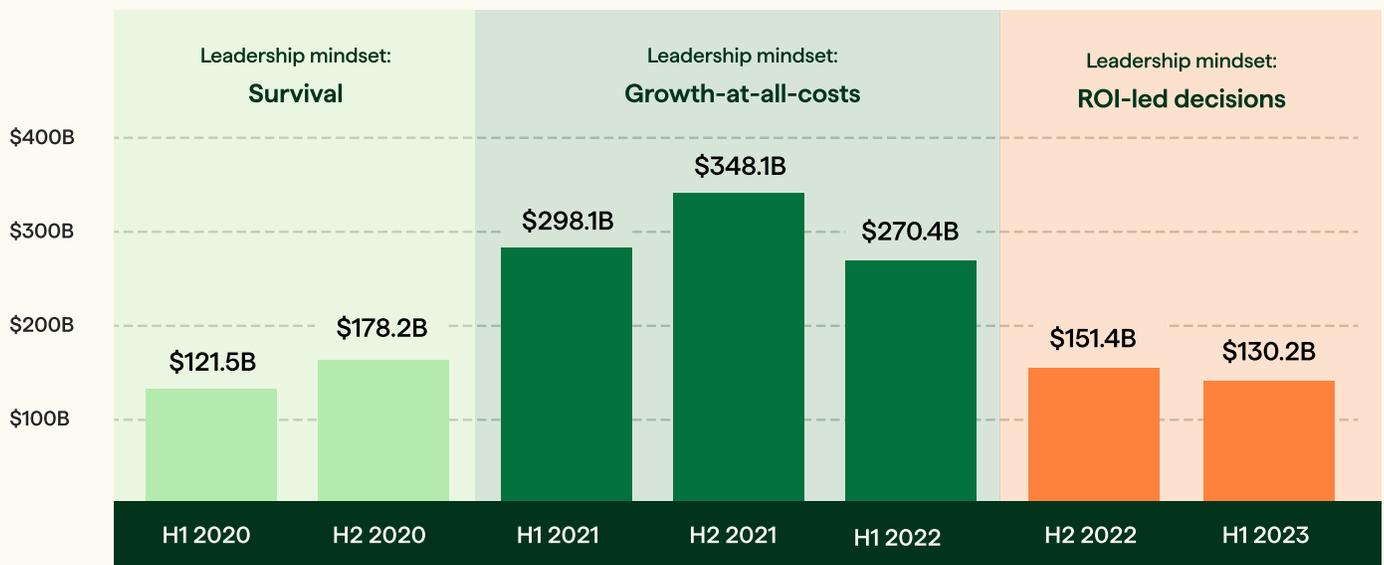


Leadership Expectations Are Evolving: Get Unstuck From a Growth-At-All-Costs Mindset

With a staggering **48% year-over-year decline** in U.S. VC funding in Q2 2023, the entrepreneurial ecosystem finds itself at a crossroads, prompting even the most visionary leaders to rethink and recalibrate their approaches to navigate this era of uncertainty.

Effects of Global Venture Funding on Leadership Mindsets



Adept leaders must have the vision to identify business opportunities amidst adversity and inspire their teams to do more with less resources.

It's a tall order, but it's not impossible.

It takes the **right leaders and the right mindsets** to navigate a team through turbulence and to long-term success.

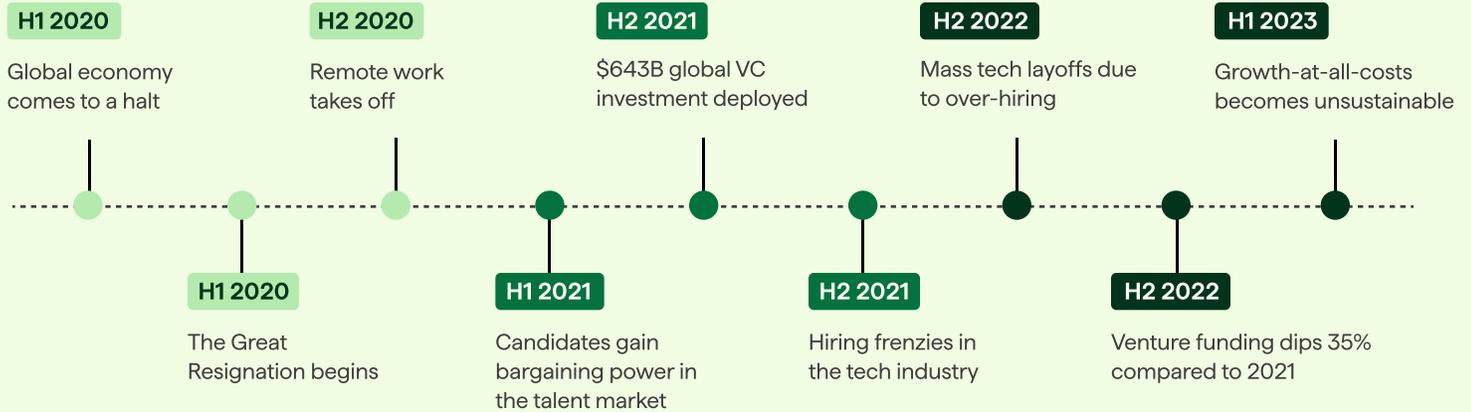
While the growth-at-all-costs mindset once drove incredible post-pandemic returns, it's now an Achilles heel in the current market. The very same leaders who might have spearheaded unprecedented growth in a strong market, might not be the same leaders who are excelling today.

What finally drove founders and leaders- to abandon their growth-at-all-costs mindsets, and change the way they ran their businesses and teams to an ROI-driven one?

Throughout the past three years — with and amidst ongoing market volatility during and following the pandemic — an important truth has emerged and changed the way current leaders think, hire, and operate: **ROI on both investments and operational decisions is paramount.**

And it's this belief and mindset that are impacting how the talent market is shaping up today.

Change is hard. Changing gears *3 times in 3 years* is even harder.



MINDSET

Focused solely on survival, with a rapid hiring approach to fill vacancies left by the economic downturn and resignations.

MINDSET

Growth-at-all-costs. Leadership teams focused on coming back strong, and scrutiny over ROI and operational efficiencies were left to the wayside.

MINDSET

ROI-driven decisions are in. Leadership teams make a 180-degree turn in how they operate, validate ROI on investments, and sharpen priorities.

We've experienced unparalleled change and disruption in the last three years. The market pendulum has swung from one extreme to the other so quickly (and so often), that "leadership fatigue" has gripped many organizations as they made multiple 180-degree turns, adjusted their mindsets, and pivoted strategies in the fight for survival.

With the amount of strategy reversals, employee churn, and market shifts, leadership teams have come to realize that they must adopt a new mindset that will help them win:

Growth-at-all-costs is out. The ability to make pragmatic, ROI-driven decisions is in.

It's precisely this mindset that's influencing everything from operations to key hires and org structures, and it'll be this mindset that endures market trends and volatility.

Lean Into the Curve: Building & Future-Proofing Leadership Teams

In such turbulent markets, leadership teams are building lasting defenses. While we can't always predict the future, there are some steps to take to fortify and safeguard your existing and incoming leadership teams against volatility.

1 . Use a Recruiting ROI Framework As Part of Your Talent Efforts

We often think of team growth as a positive, but hiring shouldn't be an unchecked free-for-all. To avoid seeing the high rate of layoffs we saw in the first half of 2022 as a result of over-hiring in 2021, organizations should aim to apply a strategic framework to all hiring and talent needs. This is to ensure teams remain as effective and ROI-driven as possible.

Why You Need A Framework

- Topgrading Inc. states, "The estimated cost of a bad hire ranges from **5 to 27 times** the amount of the person's actual salary."
- **A Brandon Hall Group survey** found that organizations with a strong onboarding process improve new hire retention by 82% and productivity by over 70%.
- Companies that hire managers based on their management talent, such as the ability to create a culture of accountability, build trusting relationships, and make informed, unbiased decisions for the good of their team and company saw a **48% increase in profitability**.

2 . Revitalize Your Leadership Interviews With Topgrading

Topgrading is an interviewing philosophy that centers on identifying A-players through a meticulous and comprehensive interview procedure. Unlike a typical interview, topgrading takes a more holistic approach, placing significant emphasis on evaluating soft skills, such as intelligence, leadership, and communication abilities.

Topgrading questions focus on the candidate's talent and innate ability, rather than their experience. The comprehensive interview follows a chronological order, starting from high school and leading up to the candidate's future aspirations.

Sample topgrading questions include:

- Describe the most influential experiences that shaped your values and personality.
- Give us an example of a heavy disappointment from your high school career.
- What does accountability mean to you?
- Have any of your work mistakes changed how you view the world or what you value?

Companies that don't topgrade have an average mis-hire rate of around 70%, while those that *do topgrade* experience only a 15% mis-hire rate.

3 . Invest In Emotional Intelligence (EQ)

Leaders who possess high emotional intelligence and keep their teams engaged and aligned will be the reasons why companies succeed in this environment. Those that continue to lead and manage by old-school tactics will continue to see higher attrition, lower employee engagement, and reduced productivity.

Soft skills, such as empathy, adaptability, and interpersonal communication are now table-stake qualities for leaders who want to inspire their teams to achieve great things.

Essential reading for your leadership team:

Unlike hard skills, EQ isn't something we can just pick up and learn overnight with a little bit of training. However, there are some insightful books that can help leaders on their journey to improved self-awareness and empathy.

- ***Crucial Conversations*** by Joseph Grenny, Kerry Patterson
- ***Turn the Ship Around: A True Story of Turning Followers Into Leaders*** by L. David Marquet
- ***Emotional Intelligence 2.0*** by Dr. Travis Bradberry, Dr. Jean Greaves

Hiring resilient, focused, strategic leaders with a high EQ that can effectively execute in any environment is not an easy task.

High EQ must be paired with high performance. It is not a one-or-the-other equation, and many organizations have gone too much in one direction or the other. Namely, focused solely on EQ or solely on performance metrics.

The balance lies somewhere in the middle, and when senior talent and leaders can strike this perfect balance, it helps them make well-informed choices and unlock ROI leadership.

What Is ROI leadership?

The antithesis of the growth-at-all-costs mindset is an ROI mentality. Leaders who can strategically deploy resources to add substantial value to an organization are now primary indicators of success in this market.

When speaking with potential leadership candidates or to evaluate your current team, root your assessment in these three key qualities:



The ability to identify opportunities: Can they see beyond the status quo? Can they identify opportunities for long-term growth and improvement? Can they think pragmatically about investment decisions while both sweating the details and staying focused on the bigger picture?



The ability to make informed decisions: Can they gather relevant information and make sound decisions based on that data? Do they consider the potential costs and benefits of each option?

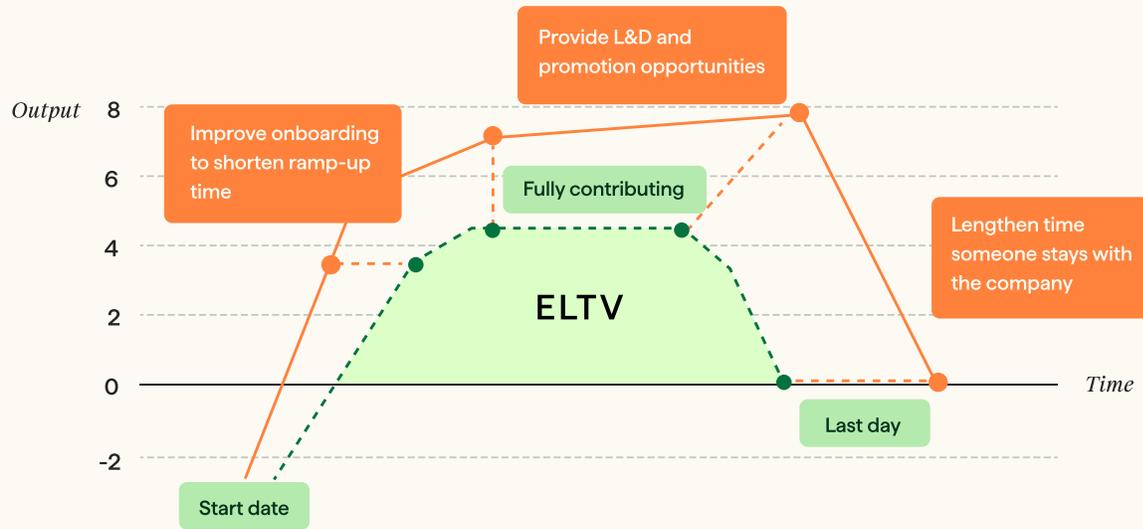


The ability to take action or adjust: Can they take decisive action to turn their vision into reality? Are they able to adjust plans as needed based on new information or changes in circumstances?

4. In For the Long Haul: Evaluating Leaders After Onboarding

The work doesn't stop after onboarding a new leadership hire. Now's the time to double-down on evaluating how they're bringing enduring value to the organization.

An Employee Lifetime Value framework shifts focus from short-term gains new hires bring to the table to evaluating the long-term impact of your hiring choices.



Small improvements in hiring, onboarding, and managing talent can result in significant ROI for the business. *Here are four ways to increase ELTV:*

1. Shorten the ramp-up time it takes a new hire to become a fully contributing team member.
2. Increase the employee's ability to achieve higher performance levels and output.
3. Create space for an employee to grow within the company, from promotions to lateral moves.
4. Lengthen the time an employee stays with the company through strategies like building an inclusive workplace culture, providing professional development opportunities, and supporting a flexible work schedule.

The ROI Mindset: The Key To Winning In Any Market

In an era of constant market fluctuations and uncertainty, the key to sustained success lies in adopting prudent, ROI-driven mindsets. This shift has emerged as the linchpin for winning in any market landscape, and forward-thinking teams are proactively fortifying themselves against volatility by prioritizing long-term returns over fleeting gains.

To truly thrive, it's imperative to hire the right leaders who fully embody this outlook, and to construct teams that can lean into the curve.

If you're looking to find your next leader with this mindset, our team of Talent Advisors are here to help you.

Find your future *ROI-driven* leaders.

Hunt Club is a tech-driven executive search agency that helps the fastest-growing organizations find the right leaders with winning mindsets. If you're looking to find your next ROI-driven leader who can navigate a team through turbulence and to long-term success, our team of Talent Advisors are here to help you.