

Executive White Paper

J2E

The Journey to Excellence

A Systematic Program for Achieving
Organizational Focus and Alignment

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The “Search for Excellence”

The past three or four decades have seen business executives, particularly in the West, besieged with management theories and systems offered up by business schools, consulting firms and various other advocates of managed change. So far, the search for the holy grail of business — the one *über-model* that always works — has been fruitless.

Following the appearance in 1982 of the landmark book *In Search of Excellence*, by Tom Peters and Robert Waterman, organizations in every imaginable area of business, government and the social sector have been restlessly seeking the formula for success. The “excellence movement” created an appetite for management strategies but did little to satisfy it. More than two decades later we’re still searching for excellence.

Management Movements & Systems

Over the years, “movements” such as the following have taken center stage, attracted their share of advocates and practitioners, and inevitably faded from popularity:

- 1950-1970: work efficiency and productivity.
- 1965-1975: management by objectives (MBO).
- 1975-1985: quality control and zero defects.
- 1980-1995: Total Quality Management (TQM).
- 1980-1985: “Japanese management” (quality circles and kaizen).
- 1985-2000: “Customer Service.”
- 1990-1995: Self-directed work teams (empowerment).
- 1990-2000: ISO 9000 (process documentation).
- 1990-2000: Re-engineering the corporation (and government).
- 1990- now: Six-sigma.
- 1995- now: Balanced scorecard.

The business media — magazines, books, seminars, conferences, training materials and a variety of other information sources — have given each of these movements its moment on the stage. Others have enjoyed briefer and less widespread notoriety. And yet none has demonstrated staying power sufficient to sustain interest over the long run. Each generation of executives and managers seems to start almost from scratch, trying to craft a coherent ideology for leading their organizations in an increasingly complex and unpredictable business environment.

To be sure, each of these major approaches has contributed important and useful ideas, and many of those who diligently applied their principles achieved worthwhile results. Each has left certain concepts and tools which have become part of the management armamentarium, even if they are no longer associated with their ideological source. It is certainly unfair to label any of them a complete failure, in the broad sense, although none of them seemed to be the complete success their advocates had hoped for.

Having studied and compared each of these popular management systems in some depth, we have concluded that, in those instances where they have failed or have fallen far short of the expectations of those who implemented them, it has most often been for lack of one critical ingredient:

Ownership.

“Excellence by Fiat”

In the worst cases, executives, task forces, and consultants have simply imposed management programs on organizations, in the naïve belief that the employees and the tactical managers would embrace and apply them enthusiastically. The stereotypical rallying cry was “We’re going to build a culture of excellence.” Many of the advocates ignored or wished away the simple realities of organizational inertia, employee indifference, and even cynicism toward top-down “flavor of the month” programs. In one organization we studied, employees had even developed their own generic acronym for every new mandated “excellence” program. They called it “B.O.H.I.C.A.,” which meant “Bend Over — Here It Comes Again.”

Employee engagement – buy-in, ownership, accountability – whatever we choose to call it, can vary through a wide range of attitudes as illustrated in Figure 2. Most typical is probably a sense of passive acceptance; the employee or the tactical leader wants to do a good job but simply can’t decipher what management expects. In some cases, the attitude ranges toward indifference. And in some cases, usually involving some unusual degree of alienation, it may extend to passive resistance or even active sabotage. If we hope to mobilize the grass-roots support and energy for any kind of initiative, we must earn a higher level of involvement than simple acceptance. Buy-in, as used in this discussion means a proactive response and an intention to contribute voluntarily. Ownership, as used here, means a willingness to take the initiative to go beyond what one has been asked to do; a desire to use one’s talents and energies to really make a difference.

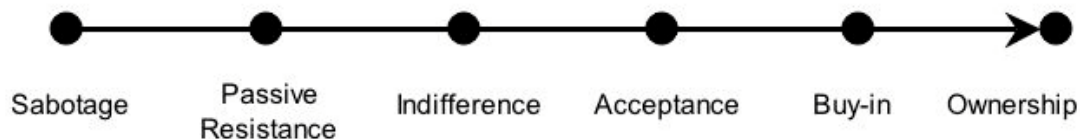


Figure 2. The Ownership Spectrum.

Many of the more “left-brained” performance models — MBO, TQM, Six-sigma and Balanced Scorecard, for example — degenerated into numbers exercises. Some executives and quality practitioners became so enamored of metrics for the sake of metrics that they amused themselves with variables that had no traceable connection to enterprise performance. This mentality sometimes left the employees feeling like laboratory rats whose behavior was being monitored and evaluated by higher beings who controlled their destiny. In many cases the employees and tactical managers learned to “game” the system by setting easy targets or by offering standard rationalizations for mediocre performance (e.g. “We can’t improve patient satisfaction

scores because we're understaffed").

The recent preoccupation with information technology as a means for eliminating costs — and people — from business operations has also served to reinforce the sterile view of the organization as a set of abstract processes represented by numbers. Software “solutions” that go by names like “customer relationship management,” “business performance monitoring,” and “enterprise resource planning” are now vying for center stage. In some cases, executives have bought into automation ventures because of the promise of juicy cost savings connected with headcount reduction, and sometimes because of the perceived appeal of greater control.

Even in the most humane of these change programs, executives and the task forces and consultants they engaged were mostly unable to figure out how to get over the “buy-in” hurdle. In some cases, they have launched wall-to-wall training programs in hopes of generating interest and enthusiasm, but even the most successful of those have more often than not failed to help the employees — and their tactical leaders — figure out how to take ownership of the enterprise vision and translate it into meaningful guidance for their daily work. Too often they have underestimated and undervalued the “tacit knowledge” — the shared know-how, experience, judgment and wisdom of the people who were doing the work and leading the work teams.

The high “fizzle factor” for these kinds of top-down programs ultimately comes from a combination of organizational inertia and executive fatigue. After months of “working” the organization with various techniques — process mapping, action teams, motivational training programs, measuring and counting, performance feedback, and any number of other approved methods — the employees and tactical leaders remain passive bystanders, the program loses momentum, executives get distracted by other priorities, and the “ant army” outlives the generals.

Dual(ing) Ideologies: the Performance Dilemma

Discussions of organizational success — and how to achieve it — often seem to oscillate between two distinctly different systems of ideas, or ideologies, each with its own advocates and defenders. Either of these two ideologies, taken to an extreme, can seriously impair the organization's capacity to develop in the direction of its highest potential. Some executives lean toward one of these two ideologies much more strongly than the other, and some make an effort to reconcile both. Achieving an effective balance of the two does not always come easily.

Theory “M”

One ideology, which we might refer to as Theory “M,” is a relatively *mechanistic* world view. This thinking process starts from the premise — conscious or unconscious — that an organization is, for all important purposes, an apparatus. For fans of Theory M, the vocabulary of business is the vocabulary of things: systems, processes, inputs, outputs, metrics, results, assets, resources, structures, rules, and tools. Within this self-consistent world view, people are viewed basically as assets, and terms like culture, vision, values, and motivation are not considered essential to the discourse about performance.

Theory “H”

The contrasting ideology, which we might call Theory “H,” is a relatively *humanistic* world view. This thinking process tends to view a business enterprise as a miniature society, or social system, and sees all that happens in it through the lens of people and their experiences. The vocabulary of Theory H tends to employ a much more subjective terminology: customers, people, culture, teamwork, leadership, motivation, morale and esprit de corps, vision, values, and relationships. The most committed advocates of Theory H tend to believe that if the organization has capable leaders, committed and motivated people, and a culture of achievement, then the technical aspects of its performance will necessarily evolve from those.

The Need for Balance

Each of these two ideologies has its own potential, its own power, and its own self-consistent sense of reasonableness. But the real promise and power of each is in its integration with the other. By learning to think and converse fluently within both frames of reference — and indeed by creating a more comprehensive frame of reference that incorporates both — executives can articulate a compelling premise for organizational performance and also show their people how to implement it.

Multiple Bottom Lines

This integrated management paradigm need not sacrifice one group of stakeholders for another. It seeks to *synergize*, rather than prioritize — or even optimize — the interests of shareholders, customers and employees, and in many cases other related value receivers. Harvard Business School professors John Kotter and James Heskett added dramatic new support for this balance in their 1992 book *Corporate Culture and Performance*. They set out to evaluate the statistical correlation between organizational focus and financial performance among leading private sector firms.

Their initial thesis anticipated a high correlation between a singular focus on certain preferred dimensions of performance, either operational or financial, and overall organizational performance. Eventually their research proved otherwise. A *balance* between the interests of the three primary stakeholder groups yielded almost astounding results. One passage especially provides convincing evidence of a balanced focus on these multiple “bottom lines.” The authors write:

"Corporate culture can have a significant impact on a firm's long-term economic performance. We found that firms with cultures that emphasized all the key managerial constituencies (customers, stockholders, and employees and leadership from managers at all levels) outperformed those firms that did not have those cultural traits, by a huge margin."

Over an eleven-year period, the comparisons between balance-oriented firms and firms with a one- or two-dimensional focus was dramatic. To rank performance levels, they used the financial data in the annual reports of these firms and correlated their cultural focus scores from their surveys.

The comparisons were as follows:

Indicator	Balanced Focus	Singular Focus
1. Revenue Increase	682 %	166 %
2. Work Force Expansion	282 %	36 %
3. Stock Price Growth	901 %	74 %
4. Net Income Growth	756 %	1 %

While their research focused exclusively on 202 major private sector companies in 22 industry sectors, it is likely that similar, though probably less dramatic results would occur in a parallel not-for-profit or public-sector study.

Moving to a more enlightened management paradigm is no longer the debate. The performance data are convincing beyond a doubt. And there are other factors that make a management transformation even more urgent. Employees won't tolerate being treated like indentured servants any more — especially the highly talented knowledge workers who are already in short supply. And customers increasingly rebel and migrate from suppliers of inferior value to those that offer more.

Ingredients for a New Solution

None of the management systems that have become popular so far seems to offer a sufficiently comprehensive methodology for integrating the multiple bottom lines into a unified concept. However, three interesting schools of thought have evolved in recent years, each of which offers elements of a potential solution. Each has had its own impact and contribution, and yet each seems incomplete without the leverage offered by the other two. Each of the three was given birth by a landmark book and concept, following in the wake of the “excellence movement” spawned by *In Search of Excellence*. Each of the three books has sold over 500,000 copies — surely a threshold which qualifies a business book as a landmark contribution. Certainly other books and related concepts have broadened and extended the reach of these seminal lines of thinking, but for brevity we will focus on these three.

1. Service America: Doing Business in the New Economy

Written in 1985 by Karl Albrecht and Ron Zemke, *Service America* is widely credited with launching the “service revolution” in the US and abroad — also known as the “customer revolution” and the “customer focus movement.” Its subtitle foreshadowed the “new economy” premise long before the “dot-com” era made it a watchword. Drawing upon the revolutionary transformations of Scandinavian Airlines and a number of other European firms, as well as modeling a number of the legendary service firms, this book introduced a fundamental change in the management paradigm. It changed the focus from managing the organization (the “boxes on the chart”) to managing the *customer's experience* with the organization. By highlighting the continuing shift in all developed

economies from a manufacturing structure to a service structure, Albrecht and Zemke heralded the need for a transition in management thinking from *industrial management* to *service management*. The book introduced the concept of the *service triangle* as its central model, based on the proposition of aligning the organization's strategy, people and systems around the central proposition of delivering superior customer value. *Service America* was largely instrumental in the shift from an activity focus in management thinking to an outcome focus: *value creation*.

2. *The Balanced Scorecard: Translating Strategy Into Action*

Written in 1996 by Robert Kaplan and David Norton, this book gave permanent legitimacy to the concept of a multi-dimensional measurement focus. Building on the same premise advanced by Kotter and Heskett in *Corporate Culture and Performance*, these two respected professors at the Harvard Business School argued successfully that the strategic direction — and the means for measuring its achievement — should be expressed in broader terms than financial measures alone. They argued for four generic dimensions of performance: financial results, customer impact, process excellence and learning & growth (the cultural dimension). Kaplan and Norton emphasized the crucial importance of strategic clarity, i.e. that meaningful measures of performance can only come from a meaningful statement of intent. The more clear, compelling and actionable the strategic goals, the more relevant and value-focused the performance measures would be. The BSC system has gained wide acceptance in many types of organizations, particularly highly structured operations such as government agencies and military commands. Many organizations no longer use the four generic scorecard dimensions, preferring to substitute their own strategic priorities. Although Kaplan and Norton, and a number of others who have taken up their model have characterized it as a complete management system, it has for the most part been employed as a measurement model, which is its key strength.

3. *The Fifth Discipline: the Art and Practice of the Learning Organization*

Written in 1990 by MIT professor Peter Senge, *The Fifth Discipline* became the most successful of the “culture” books. Drawing upon his multi-disciplinary studies in engineering, systems theory and the social sciences, Senge highlighted four primary disciplines, or aspects of individual and organizational practice which could turn an organization into an enterprise capable of learning and adapting successfully to its environment. To the four primary disciplines of personal mastery, mental models, shared vision and team learning he added the “fifth discipline,” systems thinking. Senge credited much of his inspiration to the pioneering work of Arie de Geus, Royal Dutch Shell's resident strategy theorist and his book *The Living Company*. De Geus had concluded, as a result of his extensive studies of long-surviving companies — those with well over 100 years of uninterrupted service — that the capacity to learn and evolve was one of the critical qualifications for long-term survival. The concept of the learning organization has also become a key part of the management lexicon, and has provided considerable stimulus to change management models focused on healthy cultures.

These three seminal books and their concepts offer three distinct angles of view — different but overlapping strands of thought for executives and managers to consider. Each deals with a key element of organizational excellence, and yet none seems to

constitute a complete solution in and of itself — or at least it is probably fair to say that none of them has triumphed over the others in any kind of intellectual contest. These three key elements — value creation (*Service America*), strategy-based measurement (*The Balanced Scorecard*) and the learning organization (*The Fifth Discipline*) — seem to form a synergistic combination which, if skillfully applied, can drive the design of a model program for developing any business enterprise in the direction of its highest potential. This white paper defines an integrative model which can serve that purpose.

A Totally New Solution

We believe that employee buy-in, ownership, tactical leadership and personal accountability are critical keys to a successful program of strategy deployment. While the process of implementing a strategic concept throughout an organization is more comprehensive than can be explained in this brief executive white paper, the following discussion outlines the basic ingredients of the solution and explains how to achieve the necessary alignment, buy-in and personal accountability.

We believe the problem calls for a *break-away concept* — a “clean sheet of paper” solution that is not limited by traditional top-down structural thinking. In today’s organizations, it is not enough for the executive management team to spell out the strategic priorities and hope for the best. Nor can they get away with simply hanging numerical performance indicators onto the strategic priorities. They must bring the vision and strategy to life. They need to conjure up for people a concept of what is possible for the enterprise, and they need to explain and dramatize that concept in meaningful ways. They need to *deploy* the vision and strategy throughout the nooks and crannies of the organization, and help people *voluntarily* align their efforts with this common cause. Failure to “tell the story” in a compelling way is one of the most common reasons why organizational “excellence” programs fall short of their sponsors’ expectations. Today, more than ever, leaders must understand and capitalize on the management of meaning.

The Journey to Excellence Metaphor

Any organization, at any particular time in its life history, may operate at some point along the spectrum from mediocrity to excellence. In this regard, we can think of leadership as a process of guiding the organization through a learning process, taking it ever higher on this spectrum, toward ever higher levels of focus and alignment.

Many executives like to explain and dramatize the challenges facing the enterprise in terms of this “journey to excellence” metaphor. An enterprise may be advancing in its journey, losing ground, or staying stuck at some level. Translating this journey metaphor into a systematic plan for guided evolution requires that we *operationalize* the metaphor. It must become much more than an inspiring figure of speech; it must be mapped into a set of key concepts, implementing models, measures of performance, practical know-how and critical practices. It must become a *literal* journey, not merely a figurative one.

We operationalize the journey to excellence concept — the “J2E” — by combining the left-brained Theory M world view — the models and metrics — with the right-brained Theory H world view — the meanings and metaphors.

Consider some of the most ancient and powerful metaphors of our culture. The “hero’s journey” is a mythical archetype which recurs in the storytelling traditions of nearly all cultures. In its essential form it involves a difficult, often dangerous voyage to an unknown place, in search of an idealized treasure of some kind, and undertaken in the face of obstacles, threats, and enemies. In all of its incarnations the journey itself is the essence of the story, and it always involves a personal transformation on the part of the heroes or heroines who make the journey.

The children’s story “The Wonderful Wizard of Oz,” written by L. Frank Baum over 100 years ago, and brought to life in the 1939 MGM movie starring Judy Garland, has inspired one of the most compelling and durable cultural metaphors throughout the entire English-speaking world. The story of a journey of adventure and a challenging passage to a mystical city activates certain ancient and archetypal themes in the human mind. The story and its metaphors have survived for so long because they have power — the power to inspire, to encourage, and to invite us all to become more than we are.

Many of the key themes and elements of the Oz story have their counterparts in the challenges of organizational change. For example:

The destination. The “shining city on the hill” — the idealized concept, or vision, of what the enterprise could possibly be — serves as an aiming point, a focus of attention and intention. This is Oz, the Emerald City, the state of excellence we aspire to achieve.

The journey. We want to go to a special place, and we know we will have to meet challenges, overcome obstacles, and solve problems along the way. In all mythological literature the archetypal journey serves as a metaphor for the challenging human experience of growth and transcendence.

The experience of the journey. In the Oz story, the sojourners achieved what they sought through the experience of the journey itself: the cowardly lion found his courage; the tin woodsman found his heart; the scarecrow discovered his brain; and little Dorothy discovered that her personal Oz was at home in Kansas. What they hoped to receive from the Wizard when they reached the magical city they actually acquired on the way there.

The parallels to the business enterprise are evident: organizational excellence is all about learning, transformation, growth and discovery. Much has been said and written in recent years about the “learning organization.” The challenge lies in figuring out what the organization needs to learn, and then setting it upon a course of transformation and development so that its learning process becomes the J2E.

A Practical Definition: the Journey to Excellence

As it applies to organizational change, we define the journey to excellence, or J2E, as:

... a process of guided evolution which enables an organization to become more effective in achieving its mission and in adapting to the changing demands of its environment. It uses both objective and subjective measures of performance, and uses concepts, models, metaphors and tools from both the system sciences and the behavioral sciences. It seeks to align the three critical components of

Strategy, People and Systems around the core proposition of value creation that defines the organization's purpose.

Three Journeys

This process of strategic alignment through guided evolution unfolds on three levels:

1. *The organizational J2E* —the executive-led organizational learning process of ever-increasing clarity, focus, and alignment which gives the enterprise a sustainable competitive advantage in its environment.
2. *The departmental, or work-team J2E* — the tactical implementation of the same essential principles that guide the organization's journey; each team's ownership and commitment to its micro-mission of delivering value.
3. *The individual J2E* — the process of personal learning and growth, within the job and career, which enables members of the organization to actualize more and more of their personal potential and to associate their personal success with the success of the enterprise.

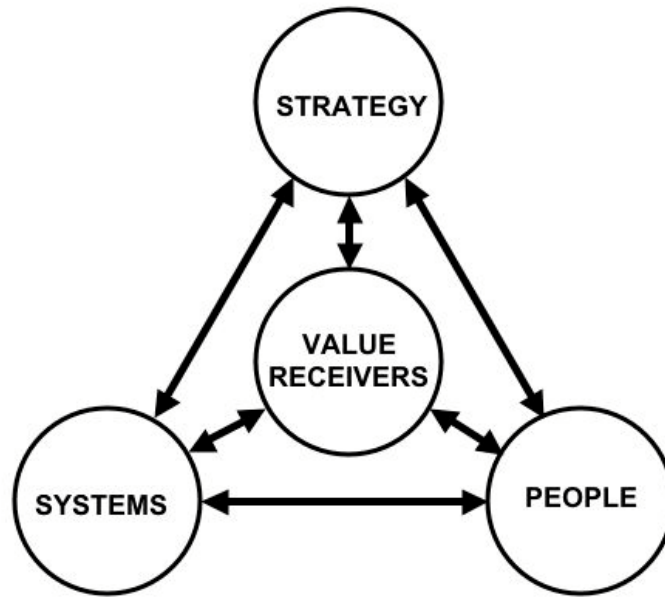
The J2E Program

The break-away logic of the J2E program, as we implement it, calls for working from the bottom up as well as from the top down. While strategic clarity is important, and crucial for long term success, it is also imperative to build a base of knowledge and expertise for excellent performance at the tactical level. This educational-facilitative element has most often been the missing ingredient in unsuccessful change programs.

What needs to happen at the tactical level is very different from what happens at the strategic level. One of the key intellectual failures which has handicapped most of the top-down management systems has been the mechanistic notion that the organization works as a cascading series of performance targets, each connected directly to the level above, rather like a system of gears and pulleys. This rigid thought process largely doomed MBO (management by objectives) to the dustbin, and it threatens to do the same to similar ideologies such as the Balanced Scorecard, if the same mistakes are repeated.

The Power of Self-Alignment

We can express the desired state of performance — the shining city on the hill — in terms of the concept of *dynamic alignment*, as illustrated by the Performance Triangle in Figure 2. This is our Oz — where we want to go. We can take, as a defining condition of excellence, the state of alignment and integration of our Strategy, People and Systems around the core proposition of value creation — value for our customers, our owners, our employees, and for the larger community which has granted us the privilege to serve. We must now think in terms of these *four bottom lines* rather than sub-optimizing with a focus on just the financial dimension. We can define — and manage to — a set of performance parameters which expresses this integrated focus and alignment.



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Figure 2. The Performance Triangle.

One of the more popular books dealing with this element of strategic alignment is *The Power of Alignment*, published in 1997 by George Labovitz and Victor Rosansky. The authors argue for alignment as the single most important factor in organizational performance. They remind us that the most brilliant strategic concept is of little value unless it actually drives the structure and operation of the business processes, the design of the value package, the guidance provided to the managers and employees, and a whole range of associated variables.

Strategy expert Arie de Geus and others sometimes refer to the concept of the *holographic organization*. They offer the idea of a hologram as an analogy to an organization with a well-deployed strategy. They point out that a hologram is a special kind of photographic image which can be cut up into many small pieces, and each piece still contains the information needed to reproduce the original image. Using the holographic analogy, we could say that each part of the enterprise reflects the overall big picture, and the whole enterprise is the sum total of its holographic elements. We enable the organization to become *self-aligning* by making sure the knowledge exists at all levels to create a natural synergy between work units and business processes.

The Cascade of Meaning

A realistic model of a well-aligned organization conceives of the strategic vision, mission, and priorities as *deployed and interpreted into action* at successive levels of leadership, with the added value of clarity and focus created by the entrepreneurial thinking process of the tactical leaders at each level. Without this creative interpretation and translation of the vision into guidance for action, the planning process typically degenerates into a numbers exercise. In many cases, all of the operating units can show that they have developed “performance indicators,” and yet the overall organization still drifts along at a level of comfortable mediocrity.

The key difference: instead of trying to hand down the wisdom from on high, we empower the tactical leaders and the employees to take ownership of their part of the journey by creating their own “micro-missions,” inventing their own performance models and figuring out how to measure their own performance. When guided by the top-level strategic concept and coupled with cross-organizational process models and performance measures, this becomes an evolving, self-reinforcing journey of learning and growth. Instead of merely a cascade of numbers, it becomes a cascade of meaning, as illustrated in Figure 3.

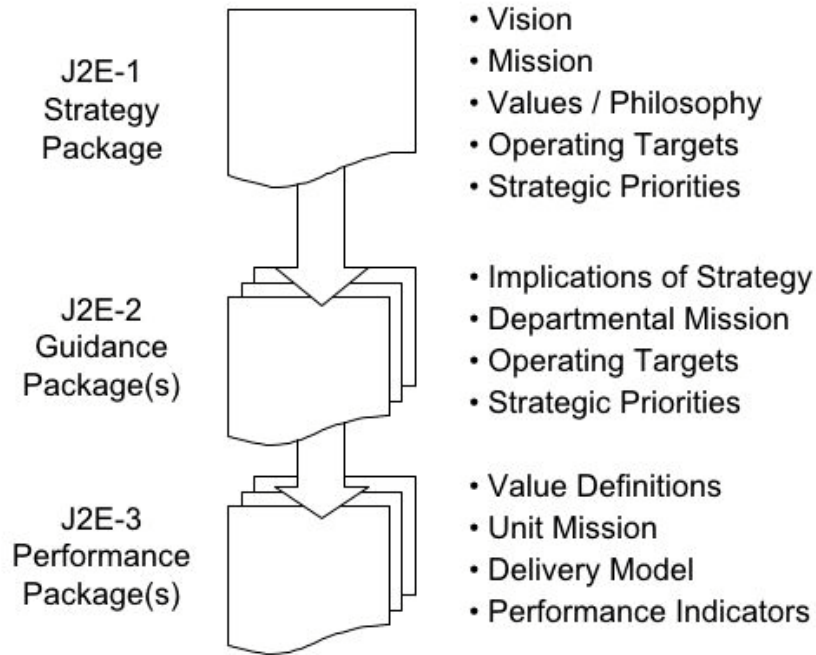


Figure 3. Deploying the Strategy: the Cascade of Meaning.

J2E Level One: The Strategy Package

The organization’s *strategy package* is the set of critical definitions of vision, mission, core values and philosophy, the primary business model, the customer value proposition, operating targets and the critical strategic priorities which animate the enterprise. The quality of the strategy package is crucial to the degree of clarity, focus, and potential alignment that can be achieved throughout the organization. If it is built on platitudes, clichés and slogans, with little in the way of a compelling message, we shouldn’t be surprised if managers at various levels struggle to create their own sense of meaning and priority. Clarity of meaning and purpose throughout the organization can be no higher than it is at the top. The strategy package must be well thought-out, clearly expressed, actionable, and energetically deployed to all levels of the organization. In practical terms this involves subjecting the draft strategy package to a careful and critical scrutiny, and improving it as necessary until it serves its critical function effectively.

J2E Level Two: The Guidance Package

The crucial missing piece in many — perhaps most — top-down management systems is the “translation” piece. In many organizations, executives simply hand down the strategy package and instruct managers at various levels to define performance indicators for their own activities, which presumably align their processes with the strategic direction. This is where many middle managers — and consequently their subordinate managers — tend to flounder. The missing piece is *meaning*: what does a strategic goal of “product innovation” mean to the engineering function? To the HR department? To the IT department? What does a strategic initiative to “gain technological superiority” in a particular area mean to the various organizational units? This is not a matter of breaking down a set of numbers into a more detailed set of numbers. It’s about *micro-strategy*: what is *our* strategy, in *our* functional area, at *our* level, for contributing to this particular strategic priority?

It is important to have a clearly stated *guidance package* at each administrative and mid-management level of the organization, which provides a well thought-out interpretation of the implications of the strategy package to each functional area. Again, cascading guidance packages make more sense than cascading numerical indicators. The guidance package, to be effective, should result from a rich and thoughtful strategic conversation between managerial levels, and should express the key strategic themes identified by the respective senior manager. Platitudes don’t help; clear thinking counts. In practical terms this involves working closely with the executives who have functional responsibility, as well as middle managers at various levels, again requiring that their guidance packages meet the highest standards of clarity and focus.

J2E Level Three: The Performance Package

As previously defined, the state of excellence we seek in our journey can be characterized as a state of *focus and alignment* — the dynamic balance of strategy, people and systems around the core proposition of value creation that defines the organization’s reason for existence. *It is in the very definition of value creation at the grass roots — the performance level — that we can find the ingredients for focus and alignment, as well as buy-in and ownership.*

Through a process of education, facilitation and assistance, each of the tactical managers and his or her team members can learn a few simple concepts, models and tools which empower them to craft their own “performance package,” which is a set of definitions that clarify:

1. The value receivers (customers and others) the unit exists to serve.
2. The key value proposition that defines the essence of the unit’s contribution.
3. The mission of the unit, which describes its concept for delivering value.
4. The delivery model, which defines the process for delivering value.
5. The measurement model, which defines the key performance indicators for evaluating results against the delivery model.
6. The improvement agenda, which is the evolving set of priorities set by the team and its leader for progressing the performance of the unit in the direction of its own self-created journey to excellence.

When these key concepts and tools are expressed in simple, memorable and easy-to-understand terms, unit leaders quickly become comfortable speaking the essential language of the J2E. For example, they learn that the *improvement agenda* includes four key result categories:

1. Sustain.
2. Abandon.
3. Improve.
4. Invent.

In simple terms, we want to *sustain* the excellence we've already achieved in certain areas, *abandon* that which no longer deserves to be done, *improve* what needs to be improved, and *invent* new ways to deliver value.

Horizontal Alignment

Another key part of the J2E bottom-up implementation is a process of *peer review*. Instead of having their performance models and performance indicators dictated to them by their managers or by consultants, unit leaders develop their own models and share them with their peer managers for review and feedback. The objective is to ensure that no manager feels he or she has been force-fed a ready-made set of performance targets. Instead, all managers can own and implement the performance packages they have created, subject to the litmus test that their efforts do contribute to the overall focus and alignment of the organization. This must be evidenced by the appraisal of their peers and by independent judgments provided by the value receivers they exist to serve.

It Works

Extensive experience with this method of implementation, and variations of it, have demonstrated that buy-in, ownership, leadership and accountability tend to come naturally as a result of giving tactical leaders the opportunity — and support — to become entrepreneurs and to align their micro-missions with the mission of the enterprise.

The preferred method for implementing this process of cascading meaning involves a series of educational working meetings and workshops from the executive level, through the administrative and mid-management levels, all the way to the tactical units that deliver value on a day-to-day basis. Supported by various process improvement initiatives across various levels of the organization, as well as continuing support in the form of advice, coaching and assistance, all managers and employees are invited to pursue their respective journeys to excellence as part of the shared venture.

One of the most frequently-asked questions I encounter in speaking to management groups about organizational performance is “How do you turn people on?” My standard answer is “You can't turn people on. Only they can turn themselves on. The most you can do is to create something they can get turned on about — something so meaningful and compelling that they want to do it; something they're prepared to personally own and make happen. If you can do that, you can release a tremendous amount of energy and creativity at all levels. That's what it means to manage by meaning.”

Back to the Top

Typically the grass-roots progress of a J2E program highlights a number of needs and opportunities for developing various aspects of the overall organization. For instance, certain cross-functional process issues require solutions beyond the purview of any one tactical unit or even one department. This is where organizational task forces and special initiatives come into play.

At some point in the evolution of the journey it also becomes appropriate to consider the overall culture of the enterprise — the sociopolitical setting in which the work gets done. Here again we begin to deal with variables, issues and opportunities which extend beyond any one part of the organization or its structure.

We need to evaluate dimensions of the culture such as *quality of work life* (QWL) — the perceived value, in the minds of the employees, of their experiences as citizens of the organization. We need to understand how QWL influences performance at all levels.

We also need to assess the extent to which the culture supports collaboration and the sharing of knowledge, or alternatively stated, the degree to which organizational “silos” divide people rather than unite them.

Another emerging organizational dimension which is becoming ever more important is *talent management* — the ability of the enterprise to attract, retain and deploy the kinds of skilled people who can give it a sustainable competitive advantage in its environment.

In some cases the ever-increasing buy-in and ownership on the part of the employees and tactical managers can highlight inadequacies in the strategy package or the guidance packages that interpret the strategic direction for the operational levels. In the extreme case, strategic goals expressed in platitudes, clichés or fuzzy statements will eventually come under scrutiny as important questions and issues bubble up from the operational levels.

This “bounce-back” effect can often be quite constructive. It can support the idea of strategy as an evolving set of ideas rather than a fixed and final statement. It means that the ongoing strategic conversation — at all levels — is a natural part of the journey to excellence.

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