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August, 2017

**Re:** Culture and Management Report

To Owners

## XYZ Advertising

*The next section describes your culture—and graphics at the end show your Leadership team which represents your culture, followed by your Management team and High-potentials (10) who represent your future. The graphics may help you “see” what the following text is explaining. Note that the graphics are presented in this order:*

- *Motivators (your collective values or culture),*
- *Behavior Natural Style (how you come across to others),*
- *Behavior Work Style (your adaptation to work),*
- *Leadership Competencies.*

*I modified your personal write ups with specific recommendations. The other individual write ups are not changed substantially.*

## CULTURE AND MANAGEMENT SUMMARY:

The first graphics are of the Leadership Team and defines your culture:

- All business—Learn, Earn and Lead Others
- Task oriented—make things happen, get results
- Lead with a focus on Efficiency & Delegation

Your culture is bottom line focused, practical, and appreciates a strong “back-bone”. You are friendly and engaging—but you are in business to do good work, keep everyone working smoothly and efficiently, and make money. Relationship building and pleasing people is a by-product of the above factors, not the focus of the business.

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This is a perfectly healthy profile for a profit-making organization. The final four graphics represent the future of your company—your managers and “high potentials”. Compare the two “Motivators” charts (1<sup>st</sup> chart and 5<sup>th</sup> chart—the charts are numbered at lower right). **The leadership team is: ALL business, highly values both learning and ROI, and is somewhat less interested in leadership (control, politics).** **The management team is more intensely learning focused than you, less intensely ROI focused, and care even less about leadership.** Their second strongest motivator tends to be Peace & Harmony, which translates into “conflict avoidance” or what you might call, lack of “toughness”. They believe in Helping Others, which is admirable, but as a whole they are not as business oriented as current leadership.

**Behaviorally, the leadership team is ½ results and bottom line focused and ½ quality and team focused (graph 2)—and you adapt to a work style that tends to be all results focused (graph 3).** **The management team (graph 6) tends to be extroverted, results and people oriented—but graph 7 shows an interesting flip-flop. Nearly the entire team moves 180° opposite their natural profile. They go from extrovert to introvert.** This is a response to day-to-day management behavior that generates high stress in this group of managers and high potentials. The stress is a direct result of not fitting in with the expectations of your strong business culture, and/or a factor of poor management practices.

The last charts (4 & 8) look at the **leadership styles of the two teams.** Both teams tend to favor a leadership style based on efficiency, planning and delegation. Three issues:

- ALL the leaders tend to be pessimistic or concerned about the future.
- Half of the managers are pessimistic about the future.
- 6 of the 10 managers and 2 of the 6 leaders are disengaged from their leadership roles.

## CAUSES AND SOLUTIONS

- The pessimism starts with the two of you. This is not to say you are negative or running around claiming the sky is falling—but you are concerned or unclear about the future, due to your focus on succession and exiting the business. This concern causes you to speak about the future less clearly or less specifically—which tends to cause uncertainty and pessimism throughout the organization.
  - Solution: Complete or re-visit your plans and fine-tune your internal messaging. While it is OK to not have “all the answers”, it is important to present clear plans and direction. *Communication completes the plan.*
- Many of the managers / high-potentials do not fit your culture. This may be the core reason your business has plateaued over the past 3 years. You cannot move to the next level with key people moving in different directions. This is true with Ben and Janet on the leadership team and true with a number of your managers / high-potentials.
  - Solution: Revise hiring procedures to assure that future hires fit the culture and are strong candidates for management and leadership.
- About half of the people surveyed are disengaged from their leadership position. In the individual reviews I highlight a general approach to coaching, development or training to move people to a more effective leadership style. *In many cases, you need to determine if it is productive to prepare someone for a leadership role for which they may not be suited.*
  - Solutions:
    - Launch a series of one-on-one discussions with each team member to find out what they really want

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and what they are willing to do to achieve their goals.

- Let them know your expectations and come to a common path forward.
- Come up with a performance management plan to get them there—and keep the discussions going.
- Track progress, and plan assignments that complement their efforts and provide growth—whether or not that leads to a leadership position.
- Be prepared to make tough decisions to assure people are performing to full potential and delivering what you require.

Strategic Talent Management is ready to work with you on these initiatives and others that may arise. This report is not meant to provide every answer, but to be a down payment on identifying “soft” skill gaps that are preventing growth, people-management systems needing improvement, and “hard” skills that need attention.

### **INDIVIDUAL ASSESSMENTS:**

Individual assessments are 75 to 120 pages—I plan to forward each person their own assessment along with a piece on how to read their assessments just before we meet with each subgroup. I have attached that information to this email, so you will see what the others see. It may be easier to send the balance of 14 assessments to the cloud for your personal review, rather than copy you on the next 14 emails! I will set that up and discuss the particulars Monday.

Everyone assessed for LEADERSHIP—a select group was also assessed for their PROFESSIONAL / TECHNICAL ROLE (“Work Life”,

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more focused on project management). Where someone was assessed with both reports, there is a mention of which role they seem to prefer and how that might impact their performance. In nearly every case, people identify more strongly with Leadership than Project Management or “doer”.

### OWNERS:

**Bob**—As mentioned the other day, your style is a “visionary” profile; your behavior style tends to be highly extroverted, approachable and results oriented. You are business motivated, with a particularly strong ROI.

Your Leadership Style is that of a “Delegator”: you are good at assigning responsibility and following up to assure they complete their duties. Your Talent is particularly strong—in terms of relation building and communicating expectations to others. Your Energy & Drive is very strong—you embrace your role as “leader”, and are clear about the future though you are pessimistic about achieving that future—not unusual for someone contemplating retirement. While you are a strong communicator, the last point can impact the clarity of your communication to others.

**Bill**—As also mentioned the other day, your style is an “integrator” profile; you tend to be very flexible in your behavior style, and adapt to a style that is at once approachable, friendly and big picture—but also analytical, serious and zeroed in on the details. You are business motivated, with a particularly strong focus on KNOWLEDGE & DISCOVERY (learning) and a strong focus on ROI. This is the key to understanding the integrator role—you are knowledgeable, take a bit more time to study things, and end up making good practical decisions—where the visionaries tend to

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come up with an idea and implement without the same level of analysis or study. The integrator / visionary combination on the ownership team is powerfully effective.

You completed both the Leadership and Work Life profile—while you identify with both roles, you see yourself as a leader and embrace that role powerfully. Your Leadership Style is “Efficiency”: you are effective keeping a team focused on its job. You have a strategic mind and are good at communicating your expectations to others—efficiency and results takes priority over maintaining relationships. Your Energy & Drive for leadership is superlative—it is fair to say you *love* your work, fully embrace it and are very clear about the future. Like Bob, you may be slightly pessimistic about that future.

Your Work Life profile is strong—suggesting you love doing the work and are a creative problem solver. In that “doer” role you may be less effective communicating expectations (because you are too busy “doing”). While your Energy & Drive is good in this role, it is not as strong as in your leadership role—but a hint of pessimism about the future persists.

### **CONCLUSION / NEXT STEPS FOR THE TWO OF YOU:**

You have effective and complementary leadership styles—I believe you need to foster improved communications, and build / model / drive new people management systems to keep everyone aligned to your culture, business plans, communication and management styles:

**PLANNING:** I expect you have plans in place—but they may be focused on the business, sales, financial management, technology, physical plant and other “hard” factors. Your plans may not reflect requirements in the “soft” areas of recruitment, day-to-day management, performance management, coaching, communication or succession. *Plans for the*

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*“soft” side of the business do the same for you as plans for the “hard” side of the business—they provide a benchmark to communicate, measure and track. The more people are involved, the more likely the plan is achieved.*

**RECRUITING / HIRING:** This may be the easiest fix—now that we have established the baseline culture, and individual management and communication styles—it is a matter of sourcing and hiring candidates who “fit” your culture in addition to having the technical skills and experience you need. This information can be used to do everything from writing behavioral advertisement copy, to developing probing interview questions, and seeding a new employee’s performance management program.

**LEADERSHIP:** Management systems need to be addressed to make sure they are delivering what you need. I would include, but not limit you to, New Employee Orientation, Performance Management to modify behavior, Regular Management / Employee meetings to facilitate communications, plus Coaching, Training and Development for all leaders, managers and high-potentials.

In many of the individual write ups I suggest you start by talking to each person about their goals. You likely already have regular employee communications in place, but are you communicating about direction, goals, communication (and other soft skills) or primarily talking about schedules, projects and other “hard” topics? In many cases you must do the communication as the person’s immediate manager may be part of the problem! In any case, effective communication needs to be modeled top-down. Have people talk about their plans, talk to them about your plans, be explicit about how they fit (or not) and document these discussions into a performance management system built on regular on-going communication.

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SUCCESSION: Everything we are talking about is in support of this critical function. Right now you have a team of 16 misaligned people hobbled by drains on their natural levels of Energy & Drive. Whether you sell the company to a 3<sup>rd</sup> party, or to a current employee(s)—you will maximize value and future success of the business by investing in the management team today. *Investors pay for talent, energy and drive, not bricks, mortar and customer lists.* If you improve the talent pool in terms of the soft skills we are discussing, you will have a strong integrated company that is able to grow to its full potential.

**Ben**—Ben does not see himself as a leader as much as a “doer” or project type manager. This is consistent from the beginning: His behavior style is fully task focused. He has the ability to focus on the big picture and the fine detail equally well, but may come across to others as aloof or overly demanding. Notably, this is quite different from the two of you; you both have a friendly approachable side. Ben is strongly business focused, particularly by ROI and KNOWLEDGE & DISCOVERY (learning); notably, he is *modestly* motivated to be a LEADER.

Ben completed both the Leadership and Work Life profile—he tends to see himself as a worker, doer or project manager as opposed to a leader. He tends to be relationship focused, which may not be evident in people’s day-to-day interactions with him due to his “*hard shell of a task oriented behavior style*”. He tends to be strategic in his approach, in that he enjoys doing good work well and tends to be a creative problem solver—but this all takes a back seat to maintaining relationships. His Energy & Drive comes exclusively from his strong self-esteem and his love of the work—he is so focused on the day-to-day work, that he does not “lift his head up” to take stock of the future. Consequently, the future is unclear and perhaps a bit scary; this may be explained by his ownership situation.



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The only difference in his Leadership profile is that he is fully disconnected from his role of leader; he seriously dislikes it and sees large and insurmountable problems around this role. He does not see his future clearly, as a leader. *He is like a hiker who does not see his destination or the trail ahead very clearly. He has no idea which turns he should make along that trail, or if it is even the correct trail.*

CONCLUSION / DEVELOPMENT: His negativity or pessimism may be connected to his inability to see a path to leadership; it also may be driven by his greatly valuing relationships and feeling his relationships with the two of you somehow diminished. In any case, the question becomes, can Ben move into a productive and positive leadership orientation? *His key to success is planning his own future and becoming clear about his own destination and the trail ahead—what is his personal brand and what does he want to do with it.* Only he can answer this question, and he must do it or risk a downward spiral of blaming others and negativity. If the three of you feel he is salvageable—he requires personal coaching around planning.

### LEADERSHIP TEAM:

#### SOME OF THE INDIVIDUAL REPORTS ELIMINATED FOR BREVITY

**Janet**—Her behavior style is highly extroverted, approachable and results oriented. This is a good style for most business positions; but, she adapts to a much more reserved and quality focused style in her work. It may be that her role as finance manager drives this, but it may also come from her underlying Attitude that places relationships always in the prime position above numbers and practical outcomes. She is strongly motivated by ROI and all the business factors. Indeed, to this point, *without the third assessment*, I would have wrongly predicted that she is a strong financial manager but not as strong on the relationship side of HR work. It turns out this is just backward.

Janet's Leadership Style is "Communicator": She will check for understanding through regular meetings with others. While she can think strategically and values both rules and efficient outcomes, *she always puts relationships in the prime position over everything else*. The corrected prediction is that she is a strong HR person who appreciates the need for profitability and bottom-line results. As a financial manager she may lack the "back-bone" to put numbers and facts ahead of people and their feelings. Notably her Energy & Drive is modest. She is modestly engaged with her work as a leader and reasonably clear about her personal direction, she is pessimistic about achieving her future.

CONCLUSION / DEVELOPMENT: You commented that Janet lacks confidence in leadership meetings and is afraid to speak at company meetings—and is not getting work done. I am assuming these comments are largely around her finance management duties. In any case, this is not likely the right position for her, but of course a 44 person company cannot support a full time finance person *and* a full time HR person. She

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may be more effective in an AE/HR role where she is supporting clients both internal and external.

### MID-LEVEL MANAGERS / HIGH POTENTIALS:

#### SOME OF THE INDIVIDUAL REPORTS ELIMINATED FOR BREVITY

**Arnold**—He is a task-master who can see the fine detail and big picture simultaneously. He maintains his task orientation at work, but becomes purely focused on results and controlling the outcome—no matter the impact on people. As you might expect with a “great technical mind”, his strongest motivator is learning (KNOWLEDGE & DISCOVERY), and in number two position, ROI. It may surprise you to learn that his next two motivators are tied for third strongest: PEACE & HARMONY and LEADERSHIP. *Arnold is all about control—perhaps he feels he has more control with a unique role in the company unencumbered by managing people.*

To a marginal extent, he sees himself as a Leader more than a doer. He is a “Delegator”, which is a very good leadership style—meaning he is capable of assigning responsibilities based on a plan, and following up. He is a good one-way communicator, but may not always listen well. *While it may not be always obvious with Arnold, he is very aware of relationships and reads people well.* His Energy & Drive for leadership is moderate. He is not engaged with the role, but he is optimistic about achieving his leadership goals even if he is not clear about those goals.

Arnold was also assessed by the Work Life profile. In this assessment his relationships capabilities really shine. He is somewhat more engaged with his role as a “doer” than as a leader—though he seems to identify himself more as leader than doer. He lacks clear goals for the “doer” role and is pessimistic about that future direction as well.

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CONCLUSION / DEVELOPMENT: Arnold is well suited to leadership, though his “all task” and highly controlling (perhaps perfectionist) style will intimidate many people and prevent him from listening well. As you noted, he may not want an official leadership role as it is too restrictive—but he clearly embraces a “doer” role. The key way to keep him motivated is to give him authority and control over key projects or situations. He will appreciate public acknowledgement and recognition. He is clearly an example of someone who may be valuable to you and happier in a non-management role.

**Art**—His behavior style is extroverted, somewhat stressful, task and results oriented. He adapts to work by becoming more stressful, cautious and change resistant. His work style is “one foot on the gas and one foot on the brake”. He is strongly motivated by KNOWLEDGE & DISCOVERY (learning), followed by ROI and LEADERSHIP—all “business” motivators.

Art was assessed with both LEADERSHIP and WORK LIFE profiles. By a slim margin, he sees himself more of a Leader than a Doer or Project Manager. His Leadership Style is “Efficiency”: He is effective keeping a team focused on its job. He is good at communicating his expectations of others, is strategic in his thinking, but efficiency and results generally takes priority over relationship building. His Energy & Drive is moderate—he is moderately engaged with his work and sees problems around him, and he is moderately clear about his future destination as a leader and open to whatever happens next.

As a “Doer,” Art loves to do good work well; he is a creative problem solver and is sometimes so focused on the work that he forgets about people around him—an attitude that he has modified in the right direction as a leader. His Energy & Drive comes exclusively from being moderately

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engaged as a Doer, but he identifies more strongly as a Leader than a Doer.

CONCLUSION / DEVELOPMENT: Art is business motivated, and has some of the capacities for strategic thinking, but he may be overly confident in his Leadership capabilities and therefore complacent about growth and improvement. *The first step is to be sure he wants to invest time and energy into growth and development.* Training and coaching around leadership and business factors will be effective in building his skillset and perhaps showing him that he has more to learn (defeat his complacency). Whether or not this improves the profitability of Web Development depends on many other factors, but it will certainly impact his leadership style and potentially his business management decisions.

**Kate**—I can summarize her behaviors and motivators in one word: Nice. Everyone likes her, she has no enemies, and she likes everyone. Her adaptation to work is to become more reserved, quiet and quality focused (both with projects and people). She becomes more diplomatic and serious. Her two strongest motivators are PEACE & HARMONY and HELPING OTHERS. Her next three motivators are moderate and in a tie for “second place”: KNOWLEDGE & DISCOVERY (learning), GUIDING PRINCIPLES, and AESTHETICS. She clearly is motivated by team work, teaching/sharing what she knows with others, and doing things “right”. This is a good profile for HR work or any customer service position—she is not motivated by ROI or LEADERSHIP.

Her leadership style is “Efficiency”: She can be effective keeping a team focused on the task at hand; she is a strategic thinker and is reasonably good at communicating her expectations to others. Consistent with her “nice” behavior style, she reads people quite well—but is no push-over. That is to say, she has the backbone to stay focused on delivering to a

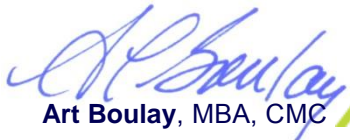
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plan and delivering good work. She may not say 'no' in a loud voice, but efficiency is more important to her than pleasing others. Her Energy & Drive for Leadership is moderate—probably because this is not a role she has thought about or knows much about. Right now it does not engage her though she is open to whatever comes next.

CONCLUSION / DEVELOPMENT: You can prepare her for leadership (assuming this is what she wants) through coaching and development—her number one challenge will be to become more comfortable dealing with confrontation and saying “no”. She will also benefit from studying business—not just people management but also basic business management—as this is foreign to everything that motivates her and is often an obstacle for HR professionals.

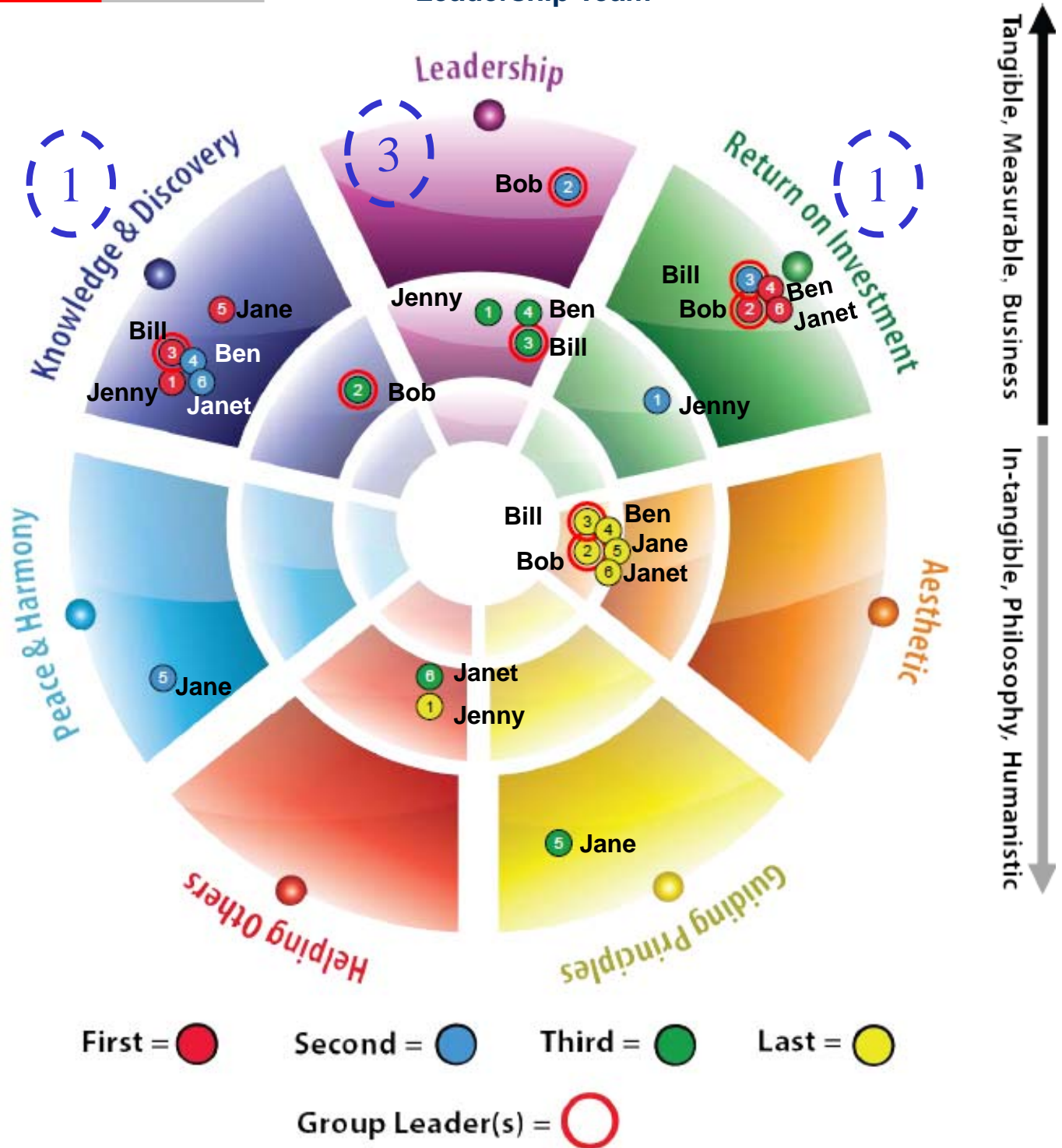
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**Your employees are your Brand,  
And your Brand is your Business.**

# Motivators

Culture/Management Study—August, 2017  
Leadership Team



OBSERVATIONS: Motivators are closely associated with success in a position. It is not surprising that business owners and senior managers tend to be driven by the three “business” factors at the top of this chart (Knowledge & Discover, Leadership & ROI). Owners/senior managers are sometimes split between “business” factors and Aesthetics (creativity)...XYZ is all business.



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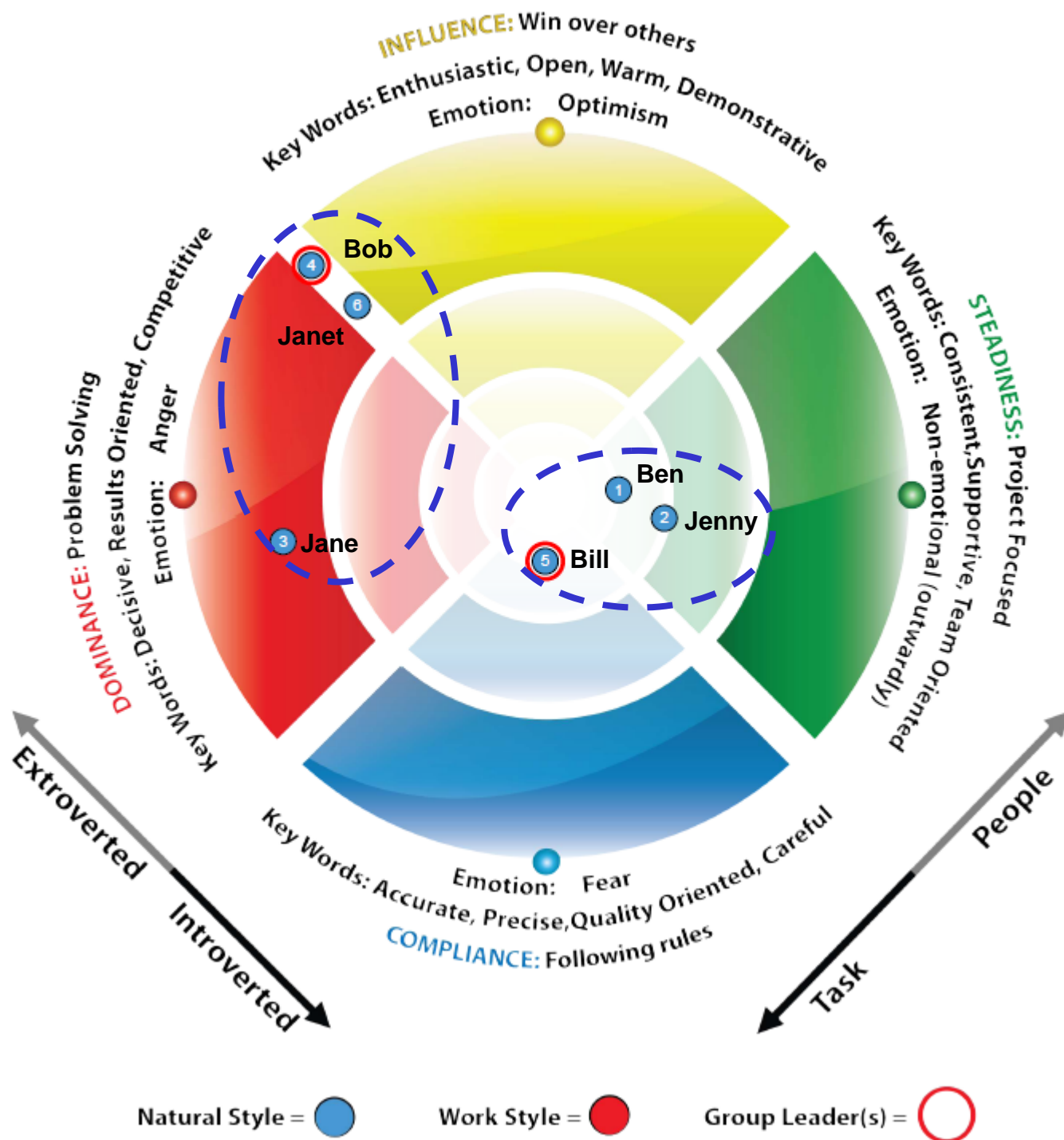
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# Behaviors

Culture/Management Study—August, 2017

Leadership Team: Natural Style



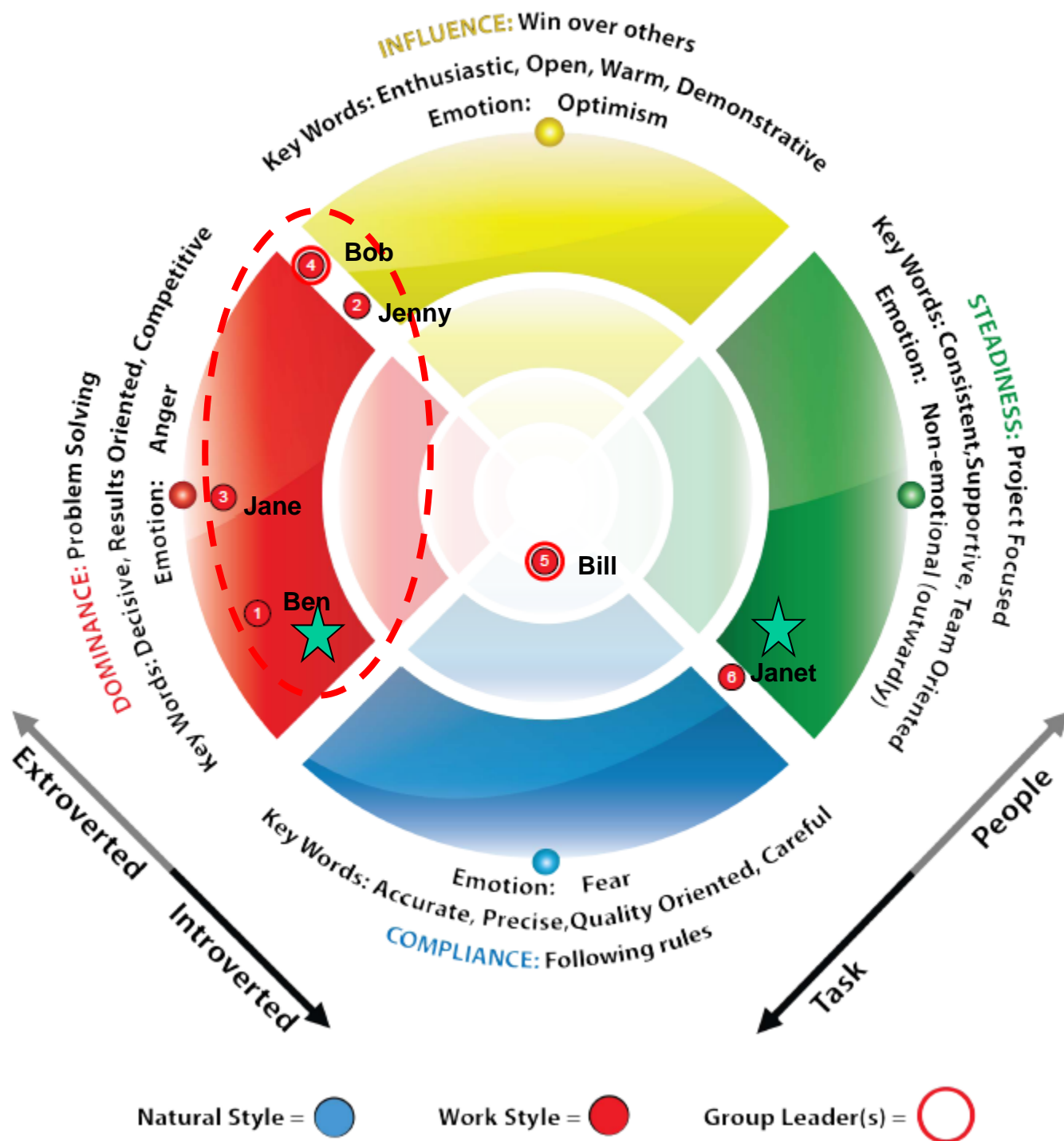
**OBSERVATIONS:** Behavior is not predictive of success on the job, though more extroverted types are often attracted to management (Bob, Janet & Jane). Extroversion/Introversion is not an either/or situation. Ben, Jenny & Bill have elements of extroversion, though other factors are stronger and “pull” them to the middle of the chart. There can be communication issues between these two groups as extroverts tend to dominate air time and do not always listen well.



# Behaviors

Culture/Management Study—August, 2017

Leadership Team: Adapted Style



**OBSERVATIONS:** This chart shows how the leaders adapt from their Natural style (previous chart) to their Work style. Notice that Jane, Bill & Bob do not change much—while Janet, Ben and Jenny move a good deal. There is always a rationale behind people's work adaptations. 4 of the 6 leaders move to the extroverted more controlling side of the chart—except Janet who becomes more quality focused and introverted. *Janet & Ben (starred) are adapting a "CYA" mentality.*



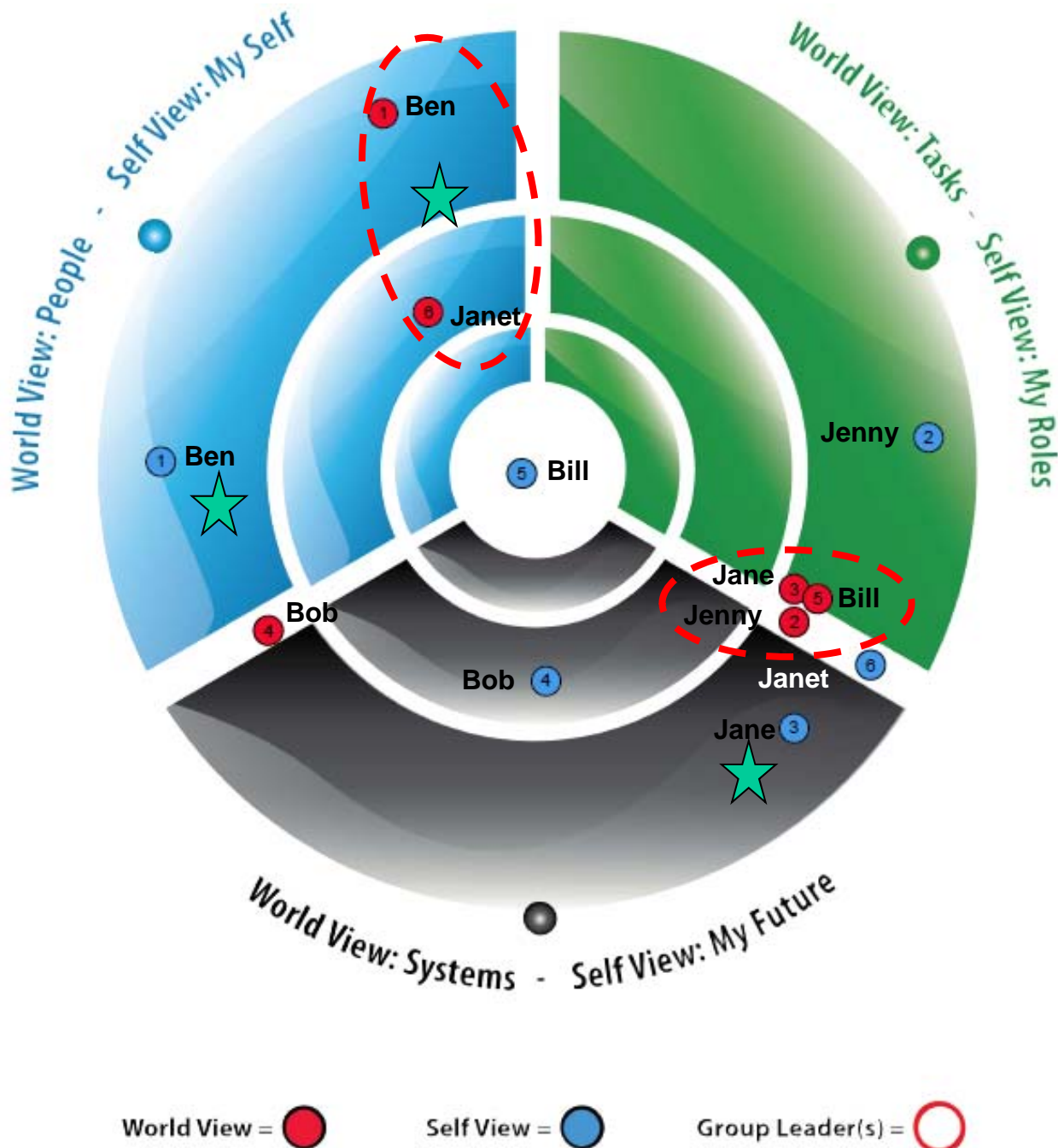
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# Leadership Competencies

Culture/Management Study—August, 2017

Leadership Team



OBSERVATIONS: The circled group (lower left) lead from “Efficiency” and Bob leads as a “Delegator”. Ben & Janet (starred) lead as “Communicators”—and may have problems saying “no”. It is not a coincidence they adapt a “CYA” mentality (behavior chart)—they are under pressure to perform.

Everyone is somewhat pessimistic about the future, *which reflects on Bob & Bill*. Jane & Ben (starred) both show disengagement from their work, which needs to be explored.

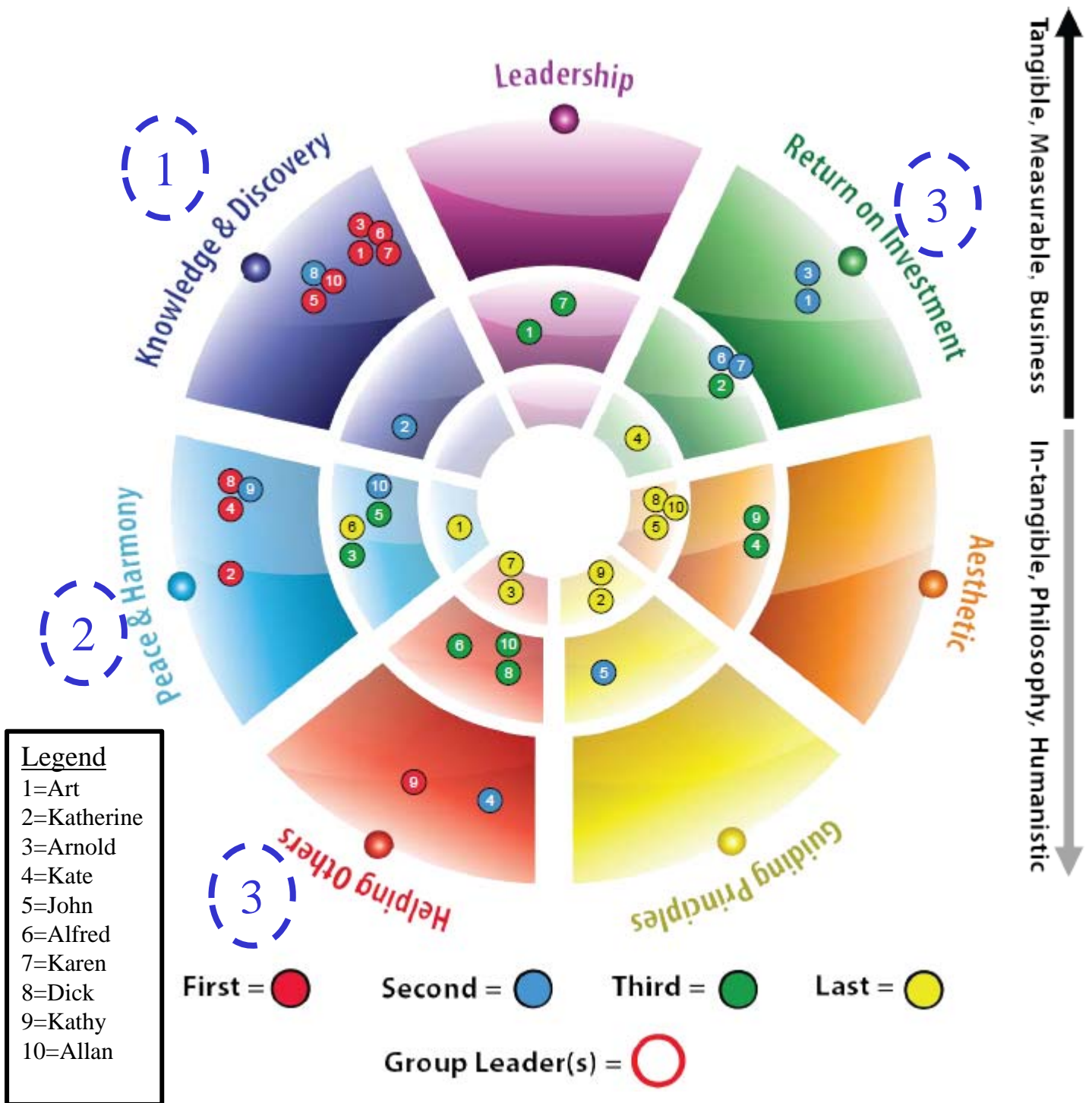
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# Motivators

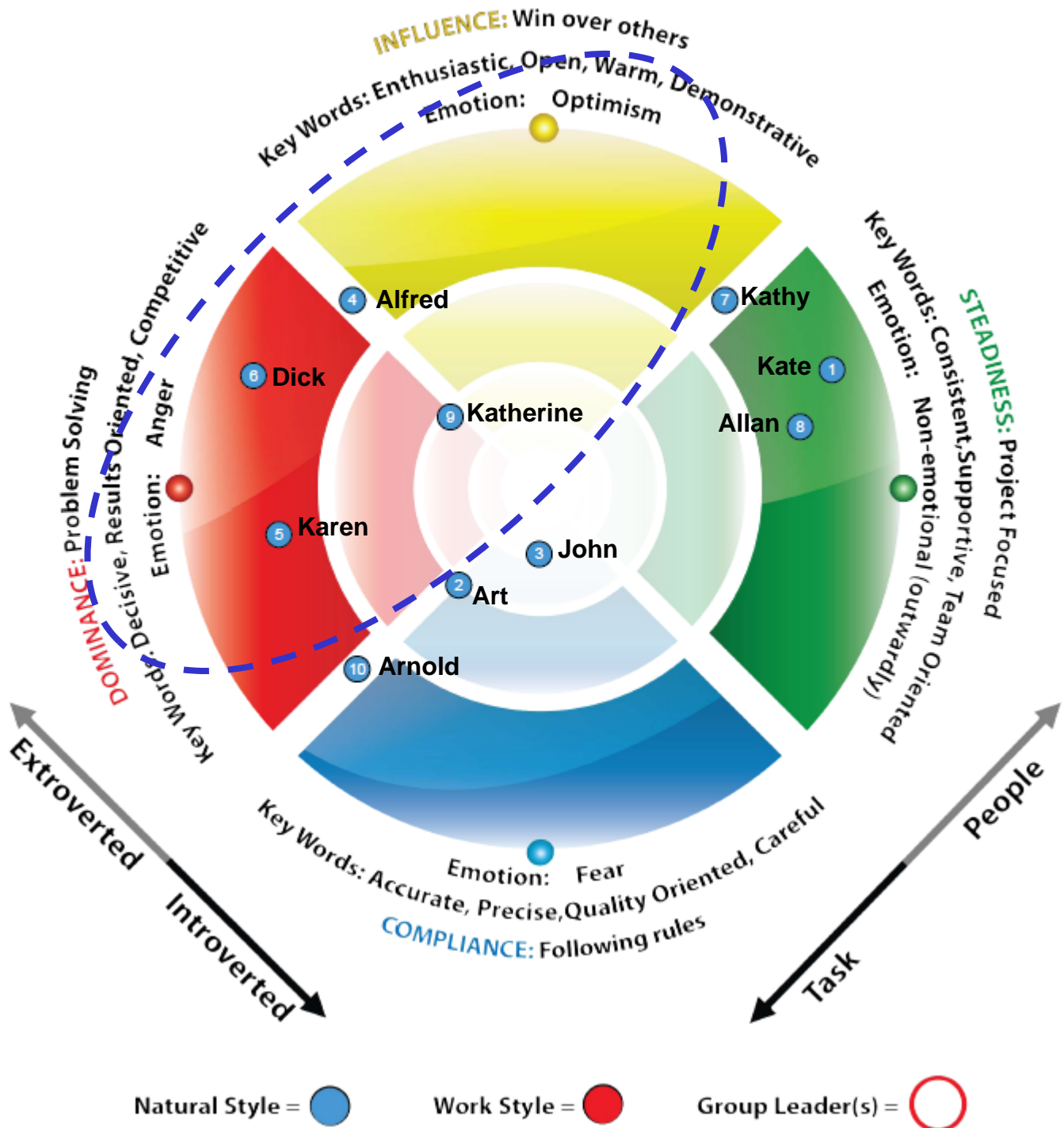
Culture/Management Study—August, 2017  
Managers



OBSERVATIONS: The CULTURE is **Knowledge & Discovery** and **ROI** as the top factors, and **Leadership** in “3<sup>rd</sup>” position. The managers are more intensely motivated by Knowledge & Discovery than the leaders—and less intensely by ROI than the leaders. Notably, the managers 2<sup>nd</sup> strongest motivator is conflict aversion (Peace & Harmony)—and they tend not to be motivated by Leadership (though this does NOT mean they cannot lead or have no interest in leadership).

# Behaviors

Culture/Management Study—August, 2017  
Managers: Natural Style

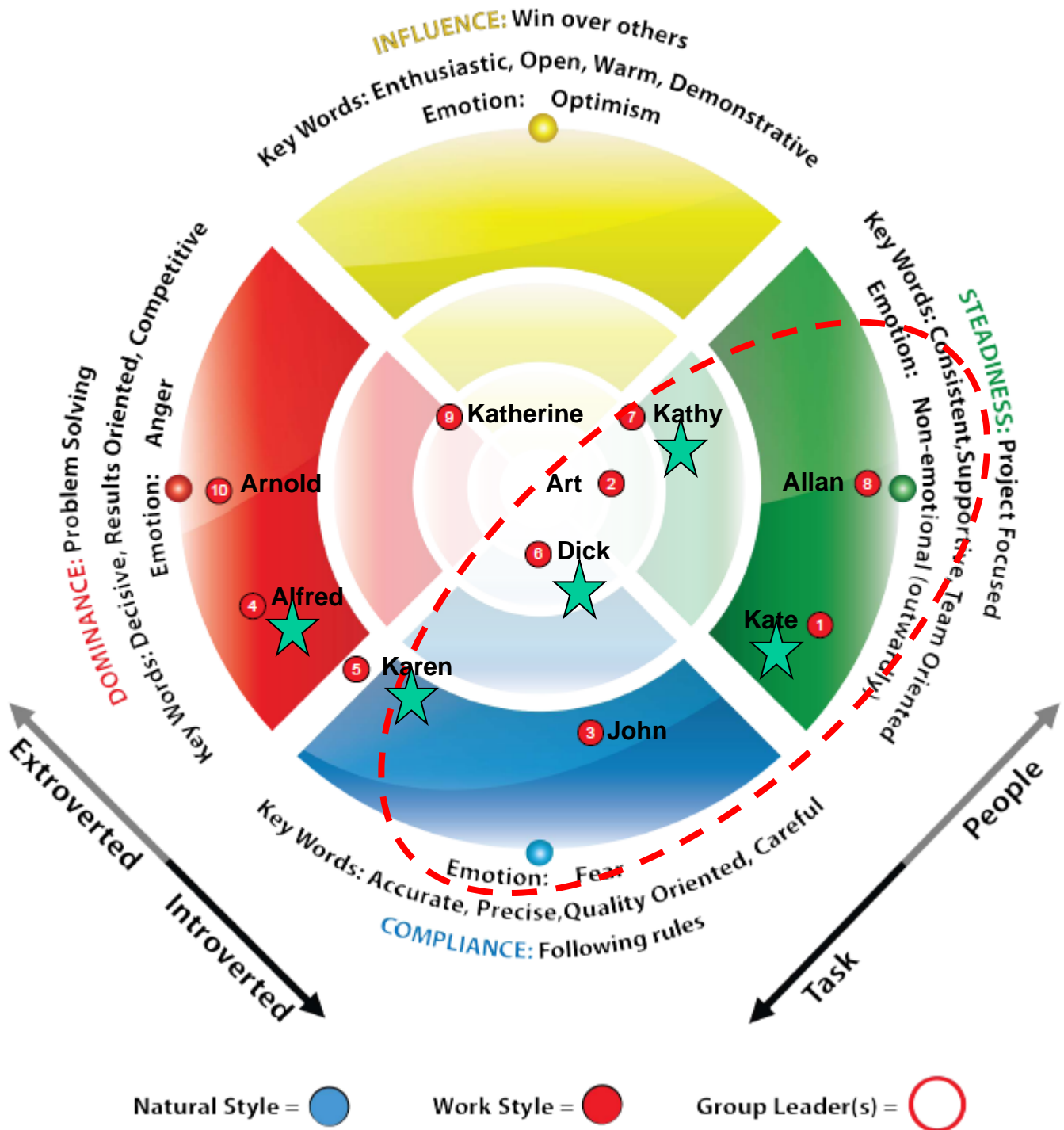


OBSERVATIONS: Notice that nearly everyone's Natural style is extroverted (or borderline). This is typical of managers/leaders as the extroverts "get the attention" and often seek out these opportunities.

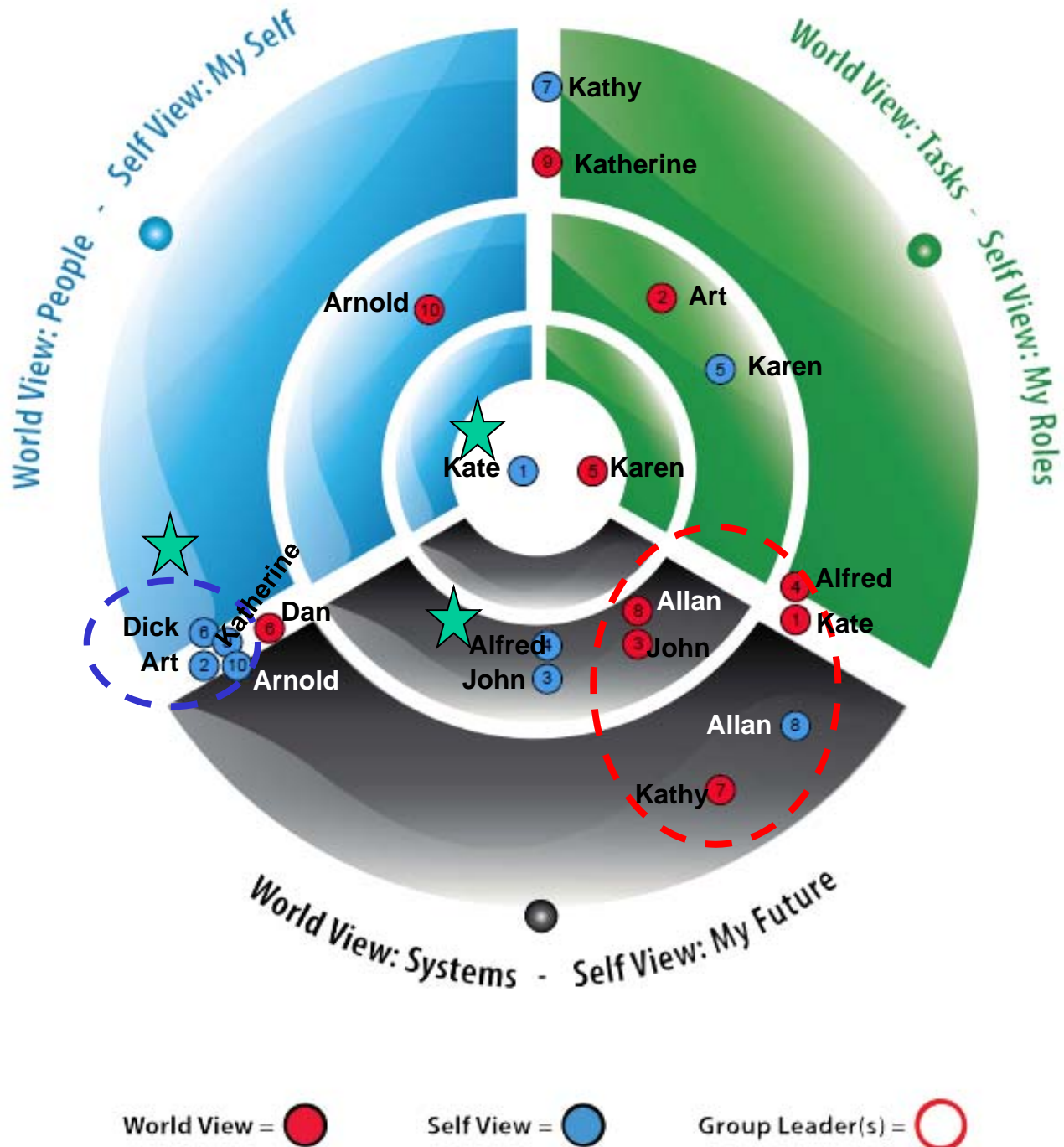


# Behaviors

Culture/Management Study—August, 2017  
Managers: Work Style



OBSERVATIONS: This chart shows that almost everyone who is Naturally extroverted flips to a Work style that is decidedly more Introverted. This is a stressful change, and while the reason may be different for each individual, *for the starred individuals (Kathy, Karen, Alfred, Kate & Dick in particular) it may be a response to day-to-day management behavior..*



OBSERVATIONS: The team exhibits various, but generally effective Leadership styles. The circled group in the lower right tends to lead through Planning or Efficiency and is relatively light in relationship building—most of the others are stronger on relationships and relatively weak in other areas.

Half of this group is pessimistic about the future—a leadership issue. The 6 starred individuals (including the 4 in the circled group to the left) show disengagement from their leadership role, which needs to be explored.