

What Founders Miss During Rapid Growth

HOW RAPID GROWTH CHANGES THE INFORMATION THAT REACHES THE FOUNDER—
AND WHAT GETS LOST ALONG THE WAY.

By Laura Moriarty, SHRM-SCP, SPHR

THE CONVERSATION FOUNDERS RARELY FORGET

The founder sat across from Erika, one of the people he most respected in the company, a seasoned operations executive he had recruited when the organization was beginning to outgrow its first way of working. She had been steady through the chaos and useful in the particular way experienced leaders are useful: she could see emerging problems early and call attention to them before they became crises.

Now she was leaving.

Her resignation letter had been personal, but brief and careful. An opportunity. Timing. Gratitude. The measured language people often use when they have raised the same concerns more than once and no longer believe repeating them will change the outcome.

“I wish you had told me,” he said.

She looked at him for a moment.

“I did.”

A founder hears too late that the warning had already been given.



His own surprise bothered him. No one in his inner circle had told him the situation had become this serious, or that Erika was considering leaving.

Then he reflected for a moment. He had heard fragments: concerns about shifting priorities; warnings about decision rights—who had the authority to make which decisions, and whether experienced leaders could still act within areas that had once been clearly theirs; repeated concerns that the company was growing faster than its systems and leadership practices could support.

And she had not been the only one raising them. There had been an underlying current of concern across the organization.

He had heard each issue separately, as the ordinary noise of a company growing fast. But now the pieces fit together, and the reasons she was leaving landed differently.

The problem was not that the issues had never been discussed. It was that, as the concerns moved toward him, they had been softened, minimized, or reframed—often by trusted people trying to protect the founder and keep the organization moving. What reached him no longer carried the urgency felt by the people closest to the problems.

GROWTH CHANGES WHAT LEADERS CAN SEE

When the company was smaller, the founder knew it by sound: a sales team laughing too loudly after a rough call, an operations manager’s clipped voice when a deadline was in danger, the way people lowered their voices when frustration was becoming discouragement. Ten minutes near the coffee machine could tell him more than a dashboard.

Then the company added people, floors, another location, and layers. Conversations became meetings. Meetings became summaries. Summaries became conclusions. He still had access to information, but increasingly he received the processed version rather than the raw thing itself.

Looking back, he could see the clues in his own leadership notes. None had seemed particularly alarming at the time. He had left each conversation believing the issue was understood or being handled.

- **March:** Need to get everyone aligned on priorities.
- **May:** Clarify who owns which decisions.
- **June:** Operations is concerned we're taking on too much too fast.



Each had seemed like ordinary growing pains—something to clarify, delegate, or work through. Together, they told a different story: priorities were colliding, authority was becoming unclear, and the company was taking on work faster than its operating systems could absorb.

He pushed back from the table. Not dramatically, but the scrape seemed louder than it should have in the quiet room. So was the nagging realization in his mind.

Information was reaching him, but not with its meaning intact.

As companies grow, information often reaches the founder only after it has been interpreted by others.

EVERY FOUNDER CREATES A FILTERING SYSTEM

The people closest to him had earned their place there. They had been through the early months, when payroll felt personal and every customer problem carried a sense of urgency. They knew what he meant when he spoke in shorthand. They knew when he was venting and when he was deciding. They could tell, sometimes before he could, which ideas would become commitments by morning.

They became translators, helping information reach the founder in language they believed he would hear.

They protected him from noise. They also protected him from things they were not sure he had room to hear.

A concern became “worth watching.”

A warning became “something to keep an eye on.”

They were not hiding the truth. Most of the time, they believed they were helping it arrive in a more digestible form.

That was why he had hired Erika. The business had become too complex for improvisation. He needed a seasoned operations executive—a subject-matter expert—who could help the company build the discipline required for its next stage of growth.

She saw immediately that the company was winning work faster than it could absorb. Customer commitments were made before delivery capacity was understood. Managers were compensating with heroics. Employees were proud, exhausted, and increasingly cynical about priorities that changed by Thursday.

As the company’s operations subject-matter expert, Erika prepared a set of recommendations: slow the intake of new work for ninety days; redesign the handoff between sales and delivery; establish consistent policies and operating practices so people were not reinventing the process every time; and put basic financial controls around decisions that had once been made informally.

These were not dramatic recommendations. They were the kind of stabilizing work required when a company has grown beyond the informal practices that got it started.

Before the recommendations reached the founder, they passed through two longtime advisors. They did not disagree exactly. They simply had a different view of what the company needed—and they knew how the founder tended to hear certain messages.

So the recommendations began to change.

- “Slow the intake of new work” became **“We can’t turn down business.”**
- “Establish consistent operating practices” became **“Imposing regulations will slow everything down.”**
- “Put financial controls in place” became **“We’re getting too corporate.”**

The substance had already begun to shift.

When her recommendations were not adopted, Erika first wondered whether she had made the case badly or chosen the wrong time. Later, she realized that the two other executives had advocated a different course—and their view carried more weight.

The three leaders were peers, but they were not operating as an enterprise team. The founder never really heard Erika’s recommendations in their original form.

The route changed the cargo.

Recommendations can change meaning as they move through trusted channels.



WHEN PEOPLE BEGIN EDITING THEMSELVES

Filtering does not happen only through other people. Eventually, employees begin doing it themselves.

A manager says the team is “confused about priorities.” What he means is that three teams are making tradeoffs against three different assumptions about what the founder actually wants.

He had already changed the cargo.

The founder responds to what sounds like a communication problem while the real problem—competing priorities and unclear direction—goes back downstairs with her.

The pattern teaches people quickly. The first time a leader raises a concern, she may be thanked. The second time, she is asked for more data. The third time, she senses that persistence is becoming a judgment about her attitude. So, she adjusts. She removes the second example. She softens the recommendation.

Sometimes she says nothing at all.

A founder can sincerely want candor and still make candor difficult to deliver. **Wanting candor and being open to hearing it are not the same thing.**

Most growing organizations have one or two people who become, intentionally or not, **organizational truth tellers**. They notice patterns others normalize. They connect issues that appear unrelated. And they are often willing to say what others are thinking but have stopped saying aloud.

Erika had tried to play that role. As a subject-matter expert, she had repeatedly surfaced what she was seeing and what she believed needed to change.

When the same concerns are repeatedly softened, reframed, or dismissed, even experienced leaders begin to adapt. They become more careful. They choose their moments. Eventually, they may stop raising the issue altogether.

The answer is not to make every difficult message blunt or dramatic. It is to learn how to make the truth hearable **without changing its meaning**.

Anderson, a savvy junior manager, knew that simply telling the founder, “People are burned out,” would be heard as a morale problem. So, he brought the pattern instead: experienced employees are declining stretch assignments they once would have welcomed; strong candidates are backing out after informal conversations with current employees; overtime is climbing; and customer escalations are increasing in the same parts of the organization.



Then he connected the dots.

“I don't think we have a motivation problem. I think we're asking too few people to carry too much for too long, and it's beginning to affect retention, recruiting, and our customers.”

And he didn't stop with the diagnosis.

“I'd like to rebalance the workload in these two areas, pause new commitments until we understand the capacity we actually have, and come back to you in thirty days with what we're seeing.”

He made it easy for the founder to ask a few questions, and to give him the green light.

Anderson understood how the founder needed to hear the information. But instead of using that knowledge to soften the message, he used it to help the founder see the pattern—and gave him a practical way to act on it.

He made the truth easier to hear without making it smaller.

That is the difference between an organizational truth teller and a gatekeeper.

WHEN TRANSLATORS BECOME GATEKEEPERS

Inner circle translators can be valuable. They understand the founder's shorthand, sensitivities, and decision-making style. At their best, they help important information arrive in a form the founder can hear without changing its meaning.

The risk comes when translation becomes gatekeeping.

At first, their insight helps the organization move faster. Over time, they become the route itself. People stop asking, “What does the founder need to know?” and start asking, “Who can get this to him?”

A new seasoned executive with no baggage can often see around corners. They bring market data, customer constraints, and a clear recommendation into the formal meeting. The founder may ask good questions and the room may agree. Then, a week later, a different decision emerges after an informal conversation with someone who has been there since the beginning.

While a company may hire enterprise-level expertise; often founders will continue to give greater weight to the influence of an inner circle.

Over time, Erika learned the actual operating model. She shortened recommendations. She stopped naming the part of the risk that would require a harder decision.

And sometimes something more troubling happens.

The person raising the concern begins to be seen as the source of friction. Persistence becomes negativity.

A challenge to the operating model becomes resistance to the culture. The expertise the company deliberately hired begins to look, through the filtering system, like the problem.

When she finally leaves, people say she was not the right fit for the pace of the company.

And the pattern repeats itself. The company hires people like Erika for the very perspective it lacks, then allows the inner circle to overrule that perspective because it believes it already knows best.

THE QUESTION THAT CHANGES

Back in the conference room, the founder thought about the leaders who had tried to speak plainly and the ones who had learned to speak carefully.

He had asked for directness, but moved fastest with people who already knew how to translate him. He had hired experience, then allowed old proximity to outweigh new perspective.

None of it had felt like a deliberate decision.

That was precisely the problem.

Erika did not give him the whole map. People who are leaving rarely do. They point to the door they used and let you decide whether to notice the hallway.

After she left, he opened his notebook and wrote the question that had been bothering him:

Why didn't anyone tell me?



Then he crossed it out. That was no longer the right question. **People had told him.**

The harder questions were these:

- **When did I allow the circle of people who influence me to become so small?**
- **What perspectives have I stopped hearing because everything now reaches me through the same few people?**
- **And how do I course-correct while there is still time to act?**

The harder work is widening the circle of influence before important signals disappear.

The answer is not simply to announce an occasional open door to ask questions.

Access is not the same as influence. Inviting people to speak does little if they have already learned that difficult messages will be acknowledged but not acted upon—or that challenging the prevailing view carries a personal cost.

Course correction requires something more deliberate: widening the sources of information a founder trusts, listening directly to the expertise the company has hired, noticing when the same concerns surface independently across the organization, and following through when those concerns reveal something that needs to change.

Rapid growth changes more than headcount, revenue, systems, and roles. It changes distance. It changes who has access, who has influence, and what gets translated along the way.

The healthiest founder-led companies build leadership systems and relationships that allow difficult information to arrive early, plainly, and intact, and they demonstrate through action that speaking up matters.

The work is not simply to ask for candor. It is to make sure candor can reach you—and still matter when it does.

Continue reading: [What to Do When Your Organization Has Outgrown Its Operating Model](#)

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BOUT THE AUTHOR

Laura Moriarty advises founders, CEOs, executive teams, and boards on organizational effectiveness, leadership, governance, and scaling challenges. She specializes in helping organizations navigate inflection points while preserving culture, strengthening leadership capability, and building systems that scale.

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