



## ***Executing Business Strategies/Initiatives: The Power of Leadership, Culture, and Consequences***

by

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In today's global marketplace, the pace of change is occurring at lightning speed. As consumers, we expect to get higher quality products/services faster, cheaper, and easier, sometimes by only pressing a few buttons on our computer keyboard. It reminds me of a line from an old movie entitled *Postcards from the Edge* - (these days) "instant gratification takes too long!" To succeed in this environment, many companies have launched new business strategies and a myriad of "change initiatives" designed to help them keep pace with more demanding customers and tougher competitors. Launching these strategies/initiatives is the easy part, executing them is another story!

The attached Organization Alignment & Change Model (OA&CM – see page 4) was developed to help organizations and their leaders align the vertical elements of business direction (i.e., Mission, Vision, Values, Strategy, etc.) with the horizontal elements needed to successfully execute strategies/initiatives and produce desired results (i.e., Desired Behaviors, Antecedents, and Consequences). What is critical is that an organization's "culture" (i.e., how people have been conditioned to behave) is shaped by its leaders and by their actions across this horizontal axis. An organization's culture is heavily influenced by the messages (or antecedents) leaders deliver and the behaviors they reward and punish (through consequences). When it comes to executing business strategies/initiatives, leaders must heed the following words of caution, "culture eats strategy for lunch!" We'll explore this notion in more detail in the paragraphs that follow. (Note: Definitions of the major OA&CM elements can be found on page 5.)

Webster's Dictionary defines "alignment" as "the arrangement of forces in relation to one another." In our experience, most leaders do reasonably well at defining and aligning the elements of their business direction (i.e., those on the vertical axis of the OA&CM) up to a point. In other words, their Mission and Vision "inform" their strategy development activities which, in turn, inform how they structure, set goals, etc. Where things begin to get a bit sticky is in the "middle" of the model, at the point where the forces of business direction and execution intersect, i.e., "Desired Behaviors." One reason this is a sticking spot is that many business leaders view results as being the "hard stuff" and behaviors as the "soft stuff." Their preference is to focus on strategy development and goal setting, and leave the behavioral/cultural discussions to the Human Resources Department. When it comes to execution, this is a fatal mistake! Think back to those earlier words of caution, "culture eats strategy for lunch!"

It's important to note here that we define "Performance" (P) as being equal to the sum of Results (R) plus Behaviors (B) or  $P=R+B$ . "Why?", because human behaviors produce results and high performance only occurs when we have the "right/desired behaviors producing the right/desired

results.” In one of General Electric’s Annual Reports (from the early ‘90s), Jack Welch, former Chairman and CEO of GE, wrote that he expected all of his company’s leaders to become “Type 1 Leaders” - leaders who got results by behaving in a way that was consistent with GE’s Values. Mr. Welch understood the power of culture and understood the dramatic impact that leaders have on shaping culture through their own behaviors. He understood that organizations “mirror” the behaviors of their leaders so he wanted them to produce the desired results by demonstrating the desired behaviors. He wanted them to be “role models” for the rest of the organization. If a GE leader was having difficulty becoming a Type 1 Leader, s/he was given help in the form of training, etc., and coached to improve; if that failed, the leader was coached out of the company.

Behavior Analysts, who define behavior as being what people “do and say,” strongly agree with Welch’s approach. They cite research study after research study that show that “Type 1 Leaders” are more likely to create a work environment/culture where employees are motivated to give more than the minimum effort necessary to do their jobs. Behavior Analysts call this “discretionary effort.” Furthermore, it’s been proven that there is a strong correlation between the quality of workers’ relationships with their immediate supervisors and the quality of customer service these workers provide. When it comes to executing business strategies/initiatives in this fast-paced world, when we’re trying to do more with less, having a motivated workforce that is willing to give discretionary effort is definitely a key competitive advantage!

From an execution standpoint, after charting their direction, Job 1 for leaders must be to define the desired behaviors that will produce the desired results. These behaviors fall into two categories: Competency-Based and Values-Based. Competency-based behaviors are those linked to the specific job knowledge and skills necessary to produce the desired results. Values-based behaviors are those associated with the organization’s core values; they define how we should conduct ourselves in the marketplace and in the workplace. Values-based behaviors must be at the heart of an organization’s culture. As Jack Welch noted, they must be “modeled” by the organization’s leaders and rewarded by them. It’s the values-based behaviors that determine whether workers build teams or silos, whether they share information or hoard it, whether they support one another or blame one another, etc.

**Job 2**, in the execution arena, focuses on putting the necessary antecedents in place; antecedents are designed to get desired behaviors started. As you can see on the OA&CM, all of the antecedents listed are essential building blocks needed to get desired behaviors going. It’s imperative that people understand the business direction, what’s expected of them in terms of job performance (desired results and behaviors), and how they will be measured and rewarded. They must also be given the necessary training and tools to be successful. But, alone, antecedents are not enough to keep desired behaviors going!

What we’ve learned from 85+ years of research in the Science of Behavior Analysis is that “consequences” drive human behavior. Contrary to popular belief, positive consequences can be much more powerful than negative ones. Here are some additional facts that we have learned:

- 80% of the impact on human behavior comes from consequences; consequences are those things a person experiences after s/he behaves that make it more or less likely that they will behave that way again.
- 20% of the impact on behavior comes from antecedents or those things that prompt behavior to occur in the first place.

- Immediate consequences, what a person experiences as s/he is behaving or shortly thereafter (such as feedback and coaching), are much more powerful than future-oriented consequences (such as an end-of-the-year evaluation or bonus). It's important to note that for years across Corporate America, the majority of employees completing internal employee-satisfaction surveys have commented that receiving "sincere" appreciation from their bosses (after performing) is far more motivating than getting a few more dollars in their weekly paycheck. (If you're like me, you want both!)
- Finally, positive reinforcers/positive consequences increase desired behavior; in fact, the experts say that over time, the average worker needs to receive four times as many positive consequences as negative ones (this is commonly known as the "4:1 Rule") in order to continue feeling valued and motivated. Our job is to catch people doing the right things and recognize those behaviors. Have you ever stopped to think about the ratio of positive to negative consequences that you are receiving and delivering these days? Keep track of it for a day; it could be eye opening!

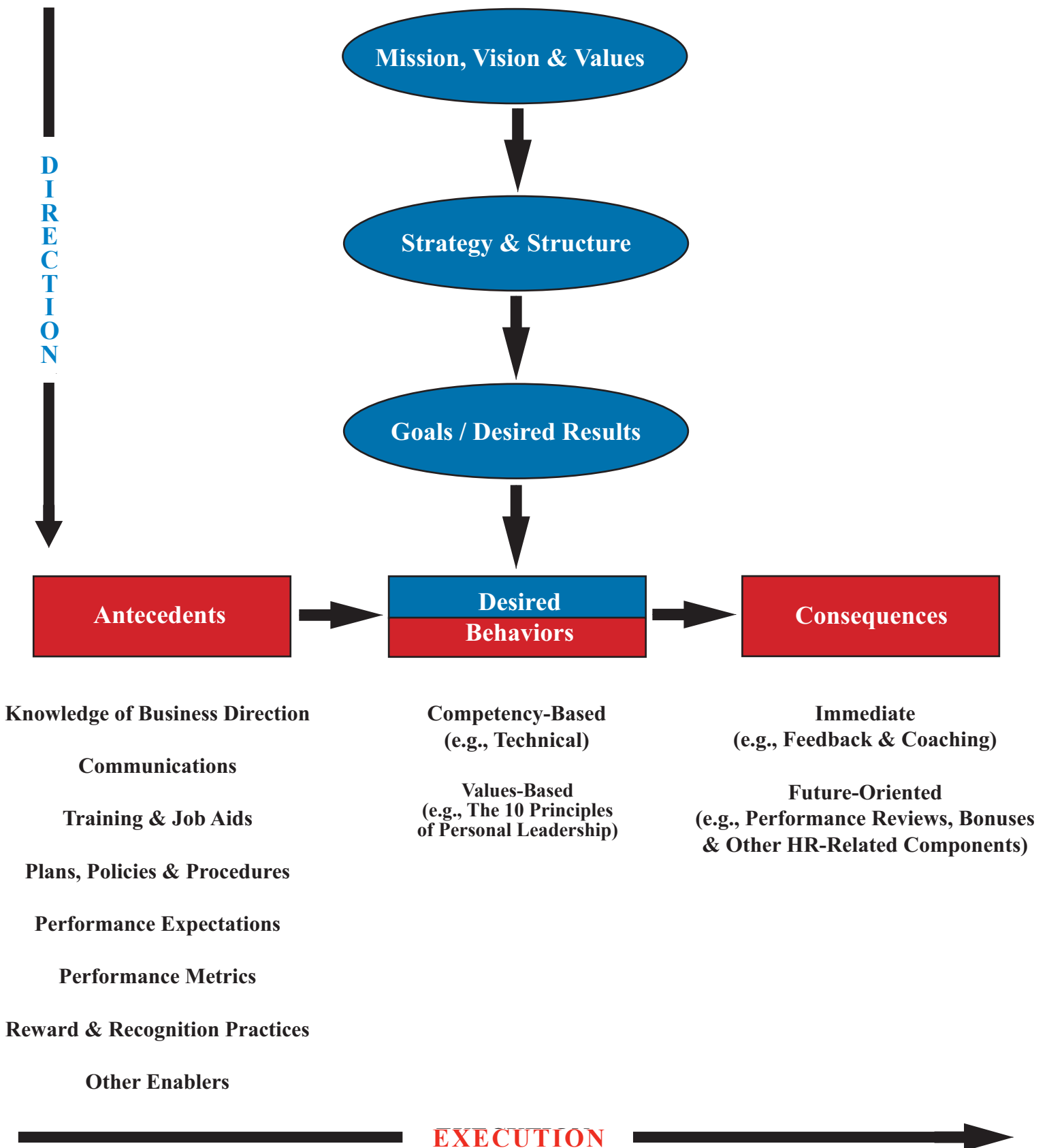
Given this information, **Job 3** for leaders is to arrange the necessary "future-oriented" consequences that will help drive desired behaviors in the workplace - those that will produce desired results. This entails aligning the appropriate Human Resources Systems to reinforce the right behaviors. These systems typically include, but are not limited to, Employee Recognition, Performance Evaluation, Compensation, and Succession Planning.

Finally, but most importantly, when it comes to executing business strategies/initiatives, **Job 4** for leaders is to become highly skilled at delivering "immediate" consequences such as feedback and coaching. Being able to deliver effective feedback and coaching should be core competencies for all business leaders! Our experience indicates that the opposite is true in most companies; i.e., most business executives, middle managers, and supervisors have not been adequately trained in this area because feedback and coaching are not viewed as keys to business success. Consequently, leaders/managers/supervisors don't understand the importance of providing "immediate consequences" (e.g., as it pertains to executing business strategies/initiatives) and don't feel comfortable delivering them. Most of us, who have spent a number of years in the corporate arena, learned that delivering the traditional "year-end performance evaluation" was all employees really needed unless, of course, something went wrong during the year that required attention! If you are like me, I dreaded giving those evaluations; conventional wisdom says that if it were that painful to do once a year, why would I want to do it more frequently? I have since learned what I was missing. By providing frequent, specific, and targeted feedback and coaching during the year, using the 4:1 Rule, we can help people be successful and stay motivated, improve our chances of success when it comes to executing strategies/initiatives, address performance issues sooner, and avoid the traditional "year-end performance surprises" come evaluation time. The great thing is that we end up with a huge WIN-WIN-WIN for the organization, its employees, and its leadership/management team. What more could we want in this day and age or any for that matter?

*Acknowledgements:*

*I would like to take this opportunity to thank Dr. Aubrey C. Daniels, world-renowned lecturer and author, for his contributions to the business community and the Science of Behavior Analysis. I also want to thank him for stimulating my learning and work over the past decade. His book, "Bringing Out the Best in People," is a classic and a must-read for anyone interested in the contents of this article.*

# Organization Alignment & Change Model



## *Definitions*

Mission	<b>What</b> we are in business to do.
Vision	<b>Who</b> we aspire to become as an organization.
Values	<b>What</b> guides how we conduct ourselves in the marketplace and in the workplace.
Strategy	<b>What</b> we do to win customers by differentiating ourselves from our competitors.
Structure	<b>How</b> we organize to achieve our Mission, Vision, and Strategy.
Goals/Desired Results	<b>What</b> we set as performance targets to direct and measure success.
Desired Behaviors	<b>How</b> we expect people to behave in order to achieve our Goals/Desired Results.
Antecedents	<b>What</b> prompts behavior and gets it going.
Consequences	<b>What</b> a person experiences after s/he behaves that makes it more or less likely that they will behave that way again.
Culture	<b>How</b> people have been conditioned to behave in an organization based on the predominate antecedents and consequences present in the work environment.
Feedback	Information shared with a person about his/her behavior and its impact on relationships and results.
Coaching	A process to help someone change or strengthen a pattern of behavior to achieve a better outcome/result. (Note: Feedback is an integral part of the coaching process.)