

Sandy Fiaschetti, Ph.D.

## Founder's Focus

"Why Did You Create Lodestone?"

My answer could easily be a dissertation (and I've already written one of those in my life—I don't want to write another). So, let's keep it simple:

For you, our clients. I wanted you to have access to the science of workplace psychology to enhance your business's performance and boost your ROI. I wanted you to understand that "people issues" aren't just touchy-feely topics. There's an entire, well-established field of scientific study and practice dedicated to this. Only a limited number of workplace psychologists have experience specifically in private equity and middle market and lower-middle market companies.

I wanted you to unlock the value of scientifically assessing whether an executive has the competencies and fundamental personality traits to deliver on your specific investment thesis—and to receive that information in a straightforward, business-focused format. I wanted to guide you through the importance of not just assessing individuals, but also creating a vibrant team mosaic. But I also wanted you to experience these team effectiveness workshops as practical and always tied to your business objectives—no kumbaya trust walks here.

Lodestone is more than just executive assessment and team effectiveness, but if you'll indulge me, I'll shift selfishly to my personal why.

I thrive in autonomy, informal pragmatism, and bringing practical solutions to organizations that didn't know those solutions existed or couldn't imagine they could afford them. I thrive in working collaboratively with hardworking and humble individuals who see their work as a mission. I love those "a-ha moments" —whether it's when the lightbulb goes off and you think, "It took me six years to understand this executive. How did you figure them out in just a few hours?" or "I never thought of it that way" in executive coaching.

So, when you're considering choosing Lodestone, know that with us, you get people who believe their mission is to help you. Thanks for being part of our journey, and here's to making great things happen together.



Women in Leadership 2024: The Lodestone team with our wonderful participants after a week of leadership development at Brasada Ranch in Oregon.

Lydia Rominger, M.S.

## Beyond the Top Dog

The Role of Leadership in Modern Organizations

In today's fast-paced and ever-evolving business environment, the notion of leadership as a single "top dog" calling the shots is more than just an outdated idea. True leadership is about empowering many individuals within the organization to take the reins and guide teams with care, support, and expertise. The most successful organizations recognize that effective leadership is a distributed quality present at all levels of the company. From senior executives to frontline managers, cultivating leadership across the board is not just a strategic advantage—it's a necessity. This approach not only drives business outcomes but also fosters a culture of engagement, innovation, and resilience.

We at Lodestone have seen firsthand how leadership, when spread across an organization, can transform its culture and performance. Leadership is often perceived as an innate trait, but the truth is it's a set of skills that can be developed and refined. These skills, such as emotional intelligence, decision-making, and strategic thinking—are not reserved for the C-suite. When you equip individuals at all levels to lead, you empower them to take initiative, support their teams, and contribute to the organization's goals with greater purpose and alignment.

In today's global workplace where remote, hybrid, and in-person work scenarios coexist, leadership must be adaptable and commercially driven. Navigating these varied environments requires a nuanced approach that ensures all employees, regardless of their physical location, feel connected and engaged. Investing in leadership development can also serve as a practical strategy for driving immediate value. It helps build a robust pipeline of talent, produces individuals who are ready to step into key roles, and overall supports sustained growth- all crucial for the long-term success of any company. By investing in leadership development at all levels, organizations can create a strong foundation for navigating the competitive market.

As we continue this conversation on leadership in modern organizations, it's essential to think about how these principles can also help organizations attract and retain top talent. In a competitive market, where the best employees have their pick of opportunities, the quality of leadership at all levels can make or break a company's ability to build and sustain high-performing teams.

### Upcoming Events

Come see us in person!

- Main Street Summit
- Kayo Conference Series
- Private Equity San Francisco Forum

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### Q3 Trends in I-O

The latest updates

- AI & Machine Learning
- Employee Well-being
- Hybrid and Remote Work Dynamics

See more on Page 3

### Q3 Trends in PE

Boosting Value

- Enhanced Focus on ESG Criteria
- Cash Management & Operational Efficiency
- Revolutionizing Talent Management

See more on Page 3



Becca Clancy, M.S.

Resilient Leadership

Strengthening Organizations from Within

The rapidly changing market and workplace have required today’s leaders to be more adaptive, more proactive, and more resilient than ever before. While there may be a new workforce buzzword making the rounds on HBR or Forbes every other month, resilient leadership is one that you likely have been experiencing for years now. Resilience is defined as positive reaction and adaptation in the face of risk or adversity. In practice, resilience is often talked about as a personal characteristic (resiliency) or as a static feature of teams or organizations (how to build a resilient team). One thing we’ve learned about resilience from our work at Lodestone is that it is best embodied by individuals, teams, and organizations when it’s thought of as a process, rather than just a trait.

When we think of resilience as a personal characteristic, we implicitly, and sometimes explicitly, place the responsibility of “becoming” resilient solely on employees, and ignore the organization’s pivotal role in providing appropriate support. Resilience, like many other competencies and skills, can be developed over time with targeted skill-building and growth opportunities. When you think of resilience, what abilities do you associate with it? Resilience isn’t built overnight, and it’s not a singular skill or trait. Rather, think of resilience as an umbrella that’s made up of a variety of skills and characteristics that work together simultaneously and gives individuals the capacity to absorb external shocks or any significant sources of stress, while concurrently learning from them, responding to changes in the environment, and preparing for subsequent decision-making.

Resilient leaders are focused on two major areas: 1) Nurturing their organizations and teams to grow smart, autonomous, and trustworthy employees, and 2) Remaining engaged and active learners in the workplace who seek out chances to grow by enriching existing competencies and acquiring new knowledge and skills. By prioritizing development and building authentic relationships with and between employees, trust and psychological safety are built into the foundation of the organization. When facing adversity, leaders can devote their energy and resources to information gathering, problem solving, and improvisation when necessary, without worrying about the competence, proactivity, or collaborative efforts of their employees. Resilient leaders provide guard rails, not handcuffs, to their employees during times of adversity. As active learners in their organizations, resilient leaders are quick to seek out opportunities to challenge the status quo and acquire new information and skills. Effective improvisation from leaders in times of adversity requires preparedness to cope with changes and the ability to adopt new practices as a consequence of experiencing the adversity. Resilient leaders model and enable a process of learning to unlearn, then re-learn, by finding a balance between reaction and adaptation, and transforming stressors into new energy.

Resilient leadership is not just about overcoming obstacles, but also about building and cultivating a culture that sustains long-term organizational strengths. Leaders can create an environment where employees feel valued, supported, and equipped to handle challenges by examining the way they interact with their

teams and organization. By conceptualizing resilience as a continual process that helps individuals and organizations learn and feed their development over time, we can remain curious about what aspects of resilience are current strength or development areas of our organizations.



Becca Clancy, M.S., delivering leadership development content in September 2024

Martin Factor, Ph.D.

Strong Company Culture

Key Components for Success

The roots of a tree and the rudder of a ship. Without them, the tree won’t grow and branch out, and the ship won’t stay on course. Culture, at its heart, is the reason for a company’s existence—its purpose. When we talk about culture, the question isn’t what the company does but why it does it. The "Why" is the driving force behind everything. It shapes how long the company will survive and whether it can stay strong. While it’s important to ask what the company should produce, sell, or solve, understanding why it exists speaks to its values. Like living organisms, companies are born, grow, reinvent themselves, and eventually decline. To keep an organization thriving through all these phases, its values need to be clearly defined and balanced.

A strong company culture is built on values that leaders clearly understand and live by. These values become the heart of the organization, guiding decisions and behaviors. Employees must also embrace and live these values over time to keep the culture alive and healthy.

Highly effective leadership teams take specific steps to define, live, and model these values. When a company first starts, these values often emerge naturally from the founder and early leaders. For example, a tech company might be led by people who are passionate about innovation and invention.

As the company grows, new leaders will likely bring different

perspectives and values, which may be focused on other areas, such as business or people. Balancing these values—whether focused on growth, profit, or people—is critical to ensuring that the company can adapt and continue to succeed.

Employees need to see leaders living these values in everyday actions and decisions. For instance, if the company values innovation, leaders must encourage risk-taking instead of punishing it. If growth is a core value, leaders need to provide employees with the resources and opportunities to develop. As companies mature, they must also build systems that support these values. This might mean creating feedback systems where employees are evaluated not just on performance but on how well they embody the company’s values. Rewards and recognition should also reflect how employees live out these values. During the hiring process, companies should make sure new employees align with the company’s values to maintain a strong culture.

Building and maintaining a strong culture takes effort. The more leaders focus on developing and reinforcing their culture, the more likely their company is to thrive and succeed in the long run.

Locating Lodestone

Upcoming Events

- **Main Street Summit:** October 8-10 in Columbia, Missouri (Lodestone Attendees: Lydia Rominger, M.S.)
- **Kayo Women in Private Funds Summit:** October 8-9 in Boston, Massachusetts (Lodestone Attendees: Sandy Fiaschetti, Ph.D.)
- **Market’s Group Private Equity San Francisco Forum:** October 15-16 in San Francisco, California (Lodestone Attendees: Sandy Fiaschetti, Ph.D., Becca Clancy, M.S., Lydia Rominger, M.S., Sydney Falle)



Sydney Falle

Q3 Trends in I-O Psychology

What’s the chatter about?

- **Artificial Intelligence and Machine Learning:** These technologies are increasingly being integrated into workplace practices, influencing everything from talent acquisition through AI-driven assessments to employee development programs. With these technologies on the rise, it’s important to consider the need for I-O professionals to understand and navigate ethical considerations such as privacy and fairness as these technologies evolve.
- **Employee Well-being and Mental Health:** While not a new topic, there's a growing focus on creating work environments that not only address mental health concerns post hoc, but also actively work to prevent them. People are thinking about best practices to promote psychological safety, empowering employees to voice concerns and feel secure in their roles without fear of negative consequences
- **Hybrid and Remote Work Dynamics:** As organizations continue to adapt post-pandemic, managing the balance between remote and in-office work has become critical. This includes ongoing conversations about how to support remote employees effectively, ensure inclusion, and develop best practices for hybrid work models to optimize collaboration and productivity across different settings.



The Lodestone “Fab 5” Team: (Left to right) Becca Clancy M.S., Sandy Fiaschetti Ph.D., Sydney Falle, Lydia Rominger M.S., Martin Factor Ph.D.

Sydney Falle

Q3 Trends in Private Equity

Boosting Value Creation

- **Talent Management and Operational Efficiency:** Amid economic uncertainty, PE firms are focusing on talent retention, leadership development, and optimizing operational processes. By enhancing internal capabilities and investing in leadership, firms are creating resilient, growth-oriented portfolio companies.
- **Artificial Intelligence and Digitalization:** PE firms are increasingly leveraging AI and digital transformation to streamline operations, enhance decision-making, and improve profitability. These technologies are being used across portfolio companies for tasks like customer journey optimization, procurement, and risk management, positioning firms for higher premiums upon exit.
- **ESG Integration:** Environmental, Social, and Governance (ESG) factors continue to be a significant value driver. PE firms are not only incorporating ESG to meet regulatory demands but are also recognizing that it boosts long-term profitability through improved operational efficiencies and talent retention.