, as is commitment to reaching it. Big targets can ironically lead to inertia and weaken cohesion. Instead, create substantiated plans that define competitive distinction, differentiating capability, priority customers, and key investments. That will align your organization.

2. Values – the Culture Cover-up

Typically displayed in the lobby or on a screensaver, most companies have a published statement of values. Integrity, innovation, teamwork, customer service, sustainability, respect -- insert your company's version with catchy language -- are common. A toxic culture, collection of sub-cultures, or pervasive unwanted behavior can prompt leaders to pull the "values" lever as the antidote. Underneath the chosen pithy words is often the insidious intention to correct. "Speed" suddenly becomes a value when time-to-market cycles are industry lagging. "Integrity" becomes a value when there's been a scandal. When a new sacred value is publicly declared with the unspoken intention of fixing the people asked to embrace it, you can bet embracing it is the last thing that happens.



A company's values must reflect DNA that makes it uniquely successful, conveying to members, "This is what it takes to succeed here." From strategy to HR processes, they are woven deeply into the organization's fabric with undeniable consistency between actions and words. Values for which violating carries no consequence create duplicity that becomes its own performance-sabotaging toxin. Worse, faux values become a weapon used to expose hypocrisy of leaders whose failure to model them becomes everyone else's excuse not to try. True cultural norms drive results, are consistent with requirements of strategy, and engender strong communal pride. Values everyone knows mean nothing weaken cohesion, and with it, confidence and passion, leaving behind shame and cowardice to shape behavior.

3. Meetings and Reports – Surrogates for Synchronized Governance

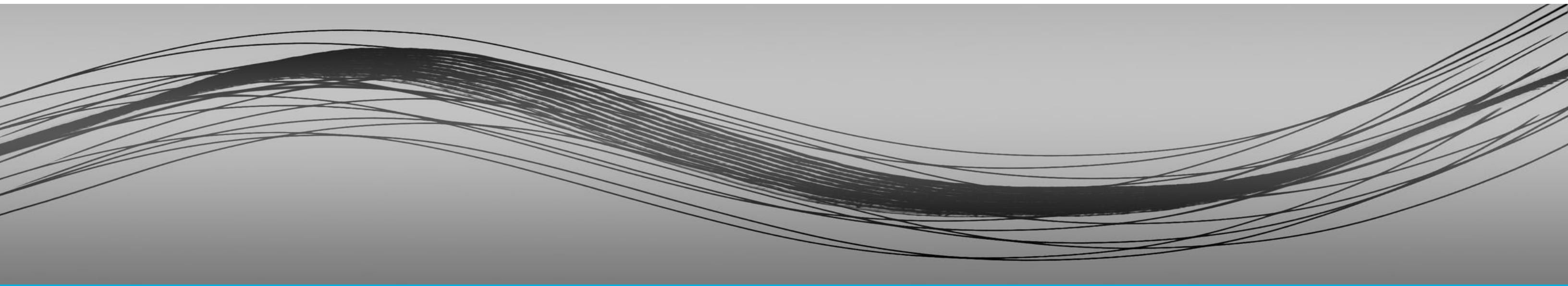
I'd love a dollar for every time I've heard the complaint, "We spend all our time in unproductive meetings and generating useless reports, so we have to do our 'day jobs' at night." Excessive meetings and their accompanying worthless reports are a vivid sign of poorly designed, or non-existent governance. When decision rights are not carefully distributed with requisite authority and resources, councils, task-forces, and committees proliferate like a bad flu. Endless piles of presentations and spreadsheets justify the meetings' value and serve as evidence of productivity. Owners of these groups and reports frantically cling to them as emblems heralding their indispensable value and importance. The waste of such carnage can't be overstated. A windstorm of meetings and reports that brings the organization to a grinding halt can be lethal. Synchronized governance speeds execution, focuses resources, and frees capacity because the only needed meetings and reports are those tied to a broadly coordinated set of governing devices. There's no need for superfluous meetings and reports whose "busy work" weakens cohesion.

"SYNCHONIZED GOVERNANCE SPEEDS EXECUTION, FOCUSES RESOURCES AND FREES CAPACITY"

4. Teambuilding Offsites – Imitation Linkage

The frequent phone call goes something like this: "Our executive team's annual offsite is next month. The (insert yours: new CEO, recent crisis, unexpected bad results) has the team on edge, and we're starting to see "not great behavior." We're wondering if you could come in for an afternoon to discuss high performing leadership teams." Then I'll hear about the kayaking trip, cooking class, or scavenger hunt planned for that morning as our "opening act." What's most terrifying about these conversations is the callers, who are desperately trying to convince themselves this will have material impact when their gut knows it's a waste. They fail to recognize, however, how much worse it could make things. Occasionally, we'll get to introduce a more realistic understanding of what offsites can and can't do, and, more importantly, what must happen for the six months following the offsite for real change to stick. Our data inevitably reveals the "not great behavior" is not new and worse than anyone's admitting. Border wars make coordination impossible. The usual suspects: sales and marketing are fighting over pricing, supply chain and sales are clashing over shipping times, HR is holding up key R&D hires, and finance is cutting costs in over-built functions. Camps have formed, and relationships between leaders are strained, damaged by succession rivalry. The team leader is a classic hub-and-spoker who has directed decision pathways to his desk. Undiscussables have piled up, clogging healthy, open dissent. These are more than symptoms of bad teaming. An organization's top team has unique responsibility for stitching organizational seams to integrate critical work. Leaders point to "silos" as though the leaders themselves are mere spectators. Territorialism results when linkages aren't established, and individual agendas become the default driver of functional priorities. A few hours in a kayak and a generic discussion of great teams won't build commitment to collective success; they will dilute it. Building integrating linkages across seams and holding executives accountable for mutual commitments will create cohesion at the top, setting the stage for the organization to follow.

Organizational unity isn't a mysterious phenomenon. It also doesn't happen by sprinkling "cohesion pixie dust" over the organization in the forms discussed above. A harmonious, cohesive organization that feels whole happens because you do the hard work to build and keep it that way.



THE LEADER YOUR COMPANY NEEDS

Business life cycles and leadership fit

By Eric Hansen

Rare is the leader who, like a Reed Hastings or a Bill Gates, has the desire and competence to take a business from start-up to grow-up. Yet we see many leaders trying. And many are failing.

Recently we've worked with a number of smaller, but rapidly growing businesses. Some are stand-alone businesses and others are living within the protective framework of larger parent organizations. Most of these businesses resulted from remarkable entrepreneurial insights. These leaders had foresight into potentially disruptive opportunities amid rapidly evolving market conditions.

Then the idea catches on and the business grows—slow and steady at first, but then at an increasingly accelerated pace. If all goes well, demand begins to outpace capacity. The existing business systems and processes become bottlenecked and loyal employees find themselves in a constant scramble to plug holes and fill gaps. What once felt fresh and energizing now feels a bit out of control and overwhelming as the entrepreneurial leader doubles down on personal hours worked and on similar expectations from others. It is into this environment that we are often invited. We typically find a reluctant entrepreneur in deep denial and struggling to make sense of their own limitations and their contribution to the organization's current pinch. Or, we are introduced to a successor with the unenviable task of honoring an organization's history while forging a different organizational path forward. Regardless, the question that these leaders are asking of themselves is "what kind of leader does this company need now?" It isn't only a matter of being a great leader. Rather, it is great leaders whose abilities fit with the current lifecycle stage of your business.

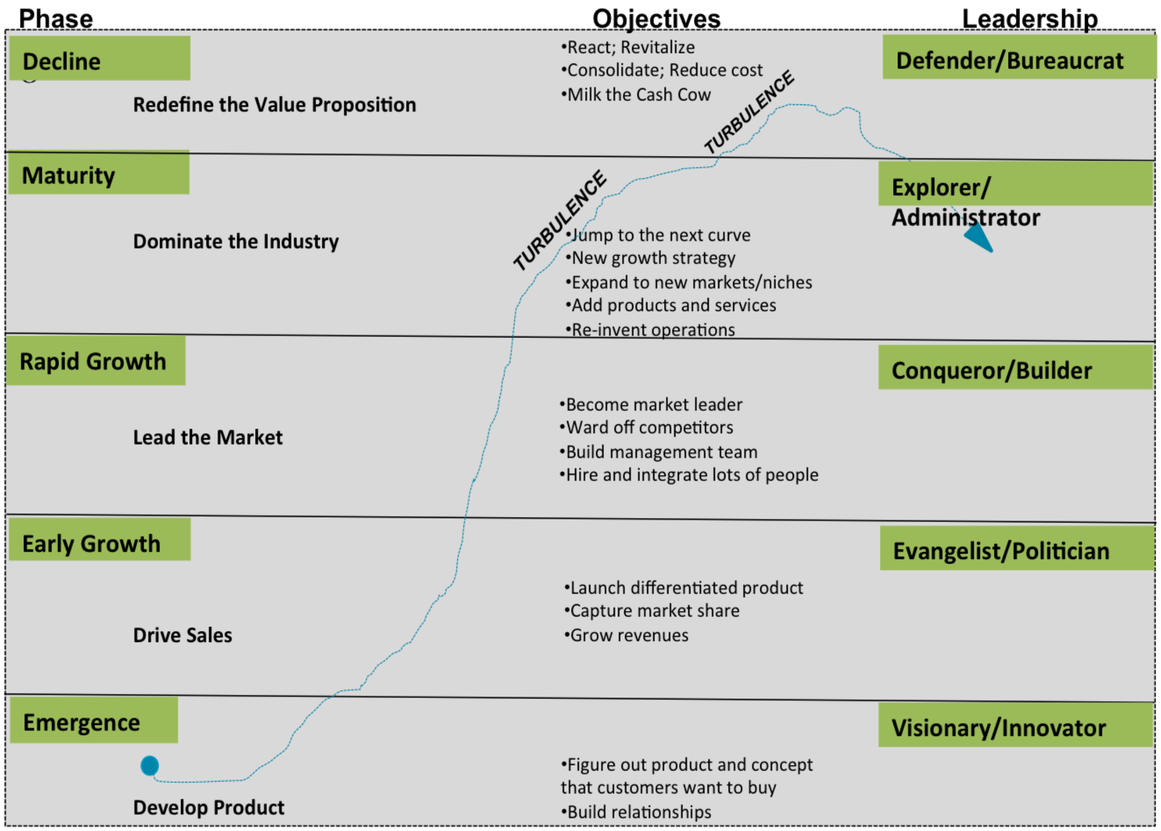
ASK YOURSELF "WHAT KIND OF LEADER DOES THIS COMPANY NEED NOW?

The full cycle follows a path typical to the image here. If we know anything about leadership, it is this: Context matters, a lot. While some leadership competencies may be fungible from one situation to another, it is in clearly understanding and applying those skills to fit the current situation where exceptional leaders find success. The most successful leaders we have worked with, described below, acknowledge that each life cycle stage of an organization demands a distinct mindset and set of actions from its senior-most leaders.

Visionary/Innovators: Emerging, startup organizations often originate with leaders who see things others don't. They live in the world of ideas and have an uncanny ability to see patterns and connect seemingly disparate data points, including a monetary connection to the market. They rally others to the cause with deep passion, zeal, and unwavering conviction to the merits and possibilities for their ideas—perhaps even to the point of eccentricity and impracticality.

Evangelists/Politicians: As the idea takes shape and a stable business model begins to emerge, these leaders demonstrate deep tenacity and commitment to success at all costs. This stage of the lifecycle draws heavily on a persuasive communication skill set and the ability to build broad coalitions of support and customer relationships. Where they lack, they enlist others. Although most startups don't survive much beyond the Early Growth stage, those that do are indebted to leaders who are able to build a strong foundation of stakeholder support and, often through force of will, lay out a business model and rudimentary infrastructure through which their solution is initially delivered to the market.

Conqueror/Builder: As the business gets traction and



growth accelerates, leaders must remain relentlessly focused on expansion and conquering adjacent spaces. This demands that they break down conventional organization constructs and build out a new, scalable and adaptive organization capable of delivering the strategy and sustaining growth. Effective leaders in this phase redefine processes, governance and structure, and implement policies to enable effective coordination—moving the company toward a more mainline functionality. It is here that many entrepreneurs personally struggle to remain engaged and, in turn, the organization struggles with them.

Explorer/Administrator: As intensity and excitement relent to maturity, effective leaders continually seek for what is next and to pursue additional investment capital to fuel growth. Still, the focus tends to shift to rules, systems, and relentless pursuit of efficiencies, but the most talented executives running these businesses carefully guard against adopting a wholesale administrative mindset. They actively resist allowing bureaucratic tendencies to set in, knowing that a firmly entrenched bureaucracy isolates senior leaders from market realities, enticing them into the comforts of passivity and onto the path toward becoming aloof, elite, out of touch and destined for decline and extinction. So while market maturation is an eventuality, the most effective leaders relentlessly explore new possibilities to revitalize top-line growth, while actively managing the cost structure.

While it may be tempting to identify yourself in all of these leader descriptions—equally able to maneuver and effectively lead through the vicissitudes of each phase, the reality is that you're probably not that rare. The most important question you must first answer is "what phase is my organization in?" Without understanding this, you are blind to the kind of leader you need to be, and if perhaps, you are even the leader that your organization needs.

WHY DID I DO THAT?
the gap between our values and our behaviors

By Jarrod Shappell

WHO has not, at some point, ordered a number 4 from the drive-thru window, and then regretted it? Who has not at some point purchased an expensive new outfit and wondered if they were spending their money well? Who has not at some point said they had no change while walking, pockets full of quarters, on the way to the Laundromat? Who at some point parented in a way that they said they never would?

As individuals we often behave in a way that is not aligned with our values or desires.

When this dissonance between values and behavior is experienced at the individual level, the consequences may be limited to ourselves or a handful of those around us. But when an organization has prolonged periods of dissonance between their values and their behavior the consequences can hurt many inside and outside the organization.

We have many examples in the news today. VW, winner of many "green awards", admitted to installing software in over 11 million of their diesel engine cars that was designed to cheat emission tests. Amazon, a once sought after employer, continues to be exposed for the relentless and inhumane expectations on their employees. For years we have heard the stories of Wall Street's short-sightedness and negligence costing the American middle class. All of these stories point to the gap between organizational values and behaviors.

As individuals we frequently experience the dissonance between behavior and values. If we are honest with ourselves we understand that no one is perfectly ethical all of the time. And yet many of us desire to be and we certainly expect the organizations, whose potential impact on others is so far reaching, to adhere to their values.
So how then can we diagnose the causes of dissonance and close the gap personally and organizationally? Here are four reasons we believe our behavior and our values may not fit.

LEADERS MUST DISCUSS THEIR OWN PERSONAL VALUES

You never defined your values
Many companies, believing that values are a sacrosanct part of organizational life, spend millions developing campaigns to tout teamwork, innovation, diversity, respect, integrity, customer service, simplicity, etc. – only to find that beyond the glitzy campaigns, they don't mean much. Originality of values means far less than applicability. Typically when organizations create core values, there is a desire to set things up in a very general way. The general values create generic behavior. If you do a good job of defining your values then it should be easy to define the behaviors that exemplify them. Then you have a clear sense of how you are to behave.

Values are not a part of your culture
Many of Wall Street's largest institutions have been bailed out after the 2008 collapse. But many insiders are now less concerned with another financial crisis and more focused on the crisis of values on Wall Street. Reserve Bank Governor Glenn Stevens recently hit the nail on the head when he said, "you can't legislate for culture or character." So how then do values become a part of the culture? Senior leaders must discuss their own personal values and the evolution of their values. By sharing your own values (and dissonance between your behavior and them) it makes it okay for an organization to grow and learn in relation to their values.

Values did not drive decisions
Once our values are defined clearly we should be able to hire to it, promote to it, evaluate to it, reward to it, and fire to it. But what many employees are watching for is just how many hall passes are issued to violators of the values because of some other value they bring – they are top salespeople, or brilliant scientists – some other "value" that trumps holding them accountable for the behaviors everyone else is expected to live by. If you want your values to really matter, you have to root them in all organizational decisions. For a company's values to feel integral to the lifeblood of the organization, they have to be built that way – central to how the organization competes. Whether it is a promotion, an acquisition, a venture round, or an office relocation, all decisions should be articulated by how they fit the organization's values.

Values were not reinforced with metrics
VW, who stated "sustainability" as a primary value, understood that emissions scores were an important indicator of their success. What they did not seem to understand was that another core value, "responsibility," went beyond environmental means and should have

most definitely included their customers. This scenario highlights the importance of measurement. Emissions tests have quantitative scores. Responsibility to customers is more difficult to track. We value what we measure. If any of our organizations are going to grow in the congruence of their values and behavior, we are going to need creative metrics to measure our behavior.

Our organizations will inevitably find themselves at that proverbial drive-thru window. Neither defining our values nor adhering to them is easy. But if leaders are willing to admit that there is dissonance and work like crazy to eliminate it, we will find the impact of our organizations on all of its stakeholders will be positive rather than catastrophic.

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