



The Leader's Formula to Turning Strategy into Action

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The Art of Strategy Execution



*“Strategy is a commodity.
Execution is an art.”
— Peter Drucker*

Peter Drucker is one of the most recognized pioneers in modern management practices. His impact on 21st-century work practices can't be understated. Drucker's relentless focus on moving leaders beyond just creating winning strategies, and challenging them to implement that strategy through [Management by Objectives](#) best practices, is his lasting legacy.

While the world has dramatically changed since Drucker articulated his widely embraced philosophy on management, one business challenge has remained consistent throughout the years: an organization's ability to take strategic plans and effectively implement them through the organization's workforce remains a central business challenge — regardless of social or technological evolutions.

This challenge escalated to dizzying heights during the wild year of 2020, when organizations scrambled to adjust their business strategy when the international pandemic slammed into our global socio-economic infrastructure, shutting down entire industries and bringing the world's economy to the brink of an epic depression. Many leaders' and organizations' high hopes and corporate strategies in January 2020 quickly disappeared into a wilderness of uncertainty and panic. Organizations around the world had to quickly shift from the grand 2020 vision to new objectives that put many of us into survival mode.

New Norms, Same Challenge

As we begin the steady ascent out of a wilderness of social and economic uncertainty, we are faced with familiar challenges we had before the sudden descent into the unknown. Today, we are faced with challenges Drucker wrote about during the transition from the industrial age into the dawn of the information age. How do we align our organizational vision with the ever-evolving and shifting road map we need to guide us through to organizational success? The pandemic didn't create the need for more-effective practices for implementing strategy in the 21st century. It merely accelerated the demand for having an adaptive strategy process and an effective means to quickly implement and, if necessary, pivot that strategy across an entire organization.

In a [recent panel discussion](#) with experienced business leaders from [Forbes Business Development Council](#), business leaders explored the most pressing challenges of the evolving post-pandemic economy. The number one challenge the Forbes Council cited was (you guessed it) aligning the organization's vision with a strategic road map and execution plan.

Business leaders should bring the vision, strategic road map, and execution plan. They should provide a data-driven analysis to all stakeholders to get their buy-in and empower stakeholders to make decisions, establish a RACI, and set the communication protocols. Above all else, business leaders must stay engaged until the team starts operating to the level of the desired state.

—Shyam Kumar, AST LLC



Pivoting the Plan



“Everyone has a plan until they get punched in the mouth.”
— Mike Tyson

Organizations around the globe are able to sympathize with an Iron Mike opponent this past year. Leadership has always played a critical role in imagining a corporate strategy, and then turning it over to operations to implement it. But after the 2020 “punch” delivered by the global pandemic, organizations need to reimagine the way they effectively build pivots into corporate strategy through a process that quickly adapts the entire organization to the rapidly changing needs of the moment.

As leaders, we are obsessed with identifying key business problems, then putting together a plan to resolve them: We have strategy summits (in-person or virtual) and create elegant presentations and plans for turning the strategy into action. We announce those plans to the organization and ask managers and the rest of the workforce to execute that strategy while hoping our people don’t burn out in the process.

But when it comes to executing those plans, many organizations struggle, especially when those strategies and plans get disrupted by external circumstances. A recent [Harvard Business Review](#) article noted that over 67% of well-formulated strategies fail due to poor execution. **There are huge gaps between a good strategy and the execution of strategy.**

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While there are volumes of educational and advice literature written about effectively formulating strategy, very little is written, much less practiced, when it comes to effectively executing strategy. On the other end of the strategy-to-execution journey, as mentioned by the Forbes Business Council, leadership has become equally obsessed (and rightfully so) with the data analytics that give organizations critical information about the gaps between strategy and execution. In between, having an effective and adaptive strategy execution process, that is backed by data, is critical for organizations entering the new norms of constant change.

But how do leaders effectively achieve the long-term and short-term goals of the organization? What does it take to democratize the strategy throughout the entire organization? And how do we keep those executing the strategy highly engaged, upskilling our talent and leaders while achieving critical business objectives?

The Guide to Strategy Execution

The first thing many organizational leaders do, in an effort to address the challenge of turning strategy into action, is to look for a “silver bullet” solution to executing business strategy. They often research and invest in a popular process they want leaders to learn in order to better implement strategy.

Others may buy into the idea that a software solution will help lead their organization out of the deep forest of strategy execution. And while an effective process improvement or software solution may appear to be a viable business investment, if you don't have the means to integrate that process or solution into the lifeblood (day-to-day operations) of your organization, you may be wasting critical time, money, and resources.

Soon after the implementation phase ends, managers and employees don't always understand why they need to use the software, or embrace the new process, because they don't know how it helps them accomplish their individual or team goals. They don't see how this change initiative will help them advance their career or make a meaningful contribution to the company's strategic efforts.

Before you purchase any software, or invest in a strategy execution process, you need a framework for what you want to achieve and how you're going to achieve it. You need to make sure that your approach to managing this change initiative isn't disruptive to the performance process of your organization. Instead, it should enhance the individual employee experience.

Any new software that's perceived as merely a new trend or fad, or process that feels imposed on those tasked with executing the details of the new process, will cause major disruption in an organization. Leaders at every level of the organization need to take part in building a bridge between strategy and execution. That is, your strategy execution process should be built into processes that already exist within the organization.



Agile Strategy

Many organizations are turning to shorter cycles to implement and evaluate the effectiveness of their strategy execution. Long past are the days of setting an annual corporate strategy, announcing the top three goals of the organization for the year, and then sending everyone off to their departments, teams, and individual roles to find ways to contribute.

Today, especially after the lessons learned from a global pandemic, organizations can't afford to wait a year, or even a quarter, to effectively evaluate how the strategy is performing against desired and predicted business outcomes. For years, HR leaders have attempted to address a similar and related issue — how to effectively align and evaluate performance.

For instance, in a [2018 white paper on Continuous Performance Innovation](#), HR Thought Leader Josh Bersin noted:

Over the last two decades, we've seen a steady shift away from the “competitive evaluation” model (rate and rank people) to what I call the “coaching and distribution” mode (growth mindset). Ten years ago, about 75% of companies were in the former model (evaluation), today over 75% are in the latter model (growth). But the benefits of moving to a continuous performance model aren't limited to less time and hassle doing performance reviews. Continuous performance effectively aligns a flexible performance process with a flexible strategy and execution plan.

A Winning Formula for Strategy Execution



Continuous Performance Management (CPM)

The basic premise of Continuous Performance is to regularly set shorter (two- to 12-week) performance cycles. This iterative team and individual goal process aligns well with the organization's quarterly objectives and annual strategy. While some organizations have ditched their annual performance reviews altogether, the flexibility of Continuous Performance affords organizations to “check in” on performance on a regular basis, then decide how they would like to evaluate performance in accordance with cultural norms and the organizational strategy.

Once these shorter, more agile goals are in place, team leaders, managers, and individual employees consistently meet to discuss and document important conversations around the progress and challenges related to pursuing their performance objectives. One-to-one meetings between a leader and an individual employee are opportunities for individual talent to discuss and document their progress toward performance goals and their contribution to overall organizational objectives and strategy.

A Winning Formula for Strategy Execution

Continued

In addition to discussing progress and challenges, one-to-one meetings afford individuals to address their motivational outlooks and development needs. Executing strategy and pursuing important objectives isn't just a numbers game. Individuals and teams pursuing these important objectives have real human needs that should be regularly assessed and discussed, along with the business timelines, tasks, and numbers your organization is pursuing.

Similarly, Team Leaders should naturally use a portion of their daily stand-ups or weekly team meetings to discuss the team's progress on objectives as they relate to corporate strategy. In addition to progress updates, Team Leaders should use these continuous performance conversations to evaluate team norms, performance, and process challenges, as well as assess the psychological needs and safety of the team.



These conversations not only ensure that insights are gained on progress toward critical business objectives, they also afford individuals, managers, and team leadership to engage the human aspect of pursuing goals and executing strategy. Consider a few questions to help you think through the various aspects affecting performance:

- ☑ **Are team members and individuals optimally motivated and are they actively developing the skills and knowledge they need to thrive in their roles or effectively achieve the goals they are pursuing?**
- ☑ **Are there any course corrections the team needs to make?**
- ☑ **Are there any pivots the team or organization needs to make to align with the strategy of the organization or needs of their client?**

Without regular one-to-one and team conversations, strategy execution is in orbit around the dark side of the moon without any real knowledge — outside of financial numbers, which don't always tell the true story — of how the organization is performing in alignment to the strategy.

A Winning Formula for Strategy Execution

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Objectives and Key Results (OKRs)

All great performance starts with clear and motivating goals or objectives. Many companies have moved to modern goal practices like OKRs (Objectives and Key Results) to effectively execute strategy throughout an organization, while keeping a scoreboard on progress toward achieving organizational objectives aligned to that strategy.

But OKRs don't just provide a viable way to implement strategy throughout the organization; they also provide the perfect foundation for Continuous Performance Management! We've [written extensively about these topics at Inspire Software](#), but very little literature exists on how to effectively integrate OKRs into a Continuous Performance process.

Conversations, Feedback, and Recognition (CFRs)

One of the most effective ways to integrate OKRs into performance is through a practice called CFRs (yes, another three-letter acronym), which stands for Conversations, Feedback, and Recognition.

It's long been known that there is an art and a science to having effective conversations, giving and receiving meaningful feedback, and highlighting motivating recognition opportunities. Organizations shouldn't just purchase OKR software and expect to plug it into their performance management process for excellent results.

Additionally, your organization shouldn't just have general conversations, feedback, and recognition practices. Rather, it should be committed to the quality of those practices. If managers have random, unrelated conversations about performance, give unhelpful feedback, or create recognition programs that work contrary to what actually motivates employees, it could undermine the organization's culture and strategic execution.

The practice of CFRs, as part of the pursuit of OKRs, is the foundation of Continuous Performance and serves as the essence of effective strategy execution and employee engagement. Continuous Conversations, Feedback, and Recognition practices are how leaders at every level of an organization — including individual talent — stay highly engaged, motivated, and productive in the pursuit of meaningful goals that are aligned with the organization's strategy.

How can CFRs help leaders execute their strategy? How do leaders practice CFRs in a way that not only achieves business results, but also meets the psychological needs and increases engagement of employees throughout the organization?

The Details of Strategy Execution

Continuous Conversations

We are naturally social creatures, and that applies to work as much as any other area of our lives. Employees need ongoing dialogue about their work, their aspirations, and their place in the organization — and how those pieces fit together. This helps to shape the employee experience, guiding them from task to role to purpose, which ultimately gives meaning to their daily workflow. The challenge is that conversations can happen anywhere these days — email, phone, chat, Slack, Zoom, performance management tool, task management tool, and more. Especially as workers continue to decentralize and spread out across the globe or from home, it's more important than ever that your organization's goals and strategy are closely integrated with where these regular conversations take place. It's even more important that these conversations integrate an effective leadership framework that structures an otherwise subjective experience.

Leadership's Influence on Continuous Conversations

Many organizations struggle to have regular conversations about Team and Individual objectives on a consistent basis. They're either too busy with day-to-day business operations, or they're only focused on the financial numbers they're pursuing, believing that those numbers speak for themselves — you're either on target or you're not.

Great organizations, however, go beyond regular conversations that focus only on bottom-line and financial results. They go deeper into the human experience of work by assessing and responding to the psychological and skill development needs of their people. By having regular, human-centric conversations about the pursuit of objectives, leaders increase engagement while having a positive impact on bottom-line business results.

Continuous Feedback

At a fundamental level, soliciting feedback from your employees and opening the conversation around what they need, or ideas that they want to share, indicates that you care about growing as a leader as much as they do about developing their talent. Soliciting feedback isn't just for individuals, either — it's a two-way conversation between a leader and an individual attempting to influence each other toward higher levels of performance. Feedback, when related to pursuing a specific objective, is a critical starting point for gaining key insights.

Continuous Feedback

Continued

Our ability to give and receive feedback has an important impact on the health and success of an organization, as well as the individuals and teams executing strategy through their goals. As a 2020 Fast Company article on feedback highlights, [feedback leads to more feedback](#) in an organization, and this is a good thing for leaders at every level of an organization.

Feedback, like conversations, can take place anywhere, at any time, creating a two-way alignment between an individual's and the organization's strategy. But the difference between feedback and conversation is that feedback seeks direct, constructive direction or support to better align OKRs with the organizational strategy and an employee's place within it. Effective feedback isn't about an individual's personality or people skills, though. It's about the mitigating details about the pursuit of performance goals, especially the ones aligned to organizational strategy. Effective feedback should be anchored to performance objectives.

Feedback, when related to pursuing a specific objective, is a critical starting point for gaining key insights.

Leadership's Influence on Continuous Feedback

Developing a culture of feedback is challenging, particularly when it is only delivered once a year during a traditional annual performance review. Equally poor feedback is given only when something goes wrong and someone needs a performance improvement conversation. It's difficult for individuals to do much with feedback in the middle of putting out fires at work.

Great leaders deliver feedback on a consistent basis, in the flow of the work toward performance objectives, during one-to-one meetings with the individuals. Individual contributors learn how to effectively solicit feedback to improve their own performance toward goals. Team members increase psychological safety when feedback is given in the context of the state of performance they're in toward the goals they're pursuing.

Feedback is a skill and should be done with intention, and aligned to best practices in organizational psychology and researched-based leadership theory. When leaders give feedback randomly, or outside of the performance goal process, it can cause collateral damage in the strategic execution process and lead to low engagement and high retention, which impacts the organization through subtle financial losses. Leaders can have a positive impact on employees and the business when they effectively integrate their feedback into a continuous performance process.

Continuous Recognition



“I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.” — Maya Angelou

Recognition is a hot topic these days, as it should be. A Harvard Business Review article during the pandemic [highlighted research](#) showing that “gratitude is proven to show improvements in self-esteem, achieving career goals, decision-making, productivity, and resilience.” In other words, a simple thank-you goes a long way, but an effective recognition program, integrated into the performance process, can have a huge positive impact on strategy execution and organizational success.

The key is that recognition of individual performance is aligned with setting goals, effectively pursuing them on time and on target, and receiving appreciation for the employee’s efforts. Creating a positive recognition loop for high performance is critical for high engagement and goal achievement that is aligned with corporate strategy.

Leadership’s Influence on Recognition

Leadership can leverage effective recognition practices to help organizations promote and celebrate core company values while optimally motivating individual employees for outstanding performance. When leaders recognize teams and individuals for great performance, they’re not only “rewarding” great work on an external level, they’re promoting best practices within the heart and soul of the organization.

Effective recognition should be frequent, specific, and timely. [Gallup research](#) says recognition should happen at least every seven days. Continuous performance allows for recognition to naturally flow through the regular one-to-one conversations with individuals and team members.

Recognition needs to be specific. As with feedback, don’t just say, “Great job!” Make sure the person you’re recognizing — as well as those who see or hear about the recognition — understand exactly what the person did and why it was a great job. Mention the details about their attitude or tasks. Don’t be vague. When people realize that you really know what they do, the impact can be significant for them and the culture you’re in.

Continuous Recognition

Continued

Finally, effective recognition should be timely. Timely recognition is close to the action of pursuing objectives or goals. When you see great work being done, recognize and appreciate it as close to the time it was done as possible. When we wait for a quarterly review or a company or team meeting in order to give public recognition, too much time has gone by from the moment the recognition would have had the most impact.

Leaders play a critical role in making sure that the recognition of employees has a positive impact on the human experience at work, as well as the bottom-line business results of the organization. Recognition shouldn't happen in a vacuum. It should happen in the context of performance and in a manner that is timely and authentic. Some leaders may be unintentionally sabotaging themselves and the goals of the organization by treating recognition as a stand-alone practice. Effective leadership practices integrate Recognition into a Continuous Performance cadence, in alignment with timely conversations and feedback opportunities that help optimize performance at a team and individual level, while ensuring effective strategic execution at an organizational level.



Summary

To achieve better execution and create a high-performance organization, you need to connect the dots between setting goals (OKRs) and performance (CPM), and effective leaders know the way to do this is by bridging the two through continuous Conversations, Feedback, and Recognition (CFR) practices.

Inspire Software to Inspire Your People to New Heights

Once the foundation of OKRs is in place, it's time to engage your people further in the process of delivering on strategy. Inspire Software can help employees lean into this new methodology by creating places for them to collaborate, get feedback and coaching, and recognize and celebrate when they are successful.

We'd love to help your organization bring all of your most critical business and people needs together through one integrated and effective OKR and continuous performance management platform.

Find out more about how to build leaders at all levels in your organization while improving bottom-line business results.

[Get Started](#)



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