# 12 THE MISSING LINK: ADDRESSING THE FOUR ENIGMAS

When it comes to building high-performance organizations, I have long been haunted and vexed by four enigmas. (God, I love the sound of the word *enigmas.*) Can you even imagine me "vexed" or visualize me as haunted? Imagine my cheeks are hollow and that I dream dark dreams. My eyes flit hither and yonder, and I pace in the middle of the night in my sweat-soaked white nightshirt.

Now that you have the visual, I'll explain. For the most part, what has eluded me is a process that supports the implementation of the strategic plan.

A lot of time and energy goes into yearly planning, but keeping a leadership team and an entire company focused on execution becomes the challenge, given the day-to-day fires. This issue breaks down into four enigmas that, until recently, my work has not been able to solve.

However—fortunately for you—a recent breakthrough has allowed me to uncover components that, together, make up the previously missing link needed to solve these four enigmas.

## ENIGMA #1

**So, how do you ensure follow-through and implementation of the strategic plan?** A company and its leadership team can spend a lot of time and effort creating a strategic plan. They may even spend money on the process and bring in a consultant like me to facilitate. Creating the plan, however, is the easy part. Implementation and execution of the plan is the real challenge.

How do you support real action throughout the year and prevent the syndrome that results from a beautiful plan in a beautiful binder sitting with all the other similar binders in the CEOs office? How do you *truly* ensure that a company is aligned to the strategic plan and focused on executing? My breakthrough came when I embraced a simple execution management philosophy, which I will explain later in the chapter.

## ENIGMA #2

**As a busy manager and business leader, how do you make time to coach and develop your employees and direct reports?** How do you find time to meet with them and discuss their progress on yearly goals? How do you know that your employees' actions will directly (and positively) impact the initiatives that have been outlined in the strategic plan? How do you even know if they're *engaged* with the strategic plan?

Many of us intuitively know that we need to meet with employees from time to time to provide coaching and receive feedback around these issues. We also know we should eat less if we want to shed extra pounds; yet, we are a nation of obese people. So much for the power of knowing ...

I have found with our clients that many of these recommended monthly or quarterly coaching meetings just never happen. While *meetings* may occur, they tend to be more about firefighting and problem solving. Granted, these types of meetings are required to keep a company viable. However, I have witnessed organizations in which employees never get *any* type of formal coaching or feedback. This is unacceptable.

Here's what you, as a manager and leader, need to understand: no feedback equals no performance improvement. How does the baby go from crawling to walking? As the baby engages in walking, the floor gives feedback: *thud*—not that way. *Thud*—not that way. *Oh*—now you have it. (Notice no thud.) Older kids master the bike or skateboard or rollerblades through the same process of feedback; eventually, they end up doing more tricks and falling less often. Are you making the connection here? Humans learn, grow, and develop through failing and feedback. It's part of the learning process.

One senior manager proudly told me that in 20 years, he had never been reviewed. None of his bosses had ever made the time to sit down with him and talk about what he spends his work life doing. Though this executive took no review as a compliment, it is sad. His work matters and he does some things amazingly well and other things not so well. Feedback would allow him to grow and develop.

In another organization, people were—at best—reviewed once a year for salary and bonus-setting purposes. There was no formal feedback process. This is unsettling. In the same company, managers bemoaned that they should be coaching and talking with employees about their performance, but they never got around to it. This is even more unsettling. Yet, this is the norm in many organizations, and it does not have to be.

For this to change, development and training need to be viewed as equally important as fighting fires. (There is more on this in the chapter “The Coach’s Handbook.”) It’s a simple, sobering fact: we do what truly matters to us. If employee development matters to the organization, managers will *make* time for coaching and feedback.

Now, assuming development and training *do* matter to your organization (as they should), execution management calls for six to eight progress meetings a year. If there are no meetings, you have no execution management.

## ENIGMA #3

The third enigma is this: **how do you make the annual performance appraisal more than something that is disliked and disrespected?** Everyone hates the annual review process (except you, Mr. or Mrs. Perfect Executive). To start, no one likes feeling judged. Managers, at best, find annual reviews flawed. Employees find the whole thing meaningless. One organization I know of did not set its yearly goals until more than halfway through the year. (I’m sure this is shocking behavior to you.) Then the leadership team started the appraisal process based on the goals they’d just created—after which, they argued about goal consistency (or lack thereof) between departments. Talk about a process that was UNmotivating. It was the perfect storm for organizational resignation.

The biggest issue I see with the yearly appraisal review system is that it takes place after the fact, after the work season ends and the year is over. It is not a coaching and development system that allows for improvement and performance enhancement. It is all about rating *past* performance and, as such, is missing the point. As for the answer to how to make the processes understood and valued, read on—but first, are you ready for the fourth enigma? This one has especially plagued and vexed me throughout my long bloodsucking consulting years.

## ENIGMA #4

**How do you make the core values of the organization relevant to day-to-day employee behavior?** The core values sound great. They are lofty and inspirational. The leadership team typically feels exhilarated at their creation. However, then comes a failure, as the values do not make the difference they were designed to make within the organization. Why is this?

For most employees, core values are seldom relevant. They are not accessible or usable. (Read more about this phenomenon in Chapter 1, "Posters, Plaques, and Horse Manure.") To be usable, values must revolve around behavior—and managers often have no guidelines from which to coach behavior except their own points of view; if *they* aren't convinced about the relevance of the values, this can be a problem.

## THE MISSING LINK

So I had these enigmas. The missing link that would solve them is this: a strategy execution management system that (a) aligns managers' and employees' job accountabilities with the organization's yearly initiatives and goals, and (b) monitors how company values are integrated and demonstrated in managers' and employees' behavior.

The first step in implementing this system is defining and outlining the company's yearly initiatives and focus. Typically, these goals, objectives, and initiatives are the product of the aforementioned strategic planning process. Once this foundation has been created and documented, we can move on to the next step.

In this phase, the CEO gets to define his or her own roles and accountabilities. This is such a fun activity. Typically, I will sit on the CEO's lap, look deeply into that person's eyes, and croon, "Hey, what is your job?"

Answering this question begins with distinguishing the CEO's four to six primary job responsibilities (PJRs). A PJR is an accountability that you have as an employee. They are day-to-day accountabilities and activities that probably, year to year, do not change that much. PJRs are not as detailed as job descriptions; for example see how one of our CEOs explained his PJRs:

- I am accountable for the overall successful operation of the company.
- I am accountable for the writing and implementation of the one-page business plan (three- to five-year horizon).
- I am responsible for ensuring that the company oper-

ates within its values proposition.

- I am responsible for overall profitability for the company.
- I am responsible for the leadership group functioning at a high-performance level.

After the CEO's PJRs are outlined, we can begin defining goals. (Yes, I'm still sitting on their laps.) Goals should be directly linked to and support the corporate initiatives. They should be clear and measurable, and they must require results by an affixed date. Here are the goals from a division head:

- Increase new sales by 12.5 percent or $6,531,467. This figure does not include new sales acquired via acquisition.
- My region will achieve an organic growth in sales of 2.5 percent or $1,306,293.
- Improve the safety record of the region by 10 percent for all criteria.
- 100 percent customer retention.
- To have the region with the highest manager retention, measurable professional development, and a promotion rate in the company

Once the CEO has completed his or her goals, they are directly linked to the organization's yearly initiatives. This linkage is critical in that it supports alignment.

This process is then replicated with all managers and employees who will be utilizing this execution management system. At this point, employees and managers will, in their own words, define their four to six PJRs. Again, these are the four to six activities and accountabilities for which he or she is responsible.

Once employees have defined their PJRs, they submit them to their manager, who will give feedback and offer editing. Daily accountabilities are agreed upon, and—drum roll, please—the beginning of alignment occurs!

The next step toward alignment happens when the employee sets quarterly or yearly (it's up to the company) goals and milestones. Again, we should be thinking about *measurable* objectives. These should be written in the employee's own voice, and again, management gives feedback and coaching. Goals must be aligned with the corporate initiatives. When alignment ensues, it is poetry. I love it when a plan comes together.

Now we are ready to introduce the next very cool, very unique, and critical aspect of this execution management methodology: creating values. However, these are not the typical types of values we refer to in common corporate-speak. Instead, these values should be behavioral.

Imagine the expectation that everyone walks the talk of the organization's values.

Utilizing this methodology is a way for the five or six values of the organization to become truly relevant to employees and managers. For examples of values statements, see Chapter 1, "Posters, Plaques, and Horse Manure."

Once values are created and agreed upon, the employee and manager schedule a 30-minute meeting every two months to discuss the progress being made in demonstrating these values, fulfilling the PJRs, goal alignment with corporate initiatives, and achieving goals. We call these sessions "progress meetings". Manager and employee review whether day-to-day activities are falling within the parameters of the organization's values. These meetings are the heart of execution management. No meetings and you have no execution management. In these meetings, there is no drama allowed—just the facts and only the facts. Real achievements are celebrated, and areas for future concentration are reviewed. At these meetings, next steps and follow-ups are designed.

During this time, the employee also has the opportunity to give the manager feedback as to how he or she perceives the company is meeting its corporate initiatives. The idea is that the employees want feedback from their managers and want to *give* feedback to their managers. Communication is valued. Ultimately, you want the relationship between managers and employees to be a two-way coaching partnership. The employee-manager meetings are critical and at the heart of why this is such a powerful methodology. If management and executive leadership, do not value feedback and dialogue, this is not the system for your organization.

Now let's go over each enigma and see how it has been resolved by the (previously) missing link:

**1** During the year, how do the company, the CEO, the manager, and even the notorious facilitating consultant keep track of what employees and executives are doing to implement the organization's strategic plan? Everyone's goals are tied to the initiatives, and there are frequent meetings regarding how the employee is progressing in supporting the corporate initiatives.

**2** As a manager and business leader, how do you make time for the coaching and development of your employees and direct reports? This is where the at-least-quarterly progress meetings come in.

**3** How do you make the annual performance appraisal meaningful instead of something that is disliked and disrespected? In this type of performance coaching, the yearly appraisal system becomes quite simple: it is the end step of the process. Goals are assessed as exceeded, met, or not met. The same process is done for PJRs and values. Then there are comments that are made by both the employee and manager. The yearly appraisal is the output of this system and is understood and respected.

**4** How do you make the core values of the organization relevant to day-to-day employee behavior? During the year, employees and their managers are regularly asked to take a view of the employees' day-to-day behavior in light of the organization's values; both employees and managers are asked to tangibly rate how the employees have been behaving given the corporate values.

By utilizing this method of execution management and alignment with my clients, I have seen dramatic improvements in the implementation of the strategic plan. During the year, they are actually relating to and implementing their planning in a new and dynamic way. Their company and their employees are now aligned and focused on their corporate initiatives in a way that is causing improved implementation. I am no longer vexed. Another stunning visual! I am now actually enigma-free. I have stopped going to all those Enigmas Anonymous meetings. I have a lot more time. I am fulfilled, a changed and much happier bloodsucker—really ...

One CEO who is utilizing this methodology reported that it forces him to talk about progress on employee goals and to give feedback to his direct reports. He said, "I know I should have always been doing this, but I never made the time. This methodology allows me to do this." Another employee said, "It's great; I know what is expected of me, and this system also allows me to give feedback to my manager."

My company has been utilizing this methodology, and I can attest that it has ensured that we are all on the same page and aligned on the same goals. I hope this stimulates your own thinking regarding execution management and coaching. Look and see how you can apply these ideas and methodologies in your organization to execute your strategic plan and align your corporate efforts for true and lasting results[3]. •



3 To manage this methodology, we utilize software called Keynelink. To learn more about this, you can go onto our website, *www.cmiteamwork.com,* and click on the keynelink section, or go directly to *http://www.cmiteamwork.com/KeyneLink.htm*.