

A Book Report on
The Power of Strategic Commitment

(Achieving Extraordinary Results Through Total Alignment and Engagement)

By Josh Leibner, Gershon Mader & Alan Weiss, Ph.D.

(Book Report by Gary Tomlinson)

Preface:

To take your company to the next level, you constantly strive for that magical combination of top talent, superior leadership, critical resources and canny strategy. But those elements – separately or in combination – will never achieve their ultimate value without commitment. Not the throwaway, rah-rah variety that dissipates as easily as it was created; but genuine, lasting engagement on the part of every single person in the organization. It's real, it's measurable, and, yes, you can build it.

The authors demonstrate that by establishing quantifiable components of motivation and engagement, any business (yours) can turn Compliance (essentially doing everything right, but by adhering to rules and consequences) into Commitment – doing everything extraordinarily well, all the time, because of real interest in the success of the project at hand and the continued growth of the organization.

Like most business issues, the level of commitment you can expect from your employees will be determined by what's projected from the top. The reason many well-designed initiatives end up falling short or failing outright is that employees sense immediately if senior management does or does not have the resources, structures and sheer guts to follow through on all grand visions they generated at the last strategic planning session. Too often strategic planning is when you go offsite as a team, agree on a bunch of priorities for the year, then go back to work and do what you were going to do anyway. This lack of resolve then permeates every level, department and individual in your workplace.

With *The Power of Strategic Commitment*, you'll not only learn how to create and communicate initiatives that have inherent value (Content), you'll also learn how to show and build belief in the lasting importance of those initiatives to both the organization and each employee (Context). This critical combination in turn results in the ability to:

- Hire and retain only fully engaged talent.
- Involve everyone in creating the future of the organization – and their own future within it.
- Continuously measure and increase buy-in at every level.
- Customize commitment strategies for each employee (it's easier than it sounds).
- Create a commitment-inspiring rewards system (without breaking the bank).
- Keep everyone's eyes on the prize – the achievement and surpassing of stated goals.

The Power of Strategic Commitment not only shows you what that level of engagement looks like, it also gives you the tools and proven methodologies to achieve it, measure it, track it and maintain it. No matter how well they are planned, strategic initiatives large and small are doomed to fail if the people charged with executing them don't believe in them. Creating and sustaining that sort of buy-in may seem like a tall order, but it's imperative if you want to stay ahead of your competition. And it starts with leadership and management – **it starts with you!**

The Power of Strategic Commitment lays out a blueprint for moving beyond compliance that is the norm at all too many companies, toward that magical point where every initiative is not only accepted but supported – even embraced – by every employee at every level.

Chapter 1: Why Commitment Trumps Compliance

The attainment of strategic goals is the lifeblood of any organization. Whether for-profit, nonprofit, local, global, large, small, service or manufacturing, entities will drift, decline and die if they aren't in pursuit of a managed, intelligent future.

Ideally, every employee should be acting in concert with that future – the strategic goals of the organization. The larger the organization, the more important it is because there is more chance of people going astray. Think of an athletic team (football, soccer) where a third of the players aren't executing on the plays called to score. That's why *commitment* – the innate willingness of people to follow and contribute – always trumps *compliance* – the forced adherence to plans created through manipulation, punishment and coercion.

Even the most successful organizations don't operate at their full potential. Our unequivocal experience on a global basis is that leaders do not believe their organizations are performing anywhere near their full potential (never mind “raising the bar”). Before you write that notion off because you think good leaders always demand a “stretch” from their people while bad leaders always demand mindless growth, consider these factors.

1. Business is more complex today than ever before, and it is growing more complex by the hour.
2. Agility and responsiveness are now among the most important qualities for any organization.
3. Tom Friedman is absolutely accurate in his assessment of the world being flat.
4. Matrix management is growing more common externally, not just internally. Employees can often report to a multiplicity of functions and superiors in multiple locations.
5. Customers have more choices than ever. And customers want to reduce their complexity while the seller or provider is experiencing increased complexity. It is tougher than ever for consumers to make purchase decisions because there are too many options. One way to reduce complexity is for customers to seek out trusting, loyal and valued relationships, which tend to be immune from price

comparison and commodity thinking. In other words, if I can trust you to choose my product or service, you've reduced my complexity and I'm willing to pay more for than. Trust is encouraged in a myriad of business areas when strategic commitment creates two dynamics: 1) fewer choices because of clear goals and 2) the trust in others generated by the agreement on common goals, thus enabling delegated and shared decision making.

6. Through this entire minefield there is one great constant: people. No matter how complex and sophisticated the landscape, success is, more than ever, a function of how people interact, collaborate, communicate and respond. These are all fundamental attributes of successful execution, which is what distinguishes the good from the great, the winners from the losers.

It's a question of now or never. Many organizations are locked into "causes" and "missions" that feature differences without a distinction: shareholder value, customer-driven value, just-in-time service – you name it. Yet they tend to miss the most important true difference in their potential improvement of performance and culture – namely that *commitment is entirely distinct from compliance.*

Organizational commitment to a CEO's strategy is a key factor, perhaps the key factor, in the success of strategy and its organizational objectives. The degree to which employees will travel the last mile to execute that strategy makes the difference between stellar results and mediocrity and sometimes any results at all.

Why, then, is this such a mystery for executives?

Most leaders confuse compliance with commitment. The type of commitment to which we have been referring is absent in most organizations – that's right, *most*. Compounding the crime is the fact that leadership doesn't realize it. Most leaders assume that commitment is never a problem, largely because most leaders assume everyone is equally committed.

Generating commitment requires great courage. Generating commitment is possible for any leadership team willing to follow some simple rules. The first rule is the toughest: brutal honesty. The top team must confront the need for commitment and the current lack thereof. Managers don't want to admit that they are leading a unit with less than total commitment. Yet only when leaders are willing to "own" the current state of affairs and admit to themselves that they have caused the current levels of apathy, resistance or resignation, can they begin to address and improve the situation.

That's because you cannot "fix" lack of commitment without addressing the cause, and the cause is almost always leadership's failure to appreciate the priority of commitment. The first step in gaining and/or improving commitment is for leaders to admit to their accountability for the current lack of commitment. If leadership doesn't look into the mirror, nothing will change about the image.

The greatest single factor in behavior change in organizations is the avatar – that person to whom others look for examples of action. It doesn't matter what kind of organization it is. Within any organization, people don't believe what they read or what they hear. They only believe what they see. But if they see leaders who strive to *build* commitment, then they will do the same. It's that tough. It's that courageous. And it's that simple.

Chapter 2: What is Strategic Commitment?

Most corporate initiatives fail. Research estimates that as much as 90% of all corporate strategies are not executed successfully. Why do some organizations, albeit a minority, succeed in their initiatives and strategies while most stumble like a drunkard walking on cobblestones?

Because there is commitment and then there is *commitment*.

Everyone would readily agree that commitment is important, yet most firms too readily accept compliance masquerading as commitment. *Compliance* is the acceptance of alternatives by the workforce because there is no choice and there are often penalties for noncompliance. *Commitment* is the vigorous, voluntary support of initiatives by the workforce that they participate in formulating and/or implementing, and for which they take complete ownership.

What drives true commitment? True commitment is a function of leaders focusing on both the *content* and *context* aspects of their strategy. Strategic commitment is a condition of total ownership and alignment for the organization's direction and goals, and a self-imposed accountability for success.

Most "commitment" does not involve these elements to this degree. Hence, beyond "compliance" there is a "pseudo commitment" wherein employees feel aware of, and even interested in, the organization's direction and goals, yet they are not supportive. That's why there is "commitment" and then *commitment* – which we're calling Strategic Commitment. The later state only occurs when employees are passionately sharing in the ownership and accountability for achieving new levels and standards.

Commitment starts with the leader, permeates through the senior ranks, and then "infects" everyone with a willingness and urgency to reach new heights through personal accountability and improvement.

The heart of Strategic Commitment: Content and Context. There are two key dimensions to gaining and perpetuating strategic commitment: *content* (which most executives understand) and *context* (which is usually ignored).

Content includes two drivers: Validity and Clarity. Validity answers the question "can we be certain that this strategy, at this time, with these assumptions, is the right one for our organization." And Clarity ensures that everyone understands the content of the strategy.

These two drivers, validity and clarity, may satisfy the executive team that strategy is well in hand and that the key issue is now ensuring that everyone in the organization understands it. However, that is seldom the reality.

The Drivers of Context: Getting people behind the strategy doesn't begin and end with perfecting its content. The CEO must also focus on the *context* of the strategy – people's decisive beliefs that ultimately determine success or failure. These beliefs fall into four categories:

1. Whether leaders and managers are perceived as *credible* and *sincere*. Do people believe the leaders and managers will be straight with them about what is really going on?
2. Whether leaders and managers are perceived as having the *courage* and *resolve* to see the strategy through. Will they be open to hearing the real, often negative feedback, and will they have the guts to deal with the real issues? Will they stay the course in the face of adversity?
3. Whether the leaders are perceived as *competent* in creating and executing the strategy. Do people believe their leaders know what they are doing?
4. Whether people believe their leaders and managers truly *care* about the impact of the initiatives on them. Will the leaders and managers ensure that people see the benefits, are able to contribute and are recognized for that contribution? Will management care about them as human beings or will they view them as mere instruments to achieve their goals?

Organizations whose strategy is valid and clear (high on content) but whose employees don't trust their leaders' credibility, courage, competence and care (low on context) will at best produce an environment of uninspired compliance. While employees may well understand the plan and believe it is right, they won't believe their leaders will be able to implement the plan. Hence, they will resort to "going along" with little sense of ownership, enthusiasm and commitment.

Conversely, if context is high and content is low, employees will be highly motivated to make a weak strategy work. Eventually, however, their excitement won't be enough to overcome the bad plan and weak structure. The result will be failure coupled with cynicism and resignation.

But when content and context are both high, everyone will believe in the plan – and in the leaders' ability to make it happen in ways that aren't injurious to people's careers. This will produce a state of strategic commitment, one in which everyone understands and believes the strategy and feels total ownership and accountability to make it happen.

Chapter 3: Working Back from the Future – How to Generate Strategic Commitment

Once a CEO is clear about the need for strategic commitment and embraces the premise that compliance pales compared to genuine commitment, which can only be achieved by

addressing content and context issues, the key to success is “how.” The important milestones for a leadership team on this journey are as follows:

1. Evaluate the current state of the organization to assess and improve the leaders’ ownership for the changes required.
2. Build a candid, cohesive, trusting team environment that recognizes and treasures mutual competence (instead of competition), and an environment in which truth is prized beyond deals and backroom agreements. This step addresses all context issues, expanding the team’s capacity to develop and implement a strategy.
3. Create and align the leadership team behind a compelling and challenging strategy (the future state). This is the powerful *content* for the strategic execution.
4. Once the leadership team is unequivocally united behind the content and context, reach down to the rest of the organization to create alignment and engagement.
5. Reach out next to all key stakeholders, including customers, to create a unity that is seamless, crosses departmental boundaries and aligns priorities.
6. Take action to ensure that the new content and context become the norm and are *sustainable*, building unstoppable momentum toward the intended strategic goals.

Crafting a bold and compelling future: Mission statements, vision statements, strategic intent, purpose, credo, BHAGs (big, hairy, audacious goals) and all the labels for defining strategy, direction and organizational goals seem endless. And yet the poor record of change initiatives says something is missing. To craft a bold and compelling strategy, the CEO and his team must address certain fundamental principles, not a mantra of “vision, mission, values” or a jumble of acronyms.

With respect to the *content* of the strategy, these principles are as follows:

- The leaders must clearly and simply state the “what of the strategy, and within what corresponding time frame. In defining the “what” of the strategy, the leadership team must specify the results that will determine success. Answers to three categories of questions should vividly describe the firm’s unique capabilities and the kind of future they are committed to building:
 1. What will we uniquely provide, deliver or impact? What will be our unique capability and value?
 2. What will be our distinct level of quality, performance or delivery?
 3. What kind of team will we be? What will uniquely characterize our internal culture and working dynamics?
- Once the “what” has been established, the leadership team can begin to design the “how” – the milestones, initiatives, action plans and accountabilities necessary for fulfilling the end state. Too often, effective action is displaced by unproductive busy work because people are working on “how” without understanding the “what.” By clearly articulating the “what” and then the “how” of the strategy, leaders focus people on outcomes, not on activities. CEOs who establish explicit direction and outcomes give people unambiguous guide-posts to focus priorities.
- The strategy must be bold enough to force the organization to be far more effective. It must require people to stretch themselves to a new level of

performance. Generating clarity alone is not sufficient; being crystal clear about a direction that will deliver merely incremental improvements will not inspire people. Their ambitious goals inspire innovation, the relentless pursuit of improvement and a drive for success. Ritz-Carlton takes this approach, Sheraton does not. The employees reflect that difference and the guests experience that difference.

- Everyone must see the strategy as valid and complete. People must understand why it is needed and (at the outset) have some idea about how they can help achieve it. They must also believe that nothing essential is missing or minimized. The strategy must be explicit enough so everyone is marching in the same direction, yet not so detailed that it prohibits individual creativity.

With respect to the context of the strategy, these principles must be followed:

- Leaders must relate to the strategic objectives as promises rather than goals. An attitude of “we’ll do our best, but if it fails we aren’t responsible” almost guarantees that it will fail. By making no promises, people will feel no personal or collective risk. Getting people to promise results (i.e. achieving specific goals in a definite time frame, rather than focusing on tasks and activities) creates a much more powerful attitude. Getting people to promise an outcome will shape the way they view the task. By promising results, people become interested in everything and everyone who could affect the outcome.
- The executives must be in total alignment on the strategy, not merely consensus. Team members in total alignment fully own the direction regardless of whether they had direct input into it.
- The executive team must own the new direction unconditionally.

Chapter 4: Pushing Through the Thermal Layer – How to Engage Middle Managers in Strategic Commitment

The following scenario unfolds every day in organizations of every size around the world: The CEO and the top management team unveil a strategic plan or a new initiative to dozens of executives and managers beneath them in the hierarchy. Senior management implores these mid-level managers to get on board because the initiative is crucial to the success – and possibly even the survival – of the organization. After the top executives present the plan (often in a town hall-type meeting), the mid-level managers wander out into the hall, grumbling about what they just heard. The “un” and “im” words fill the air: “unrealistic,” “unfathomable,” “unnecessary,” “unclear,” “unwise,” “impossible,” “impractical,” “unbelievable,” followed by a few “whatevers.”

Of course the \$64,000 question is: How is alignment and engagement of the middle managers rapidly accomplished?

The CEO and his leaders must be perceived as fully owning both the content and context of their strategy. They cannot delegate it to others. If people perceive that either the content or the context has been “outsourced” they will quickly become cynical, lose

commitment and simply go through the motions. The CEO and his/her leaders must always be viewed as the owners of the strategy.

Context issues are more complex from the standpoint of who owns them. In some organizations, the CEO and company leaders will say that “everyone” is responsible. However, we all know that when “everyone” is accountable “no one” is. Context issues must not appear as second in importance to the strategy and financial objectives. They must show up as a top priority.

Engaging your managers, or employees for that matter, cannot be done by sending out a memo or slide deck; it requires the leader and his team to have a robust dialogue with middle managers about the content of the strategy and directly address the context issues. HR or communication departments can and should support the creation and delivery of the content. However, the communication must come from, and be fully owned by, the leader, and it must be expressed in the CEO’s own personal style. Even after the initial unveiling discussions, the CEO must have two-way dialogues with all parties to continuously update the content and address issues of context.

Managers must be told the truth about why changes are required, what the likely outcomes will be (including layoffs, if they’re likely), and what will be decided at a later date. It’s about full disclosure. Without it, managers will withhold their full commitment.

Offer to listen...then demonstrate that you have heard. To keep managers and employees on board with the initiative, they must trust that the CEO and the top team will live up to their commitments. They must feel that if they devote themselves to this effort they will not be let down.

Besides understanding the scope and rationale of the change initiative, managers must believe they will have meaningful input and that their contributions will be valued. At the early stages of engaging everyone in the new direction, it is critical to generate a strong partnership between the leadership team and the managers.

There are, however, barriers to engaging middle managers.

- Middle managers usually carry a great deal of baggage because they’ve been around longest and they’ve seen CEOs come and go. They have known CEOs who weren’t sincere, courageous or competent enough to carry out their plans.
- They’ve also seen many commitments that were made and not followed through on. The more initiatives they’ve seen started but not completed, the more cynical they will be about the initiative. Slogans such as “Flavor of the month” and “This too shall pass” are the clear scars of these experiences.
- They feel they know best what is needed, yet they are least consulted on how to do it.
- They often believe that voicing the most sensitive issues could get them into trouble, especially in an environment where they doubt the willingness of their

- leaders to face and address the real issues; they do not want to be labeled as troublemakers or as “not on board with the program.”
- They feel unheard, unvalued and unappreciated. They often feel those in the ivory tower are making decisions that are ignorant of the true conditions on the ground. They feel that the politics and conflicts above them force them to choose sides on issues, even when choosing sides is detrimental to operating effectively.

When middle managers are engaged effectively, it is magical. It unleashes a level of energy and excitement throughout the organization – a “buzz” – and generates an environment of unmistakable ownership, commitment and accountability.

A word of caution: Even after the middle managers are on board, the CEO and his team cannot and must not stop leading from the front. They must always be readily seen, atop the horse, leading the way into the battle.

Chapter 5: Leading From the Front

Every organization is a reflection of its leadership. More specifically, every organization is only as strong or as weak as its leaders. Hence, if CEOs want to bring about change they must start at the top – personally and then with their direct reports. In order to generate the power of strategic commitment the CEO must “lead from the front.”

The most powerful and inspiring CEOs are those who truly hold themselves accountable for everything – and they consider it a privilege, not a burden or obligation. When things go well they give the credit to others and when things go badly they take personal responsibility. They look to see where they can provide greater leadership in direction, demand for excellence, or inspiration and motivation in order to correct things and elevate their teams. They view the orientation around blame and fault as cancerous, so when things go wrong they avoid asking “Whose fault is it?” and orient themselves and their people around conversations that make a difference: “What’s missing?” “What’s in the way?” “What needs to be corrected?” and “What can we learn from this?” In short, they seek *cause, not blame*. They understand that the most important thing to do with bad past events is to learn as much as possible from them.

Powerful CEOs view other people’s elevation and achievements as their own personal achievement hence, they are oriented around motivating, elevating, empowering, coaching and developing people. They are not threatened by others’ successes or stature. They put their egos aside and see their mission in life as achieving great results through extremely empowered people. And this keeps them humble. The role of leaders should be to develop their successors and their true test is they are able to develop leaders around them who are greater and stronger than they are.

A change initiative is a personal commitment for the CEO; so before taking it on, the CEO should ask a series of questions to determine if he/she is truly committed and ready for the journey:

- Do I have a clear sense of where I am headed? Do I know where I want to be, even if I don't know how to get there?
- Am I convinced that the way it is today is not good enough?
- Do I have what it takes to follow through, no matter how difficult, messy and uncomfortable it may get? Do I have the courage, the patience and the energy?
- Will I doubt, second-guess or reduce my passion when things become turbulent?
- Will I give up and allow the initiative to fall between the cracks when the going gets tough or the results don't show up fast enough?
- Will I stay the course even if it is uncomfortable or I look bad for a while and feel inadequate along the way?
- Do I have tolerance for things to get worse before they get better (in change initiatives this is often the case)?
- Will I commit to driving the desired business results by engaging, inspiring, empowering and motivating people?
- Will I commit to generating an environment of open, honest and real communication? Will I support an environment where people tell the truth (no lip service and lies) and give honest feedback even about the tough subjects, including about my leaders and me, and where commitment not compliance is the standard? Or will I only be open when there is good news, which will inevitably breed silos, politics and fear?
- Will I dedicate the time and effort to mentor, coach, and elevate my leaders?
- Will I invest the time and effort to engage my organization and ensure my people experience me as available, accessible and feel my presence?
- Will I commit to leading from the front and always taking the view that I am the source of the good and the bad things that are happening in this organization? Or will I blame others and circumstances when things don't go well?
- Will I make clear declarations and put my reputation on the line when my own superiors and the board about where I'm headed and how I'll lead to get there?

The Resume of the Senior Leadership Team: Ten Essential Leadership

Competencies and Qualities. The senior leadership team must also do the same – hold themselves accountable for leading from the front and leading by example, thereby being powerful role models. It doesn't matter what people read and hear because they will watch how the CEO and top team members are behaving and will take their cues from them.

There are ten leadership qualities and competencies that leaders must individually and collectively internalize and demonstrate to meet this challenge. They are:

1. Orient around making a difference, rather than protecting ego and status.
2. Make the vision come alive in a meaningful way.
3. Be authentic.
4. Operate with integrity.
5. Act with boldness and courage.
6. Have other's backs unconditionally.
7. Communicate openly and honestly.

8. Generate passion, energy and enthusiasm.
9. Build and empower leaders around them.
10. Be committed to development and growth.

Chapter 6: Taking a Stand–The Key to Strategic Commitment

People will commit to leaders who dramatically manifest that the stake is in the ground and they do not intend to retreat. There are countless examples of leaders helping people overcome what seemed like insurmountable odds or overwhelming opinion to the contrary, by taking a stand and then standing their ground.

When the going gets tough, you're finally making progress. Organizations either have great results that provide great stories or merely great stories about why they don't have great results. We have found that the vast majority of organizational dysfunctionality and ineffectiveness is due to the lack of an unequivocal stand on the part of the leader, which is often due to a lack of sufficient courage. People often wait for the right circumstances to be courageous. But being courageous is not the absence of fear; it is being afraid and still acting in accordance with one's stand and commitment.

The leaders of any organization must choose if they want to generate a bold future for the organization that is based in their vision and commitment – what we call a future by design – or let the inertia of their history determine their fate – we call that a future by default.

Once leaders take a stand, they must get the rest of their managers and employees to do the same. This unfolds as follows:

- The hallway conversations begin to change as more and more people get on board. In the absence of the organization taking a deliberate stand, the watercooler conversations are more apathetic, cynical, resistant and skeptical. As the leaders step up, people move toward compliance, curiosity, and ultimately ownership, commitment and accountability.
- The more people take a stand for the future of the organization, the more you will have an environment of strategic commitment.
- It is unrealistic to expect 100 percent of the organization to be at the highest rung of the ladder 100 percent of the time. There will always be a spread. The CEO's job is to continue to move people up the ladder, from apathy to showing curiosity to being fully committed to the desired future. Obviously, the further up this ladder people are the more owners and partners the CEO will have in pursuing organizational objectives. This is not about reaching perfection; it's about continuing to drive progress.
- To generate an environment of strategic commitment, the CEO and others in leadership must create an environment in which people are coached, encouraged, invited and demanded to move up the ladder. Their job is to continue to communicate about, and enroll people in, the possibility represented by the new future and the critical role everyone can play in realizing it.

The leader's road is often a tough one, but a critical one to establish and travel. Here is some advice:

- Taking a stand doesn't mean that things will progress smoothly. On the contrary, often it is the opposite. When leaders take a stand they are deliberately bringing up and inviting challenges, issues, gaps and dysfunctions that were previously under the carpet so that these matters can be addressed.
- After taking a stand, leaders often feel that things have gotten worse rather than better. "This is not because things have actually deteriorated since you've taken a stand," we tell them. "It's just that you are more attuned to what is going on; you can see better!" Part of the courage that is required from leaders when taking a stand is to be willing to tolerate the fact that things will get worse (or seem worse) before they get better; the numbers go down before going up. This is the Achilles heel of many leaders. They can't tolerate things getting worse so they continue to play the same game at the same level. They won't rock the boat. (One of the tough things about the fog lifting is that you see what the fog was hiding.)
- When leaders take bolder stands they commit to bigger objectives and deliverables and it is inevitable that eventually they'll have setbacks in their commitment. They'll promise ten and deliver three or even less. But that's better than promising two and delivering two, or not promising anything at all.
- When there are failures in delivery, leaders will have two ways to approach it. One way takes you backward, while the other helps move things toward the desired future, strengthens the organization and increases the likelihood of future successes. There are only two things you can do with your past failures. Either use them to elevate your game or use them to justify why you can't do better.

Chapter 7: Building and Restoring Trust – Essential Competencies for Generating Strategic Commitment

As a starting point, we must recognize that trust, like beauty, means different things to different people. For example, someone might say, "I don't trust her because she's never on time." And yet someone else might say that same punctuality-challenged individual, "I trust her completely – she always makes quota." In another instance, a lack of trust might be attributed not to any specific behavior, but to a kind of gut feeling: "I can't put my finger on it, but there's something about the guy that makes me suspicious."

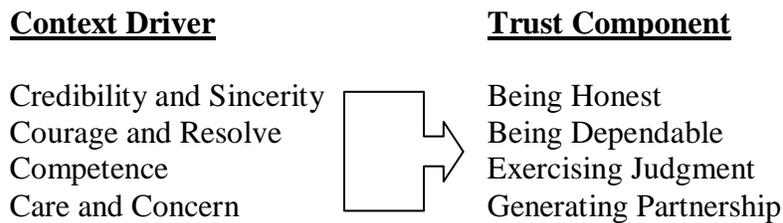
If the intent is to build an environment where one can authentically say of their leaders and coworkers "I trust them," and the coworkers and leaders can say the same in turn, we must first establish a common understanding of what is meant by the term.

A working definition: We propose that trust is a function of four distinct behavioral characteristics that together form the criteria for its assessment. These are:

1. Being Honest
 - a. Authenticity, Forthrightness, Veracity, Sincerity
2. Being Dependable
 - a. Reliability, Consistency, Follow-through
3. Exercising Judgment
 - a. Ability, Capability, Capacity, Decision Making, Wisdom
4. Generating Partnership
 - a. Mutual Support, Shared Values & Concern, Collaboration, Alliance Building

Being able to fully trust another (whether or not that trust is ever verbalized) is a function of the being genuinely satisfied with each of these criteria. To whatever degree trust is lacking, the source of the gap can always be traced to one or more of the four dimensions described above.

These four characteristics of trust also link directly to the four context drivers of strategic commitment.



Being honest and authentic directly supports people’s assessment of their leader’s credibility and sincerity. Demonstrating courage and resolve means that one acts dependably in the face of fear, discomfort or difficult circumstances. Real competency is demonstrated by exercising sound judgment; otherwise is it merely knowledge, not competence. And care and concern are evidenced by the degree to which people are able to build partnerships across functions, levels and geographies.

Five Steps to Recovering and Building Trust: Once you make the choice to invest the time and energy in building or restoring trust, how to proceed is another matter. We suggest a format designed to allow individuals and teams to systematically address areas and issues wherein trust is missing, and that can be utilized in any location private conversations can occur. With the full recognition that trust building is not guaranteed by any one formula or silver bullet, this robust five-step approach outlines one proven methodology.

1. **Step One – Identify the Trust Issues.** Use the trust assessment matrix to identify precisely which component or components of trust are lacking for the individual or team concerned. Example below:

Individual or Team	Being Honest	Being Dependable	Exercising Judgment	Generating Partnership
Self (the user)	+	+	=	=
Sales	+	+	=	=
Manufacturing	+	-	-	-
Finance	-	+	+	-
Roger	-	-	+	-
Paula	+	+	+	=
Michael	-	-	-	+

- + Indicates total satisfaction with the person or team of the specific trust component
- Indicates dissatisfaction with the person or team of the specific trust component
- = Indicates a neutral satisfaction with the person or team of the specific trust component
(Numbers can be used to determine degrees of satisfaction or dissatisfaction)

- 2. Step Two – Set Up an Effective Dialogue.** Request a conversation with the individual in question. Although the invitation will vary if there is a reporting relationship between the individuals, the principle is still the same – an explicit request to engage in conversation for improving something, not for punishing, persecuting or inflicting pain.
- 3. Step Three – Put the Issues on the Table.** Don’t rush into the topic at hand. Begin the face-to-face conversation by setting the stage. Begin by saying, “Thank you for being willing to have this conversation with me. Before we start, let me say what I am interested in accomplishing.” State your desire to establish a new relationship, clear something up that has been an issue for a long time (or has just become an issue), be more in partnership, improve collaboration between your groups, and so on.
- 4. Step Four – Create a New Way Forward.** In this step, rather than rushing into actions, take the time to speculate and create a new beginning. Engage in conversation to answer questions such as, “What could a great relationship look like?” “What are we committed to in our relationship?” “How would you envision us working together, ideally?” and “What could be possible – what could be accomplished – if we had really strong trust?” Once you have explored what could be possible and how it will look and feel, you should move to the final step of cementing the possibility into a new way of acting and behaving.
- 5. Step Five – Align on New Behaviors and Practices.** Establish whatever practices, behaviors and routines both parties feel are supportive of maintaining, building and cementing the space of trust and partnership you discussed in step four.

Our central claim is that breakdowns in trust can be systematically identified, addressed and transformed into opportunities for partnership and growth. There are

no shortcuts here and no guarantees. Building trust can be a tedious and arduous process, replete with setbacks, frustration, resignation and irritation. Cutting ourselves off from those with whom trust has been broken may seem the most attractive option, and in some cases it may be a legitimate course of action. But when the overall intent is to build an environment of strategic commitment – a culture of total alignment and engagement – giving up is not an option.

Chapter 8: Return on Strategic Commitment

There is no excuse for undertaking any major strategic change without expecting a return on that investment and investing in generating strategic commitment is no exception.

In fact, when strategic commitment is present, we have consistently seen extraordinary results in key categories such as:

- | | |
|----------------------------------|-----------------------------------|
| 1. Financial Performance | 5. Innovation |
| 2. Customer Service Satisfaction | 6. Cross-functional collaboration |
| 3. Quality | 7. Mergers and Acquisitions |
| 4. Safety | 8. Employee Morale, Loyalty |

A Strategic Plan Fit for Strategic Commitment: “Commitment” has a dual meaning:

1. *A declaration:* “I am committed to a cause.” It captures an inspirational future. It is a statement that shapes and establishes one’s own personal platform, vision, relationship to an idea or possibility. Action is implied, but not explicit; describable but not measurable.
2. *A promise:* “I commit to an action or deliverable outcome.” You can only commit to a specific and measurable outcome, result or action. Plus, a promise must have a clear time frame for delivery. In the case of a promise, action and deliverables are explicit, not implicit.

Both dimensions of a commitment are critical and without them something will be missing. A commitment to a direction can inspire people, but without tangible deliverables success cannot be measured and people can become cynical. People may get excited about the direction and what is being built but they are not effectively focused on action and results to actually deliver it (no promise, no results).

In light of the dual meaning of commitment, we propose a framework that includes a strategic vision, strategic promises and a process for generating both:

- *Strategic Vision* refers to a clear and concise articulation of the future that captures the essence of what the organization is aiming to become and deliver. This statement meets these criteria:
 - Expresses a future condition in the present tense. (“*We are...*,” not “*We will be...*”)

- Is bold, audacious and compelling. It requires a realistic breakthrough in organizational behavior in order for the vision to be realized.
 - Expresses *what* you will achieve, not *how* you will achieve it. It may be something you don't fully know how to achieve when creating it.
 - Establishes a unique identity. It is not something any organization could say.
 - Allows everyone in the organization to connect to it. The statement is narrow enough to have everyone march in the same direction and at the same time it allows for personal expressions, interpretations and behaviors.
- *Strategic Promises* are the few key measurable outcomes that will be used to objectively determine success for the organization. These promises:
 - Must be measurable or clearly describable (“We will achieve a 4 percent expense-to-revenue ratio,” not “We will improve expense management”). These metrics may already exist or they can be invented.
 - Answer the question, “What must we achieve?” (not “What must we do?”), so everyone will know when we have realized the vision. Again, it represents the *what*, not the *how*.
 - Must represent a realistic breakthrough from history. Strategic promises should be exciting and compelling.
 - Are always stated as outcomes, not processes (“We want 90 percent customer satisfaction with our speed of response,” not “We need to increase our speed of response so that customers are satisfied”). These are the ends, not the means.
 - Should be a total of three to six, not a list of every project that is important.
 - Address each explicit and/or implicit area in which the strategic vision establishes a need for a realistic breakthrough. For example, if the statement specifies improvements in speed, customer satisfaction, employee teamwork and innovation, these areas must be accounted for within the strategic promises.
 - Are promises, not priorities. By this we mean they are all equal in importance, rather than priorities that are ranked and get addressed in order of importance. In contrast, promises are taken on with equal priority, which often requires greater innovation to ensure they are all met, especially when resources are scarce.
- *The process* of generating a strategic vision and strategic promises is extremely important. Here are some key principles to pay attention to:
 - An open and honest environment is essential. Teams should not engage in a strategy discussion before they have sufficient trust in the openness, honesty, authenticity and courage of their conversation.
 - A state of total alignment, not consensus, is required. This alignment is driven by a clear understanding that there must be complete buy-in and ownership within the leadership group crafting the vision and promises.

This alignment will form the basis for a powerful starting place to begin to deliver the desired future state.

- The dialogue requires rigor, discipline, focus and drive combined with *patience*. People need to recognize that “fast is slow.”

Doing it right. Here are some additional and powerful guidelines when crafting the strategic vision and promises:

- *Stay oriented around the future state.* It’s about getting the team to totally own and identify with the future state, not about getting sexy words on paper.
- *Take the time to ensure that people truly know what they are talking about* before trying to figure out how to come up with slogans and fancy phrases. We constantly find that people are so jaded (from so many strategic planning exercises!) that everything seems like everything else. So people often get stuck on a word or phrase because they haven’t sufficiently discussed and generated clarity and alignment around what they are really trying to say. Generally, we have found that people lack the patience and rigor to articulate things at a level that truly distinguishes new ideas and commitments. Instead, everything is general and vague.
- *Be rigorous.* Don’t let people’s lack of patience and tolerance determine the depth of the dialogue. Actually spend the time necessary to drive clarity and authentic alignment; it will pay off in implementation.
- Remember that *there are no true or false, right or wrong answers*, only choices to be made by the leaders (that is their job) and being fully responsible for those choices.
- *Focus on progress not perfection!* It’s about movement, not the ideal. When people surrender to the process is it magical.
- *Consult experts when necessary.* We have talked a lot about using outside expertise for content of the strategy. To get the most out of outside consultants and experts, remember the biggest rule is that you must always own the process and outcome (you learn to fish rather than merely receive more fishes). Never abdicate that core responsibility.
- *Use and/or call in your HR leaders and experts as needed.* But if you do that, you have to make sure they can and will take the game to the next level. Our perspective is that HR should “lead, follow or get out of the way.”

Chapter Nine: Lead, Follow or Get Out of the Way – HR at the Crossroads – The Role of HR in Generating Strategic Commitment

Can HR actually help? Based on history, no! Our experience shows that if you go to most companies and gauge internal function and lines of business (human resources’ customers) in an informal honest conversation about their perceptions of the HR department, they will often describe HR in unfavorable terms, as “difficult to deal with, a

necessary evil, inflexible, complex, academic, out of touch, focused on its own agenda, political, weak and ineffective, not customer-oriented, irrelevant,” or as a department that “doesn’t understand our business, and is helpful mainly (or only) on technical or compliance-related items.”

Other than that, they’re great! It shouldn’t be a shock that the overall reputation of human resources in most companies is a low one. HR is often considered old-fashioned, bureaucratic and cumbersome to deal with. (Name three Fortune 500 Firms that have promoted an HR executive to CEO in the past ten years. You can’t!)

HR can help, but needs your help. HR can become the driver of change, but only if the CEO truly owns the process. In order for HR to generate an environment of strategic commitment throughout the organization, it needs to generate an environment of strategic commitment within its own team! HR has to be a role model and demonstrate the power of strategic commitment first.

HR can lead the change and add great value, or it can play a passive role and merely follow the process. In the worst case, HR can impede a change initiative by acting only as the guardian of corporate resources and developmental initiatives. Under the banner of “optimizing organizational talent and resources while maintaining consistency,” HR can stifle opportunities for innovation, collaboration and breakthroughs in performance.

Unfortunately, the reason HR’s reputation has lagged is because for so long, in so many organizations, it has in fact been an inhibitor focused on its own agenda and self-preservation, out of touch with the issues that are really on people’s minds.

As we have repeatedly trumpeted, it all starts with courage. If HR is not going to step up and lead change it should get out of the way.

Quick Input from Gary Tomlinson on this Chapter: Ouch! They’re a little tough on HR Departments.

Chapter 10: Strategic Commitment as Organizational Lifestyle – Integrating the Process into Organizational DNA

You don’t manage an organization through its compensation plan. You manage it through superb management. Strategic commitment is both an input and the output of that approach. When people are engaged and fulfilled, paying them more will make a difference. However, when they are bitter or dissatisfied (i.e., complying), paying them more will only make a small and insignificant difference (i.e., they’ll be wealthier and still unhappy). Money doesn’t make people courageous, sincere, collaborative or effective. Commitment does.

The metrics of commitment: Focusing on Output, Not Input: Are people focusing on the time they spend sweeping the floors, or on whether or not the floors are clean? Too

many organizations monitor activities, not progress and outcomes. A commitment without an outcome-oriented metric is meaningless.

We have been in scores of organizations where the entity had a mediocre year, but the majority of employees were rated “*exceeded expectations.*” Now, how can that be?

We’ll tell you how: The organization is judged (by the market, shareholders and analysts) by its results, such as return on equity, return on investment, outcomes versus projections and so forth. But the great majority of the employees were evaluated on *inputs*, such as getting to work on time, dressing correctly, answering phones promptly, making service calls, producing reports and providing forecasts and financial information, etc.

Picking and Choosing: How to Hire Talent that Thrives on Commitment: Some people thrive on accomplishment, while others come to work for a paycheck. Your recruiting practices must be designed to weed out the caretakers from those who will commit to, own and deliver on bold objectives.

It is not enough to screen people for technical and professional competence. There are plenty of highly skilled individuals who are loathe to take a risk or put themselves at stake for anything other than the accuracy of their work – and for some people that would be a stretch objective. Contrast that with someone who will commit to satisfying a customer, or galvanizing a team or delivering on a sales quota. Those are the kind of people who will take the organization to the next level. **The rule, therefore, is to hire for will and teach the skills, not the other way around.**

Here’s the profile of an employee who has a strategic commitment orientation (as compared with a compliance-based employee):

Commitment

- Proactively suggests improvements
- Works longer hours on his own volition
- Pushes back on ideas deemed weak
- Takes pride in her own achievement
- Identifies with outputs of the work
- Prudent risk taker who will accept failure
- Informal leader
- Volunteers
- Searches for cause
- May be unpopular at times and doesn’t care

Compliance

- Only reacts to others’ suggestion
- Works only by the clock
- Blames others when ideas fail
- Looks only to compensation
- Identifies with job title or position
- Conservative and risk-averse
- Permanent follower
- Passively accepts
- Searches for blame
- Seeks acceptance above all else

Communicating Commitment: Changing the Nature of Feedback. Organizations that embrace the notion of strategic commitment evaluate themselves on at least two dimensions: Are the results being achieved (i.e., is there an environment of accountability where people are making and keeping promises)? And are people engaged and fostering

an environment for others to be engaged (i.e., are people operating as business owners with a high level of personal responsibility rather than with a victim mentality where it's always someone else's fault)?

Here are some principles and practices for more powerfully and effectively engaging in the giving and receiving of feedback:

- *Formal evaluations should be performed conversationally on a monthly basis at the least with formal, documented evaluations quarterly.* At year-end, no one should be surprised one iota about his or her performance evaluation, because it has been an ongoing process, not an event.
- *Meetings should never be held to merely share or distribute information, which is better done through e-mail or reports.* Meetings should only be held to generate results that are best achieved through bright people exchanging ideas interactively.
- *Feedback should always be attributed to a person or group.* Combining observed behavior and/or evidence with people's sentiments and perceptions can be very powerful, since both have merit. "They are saying..." or "I heard the other day..." are useful comments in the context of perception being reality. When you say, "I saw you do this..." the feedback becomes that much more real and tangible.
- *Feedback should be an organized habit, not an event.* It should not be determined by a schedule but rather by the day-to-day need of team members to continuously support, elevate, coach and correct each other.
- *Feedback is about making a difference, not about unloading everything on one's mind.* While one might have a strongly held opinion or feeling about another individual or group, the orientation that will be the most useful is to ask, "How can this make the biggest difference?" The aim is balancing the need for direct, blunt and complete expression while ensuring that the receiver can hear it, own it and ultimately be strengthened by it – even when the content of the message may be tough and/or uncomfortable.
- *When receiving feedback, you should listen as a partner, rather than as a lawyer.* Listen not just to what is being said, but to where the person is coming from. Don't scrutinize the accuracy of the words: rather try to get the fullness of their perspective and concerns. Trust that they have your best interests in mind. As we often tell people, "Open both your ears and your heart to the feedback."

You must walk the talk and talk the walk. Top management exemplifies the behaviors that are desired in terms of rewards and feedback and it must also talk about why the behaviors are making a difference.

Chapter 11: The Diversity of Strategic Commitment – There is No Such Thing as “But We’re Different”

If strategic commitment is legitimate and worthwhile, then it should be relevant and applicable in virtually any environment, regardless of the sector or culture. This includes:

- Nonprofits
- Educational Institutions
- Governmental Agencies
- Volunteer Organizations
- Start-Ups

Strategic commitment is an important element in *all* organizations. To deny that is to deny that finances or employee well-being are important. But to admit it is to accept higher productivity, greater motivations and better sustainability.

Message from Gary Tomlinson:

I hope you enjoyed reading this book report. It’s important to understand that this report should not take the place of you reading *The Power of Strategic Commitment*. This book contains a lot of stories, examples, scorecards and assessments that are not contained in my book report. You can learn more at www.quantumperformanceinc.com.

Enjoy the education and wisdom contained within this book report and feel free to share it with other because the “*illiterate of the 21st Century will not be those who cannot read or write, but those who cannot learn, unlearn and relearn.*”