

Scaling With Purpose: How To Grow A Values-Driven Organization

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Less than 1% of seed-funded tech startups will become Unicorns, which is a private company valued at \$1 billion. Becoming a Centaur—a private company reaching \$100 million in annual recurring revenue (ARR)—is about six times rarer. Bessemer Venture Partners coined the term "Centaur," positing that this status is the best predictor of cloud success requiring product-market fit, scalable go-to-market strategy and a growing customer base.

Either accomplishment is impressive, but neither guarantees that a company has built an organizational culture ready for continued evolution and scale. Some estimates have found that around 17% of unicorns (subscription required) end up dropping below the \$1 billion valuation or close.

Financial metrics can't show whether a company has strategically balanced accountability and empowerment within the culture, embraced innovation and adaptability or promoted authentic engagement and leadership. These goals, however, are key levers in creating sustainable growth and long-term success beyond vaulted statuses.

Balancing Empowerment And High-Performance Accountability

Writing in the *Harvard Business Review*, brand expert Denise Lee Yohn explains that culture is directly linked to performance. Yohn also explains the importance of shared responsibility and accountability when it comes to building culture.

An aligned culture improves performance and employee retention. It gives your team members a way to rally around challenges and opportunities.

Having clearly stated values that guide the evolution of a high-performance culture matters immensely. What matters more is how you operationalize your values and build shared accountability within your culture.

Cultural standards need to be clearly woven into recognition and compensation policies, hiring and promotion practices and your decision-making framework to establish strategic and operational plans. All team members must be empowered to hold each other and the

organization accountable to the cultural standards—further, they must embrace the responsibility.

A culture primarily focused on support and empowerment, without accountability to performance and mastery may feel welcoming and comfortable—for a while. A culture primarily focused on performance, without support for those learning and struggling, may produce good results—for a while.

For sustainable growth and success—and for employee productivity and retention—every organization needs to find the balance of empowerment and accountability. Establish the balance, communicate the standards of support and performance and why they matter and then operationalize accountability and empowerment across the organization to ensure you are built to thrive.

Embracing Innovation And Adaptability

No startup takes off without some form of innovation, but not all startups are equipped to handle the operational challenges of scale and the volatility and pace of change within their markets.

The failure rate of the most promising startups—those vetted and secured venture funding—remains alarmingly high at 75% (subscription required). Market unpredictability and the challenge posed by technology fast-followers make it impossible for organizations to rest on their laurels. The demands of tomorrow always put pressure on the solutions of today.

The only path forward is to embrace innovation and adaptability as core tenets of any organizational culture.

The most enduring brands leverage data and human insight to build resilience and adaptability into how they plan and operate. Many follow models like McKinsey & Company's Three Horizon Model to ensure they are investing in both the present and future.

While a reactive approach to innovation may work for some, most benefit from dedicating time and resources to what lies ahead. Whether that's 1% or 10% will vary, but the act of protecting resources for experimentation establishes a cultural norm of innovation and adaptability.

Engaging and Leading With Authenticity

Company culture is not simply directed from above. It's more organic and deeply rooted than that.

Culture can be nurtured and guided, but its strength comes from shared beliefs and a commitment to living its values authentically. Authentic engagement within a culture unlocks passion and energy, pushes back against complacency and improves an organization's ability to unlock its potential.

Authentic leadership is the most important predictor of job satisfaction and general happiness at work. The emotional connectivity and commitment to shared success that comes from authentic engagement improves a host of personal and organizational benefits, including resilience, problem-solving and teamwork.

Here are three ways to lean into authentic leadership to cultivate trust and growth:

- **Engage and communicate directly, regularly and transparently.** When making major decisions, explain the problem or opportunity (ideally with data), share your decision-making framework, invite team insights and articulate the why behind your final decision. Acknowledge execution challenges, not just the upside. Every decision has trade-offs—ignoring them can undermine trust and credibility.
- **Demonstrate accountability.** By owning up when decisions don't deliver the expected results and working together to understand why, you give your team confidence to face failure and encourage continuous learning and improvement. A continuous improvement culture makes it safe for employees and teams to uncover issues and fix them.
- **Emphasize and operationalize inclusion within the culture.** The expectation should be that everyone can layer in a unique and helpful perspective when organizations face changing market/customer dynamics or operational challenges. Creating systems of inclusion that encourage dialogue, debate and conflicting opinions leads to better outcomes. Leveraging inclusion as a driver of cultural innovation, sustainable growth and employee retention just plain makes sense. This requires underlying systems to ensure you are positioning your organization for long-term success.

These three strategies can improve the odds your company thrives while others scramble to survive.

Deloitte found that employees value "regular and candid communication" in a workplace culture and, as mentioned above, a strong culture improves retention. More transparent leadership can even influence top talent to join your organization, given that "90% of professionals have researched the culture of a company before accepting a role," according to Robert Walters. If a talented prospective employee doesn't like what they see, you'll lose out on having them join your team.

While there is no guarantee that your company will become a Centaur or Unicorn, a resilient cultural foundation is critical for sustainable growth. By anchoring everything you do to your cultural standards, you create a workplace where empowerment, innovation and adaptability

drive continuous improvement.

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