

Confront confused direction

Over recent years the quality of objectives in business has improved markedly. The introduction of concepts like SMART¹ has had a positive impact on the quality and clarity of thinking in many organisations. And yet, despite the quality of the wording of objectives, many organisations continue to suffer from:

- conflict and disagreement between people pursuing different objectives
- the delivery of an 'event' or activity being seen as an end in itself
- a detachment and ambivalence to the objectives at junior levels of the organisation.

In other words, while the quality with which objectives are expressed and defined has improved, the quality with which they are determined, reconciled and deployed remains largely unchanged.

In part, this is because managers tend not to check on the practical effectiveness of their goal-setting process. They may recognise confusion between themselves and their colleagues as a result of a weak goal-setting process from above, but they are prone to assume that their own goal-setting processes are immune to similar problems. However, the practical reality of most goal-setting processes today, is that they need to improve how effectively they:

- align objectives with the hopes and aspirations of the individuals pursuing them
- define objectives at appropriate levels of detail
- ensure objectives effectively mesh and engage with each other.

¹ SMART is an acronym for Specific, Measurable, Agreed, Realistic, and Time-bound - five characteristics that can be used to assess whether an objective is clear to those expected to pursue it.



Confusion of goals, and perfection of means seems to me to typify our age.

Albert Einstein
Nobel Laureate in Physics



Does your team have clear direction?

How consistent would your people's answers be to the following questions?

1. If you suddenly found yourself with a significant amount of spare time and resources, where would you invest it and why?
2. If you suddenly found you were overloaded with work, what service would you suspend and why?
3. What for you are the most important goals you are pursuing and why?
4. What are the most important goals your colleagues are pursuing and why?

Chapter 2

Richard looked at the clock and decided to give the three missing managers until ten past two, and if they were not there by then, he would start without them. The other four managers appeared more than usually subdued, as though they expected something momentous and were wrapped in their individual thoughts. Normally they would be lobbying him for this or that, or deep in conversation with each other about some event or issue. The atmosphere today reminded him more of a dentist's waiting room. Richard used the time to think through how they were likely to react to what he was about to propose.

The slim pale man on his left, Andrew Richardson, the HR Manager, would almost certainly be supportive. He valued anything that helped people to get their issues out and to think them through clearly. He was also very open to trying anything new, as was Deborah Lewis who sat next to him.

Deborah had been the Technical Director for the last 18 months. Ambitious and idealistic, she was less pragmatic than Richard would have liked, and while her grand schemes had stolen a march on the competition, they were also a major factor in the current drop in performance.

Across from her, the polished ebony form of Abs Halshaw, the Operations Director, could go either way. He would support it for as long as it appeared to be delivering clearly useful actions and decisions. But if the debate became in any way prolonged and esoteric he would switch off or become disruptive. This often put him in conflict with Deborah; more so recently as he worked to eradicate the production issues created by what he saw as her 'design excesses'.

The fourth member present was Peter Kale, the Finance Director. He would be an unknown in all of this. At 56, he was the oldest and longest serving member of the management team. He never seemed to get passionate about anything, either for or against, but he had a quick and lively mind that often served to express his cynicism in devastating wit, and too often carried the argument.

Peter was nobody's puppet, but Richard felt that too often he played to Daniel Matthew's agenda. Daniel was one of the three missing managers,

In the rest of this chapter, we explore the common issues in each of these three areas, and then consider an approach (Why-How charting) which can address them effectively.

Aligning objectives and individuals

People only pursue objectives that are important to them. If you are to successfully deploy your objectives, the key thing to understand is: 'What makes these objectives important to my people?' The answer to this question is often found in a mixture of three possible factors:

- achieving the objective could provide them with some direct benefit, either material or spiritual (e.g. self esteem)
- achieving the objective could provide them with some indirect benefit (e.g. a linked bonus or salary increase)
- achieving the objective would provide them with increased influence and potential to achieve further objectives.

It is not uncommon to find situations where none of the above factors apply, and yet the organisation still expects the objective to be delivered. This is a paradox - companies often employ people for their abilities and interests in looking after the needs of the business, and yet they expect those same people to suppress those very aptitudes when it comes to their personal needs.

The truth is that people behave in line with what they believe will benefit them personally. Sometimes those benefits may be complex, deferred, and altruistic, but they are still the driving factors, not some loosely expressed aspirations of a distant management committee.

Companies often seem to forget this. A classic example of such inattention is where organisations develop vision state-



Most corporations do serve a worthy purpose. Individuals seek to identify with it. The competitive leader will make the connection between our souls and our work, and will benefit from the energies released.

Lawrence M. Miller
Business consultant
American Spirit (William Morrow, 1984)



Questions to engage people in vision:

- What would make you really proud to work for an organisation?
- How can working for an organisation help you to achieve your life goals and ambitions?
- What can you contribute to making our organisation what we want it to be?
- What opportunities would our pursuit of the organisation's vision provide for you personally?

and had been on the management team almost as long as Peter. Richard often felt that Daniel carefully crafted the ammunition that he knew Peter would fire. It was almost as though Daniel knew that once Peter had expressed something he was committed to it, and Peter could not resist providing the punch line to Daniel's story craft. Daniel knew how to play Peter, and therefore how to influence much of the meeting.

John Trowell, the IT Manager, crashed into the meeting just before the deadline Richard had set himself. He was followed, more sedately, by Susan Dobbs, the Site Services Manager. John muttered an apology "Sorry, the system controlling the security pass access into the building was down".

"So John," replied Peter, "were you and Susan fixing it, or merely trapped in the broom cupboard by it?" There was general laughter, which broke some of the tension that had built up. Susan and John's romantic association had been a source of humour for some time now, but everyone knew that they never let it interfere with their work.

Susan put a mock glare on Peter, and retorted: "Well we have to use them for something and heaven knows we'll never get Finance to approve any new brooms".

Richard took advantage of the momentary upswing in energy to start his meeting. He stood up to capture their attention. "We'll start, and Daniel will just have to catch up when he gets here." He flicked on the OHP and a graph of the last five months' performance illuminated the end wall, its camel hump shape familiar to everyone in the room.

"You've all seen this," he said. "What does it represent?"

There was a prolonged pause, broken by Abs' tentative submission of the obvious. "Performance to date for the current financial year?" he said and then looked round to see what he had missed. The rest stayed silent. Richard was not known for being overly rhetorical, and they wanted a clue as to which direction to go. They were going to have to wait a while longer though.

"Performance of what?" Richard asked Abs.

"Of the business," replied Abs, continuing in his vein of submitting the obvious.

ments, and a series of value statements, and then simply publish them on the wall, or communicate them in a series of road-shows.

A consistent vision and values is, however, extremely important to the effectiveness of the business in moving forward, but it takes far more effort than simply working out and publishing a statement. An effective vision requires that:

- the future needs of the business are fully explored and described, and the implications for its people are understood
- these objectives for the business are reconciled with the 'natural' objectives and affinities of its people, and their current motivations¹
- where direct reconciliation is not viable, indirect links, e.g. rewards and pay-offs, are established.

The objectives of the business are actually what is written on the hearts and minds of its people, and if that is not reconciled to the words on the wall, then the latter are not the vision of the business - despite what it states in the headline.

'Vision statements' are a tool to influence the vision of the business, but they are not that vision in themselves. They are a means, not an end, and as with all means, their effectiveness needs to be evaluated rather than simply assumed.

Defining objectives at appropriate levels of detail

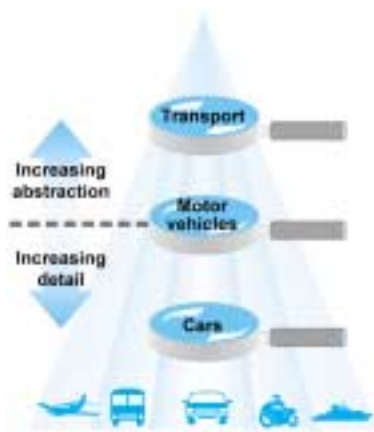
Objectives should be sufficiently specific to provide guidance and direction, but not so specific that they constrain the organisation from perfectly valid and appropri-

¹ By explaining, involving and investing in the thinking and attitudes of its people, an organisation can develop a deeper and more effective commitment than by simply linking objectives to bonuses.



Mission Statements: Long awkward sentences that demonstrate management's inability to think clearly.

Scott Adams, in 'The Dilbert Principle'



“Of us! Of the management,” chipped in Andrew, seeing that it might be an opportunity to explore the issues within the management team, and eager to progress it.

“Against what?” challenged Richard.

“Our objectives,” submitted Andrew, keen to keep the door open on the management team issues. The others paused while they tried to discern the direction this was taking them.

“Is it?” asked Richard, looking around at each face in the room.

While most struggled to think how it could not be, Peter was getting increasingly frustrated by this kindergarten cat-and-mouse game, and interjected: “Clearly it is. The objective of any business unit is to maximise financial return, which is what that graph shows”.

Deborah caught a whiff of short-termism in the reply, and appended: “Financial return, sustained over time - the graph doesn't show that!”

“Quite!” rejoined Peter, “anybody can see that our performance against objectives is declining!”

There was a tone of dismissiveness in his response that annoyed Deborah, but she continued calmly: “No! I mean that our objective of investing in longer-term performance is not reflected in that graph”.

“Clearly not!” replied Peter quickly, beginning to see Deborah's point but choosing not to. He was just about to say: “Otherwise we wouldn't have that dip!” when Richard interjected.

“What are our objectives?” he asked. This brought him another quizzical look and the response that they were written in job descriptions. “Yes, okay, but what are our collective objectives?” He stepped quickly to the flip chart and wrote up ‘Maximise Financial Return’ in order to forestall Peter steam rolling the meeting to a unitary viewpoint, but he remained there, poised to capture other ideas.

They were not long in coming. ‘Develop our People’ from Andrew, ‘Maximise our Future Potential’ from Deborah, ‘Conform to Legal Requirements’ from Susan, ‘Sustain the Environment’ again from Deborah, and so the list continued.

At that point, Daniel strolled in. Without apology, he moved to a vacant place, remained standing with his files under his arm, and peered impe-

ate routes. In practice, companies err toward making objectives too detailed, and thereby restrictive and potentially ineffective. For instance, it is common to find objectives expressed in terms of *'Implement X by the end of March'* without any stipulation being made about the expected impact of 'X' on performance. As a result the team *'implementing X'* will have no criteria by which to judge the quality of their work, and thereby no understanding of when 'X' may be improved by further adapting it to 'Y'.

An objective is a tool just like any other; it needs to be designed to produce the optimum effect. Careful and appropriate wording of the objectives must do more than simply summarise an intended position. It must inspire people to pursue that position vigorously and creatively, while ensuring that the resulting effort and enthusiasm is focused, coherent and complementary. No small feat. And yet while well-designed objectives can have a dramatic impact on the effectiveness of a strategy, it is often the case that only a very small proportion of the total effort invested in them is allocated to defining them.

Poor design of objectives often arises in situations when they are considered in isolation. Objectives normally represent one element of a complete strategy. Each objective can be broken down into finer, more detailed objectives, and each can be built up with other parallel objectives into a higher-level broader objective. In this way objectives form part of a hierarchy. Ensuring this hierarchy is well balanced and that each objective plays its part is key to developing effective objectives.

Ensuring objectives mesh and engage efficiently with each other

Are all objectives equally important? What happens if it is not possible to support all the objectives at once? Which

Checking your objectives

- Is there any valid activity or achievement that may be disqualified by each of these objectives?
- Is there any invalid activity or achievement that may be encouraged by each of these objectives?
- Are these objectives clearly required to support the strategy/higher objective?
- Are these objectives fully achieved/guaranteed by delivering their defined sub objectives?
- Are each of the objectives expressed in terms of a sustainable performance improvement?

An object of utility needs to be as simple as possible, but no simpler.

Albert Einstein
Nobel Laureate in Physics

riously at the flip chart. His stance seemed to exude the expectation that it was up to Richard to address him. Richard did so.

“Daniel, we are looking at what our objectives as a business are.”

Daniel responded quickly and abruptly. “Well that’s obvious! It’s to serve customers. All of that list is subservient to serving customers!”

Peter bridled visibly at Daniel’s comments, but held his peace.

Richard saw some real light in this, and took the opportunity to put his major opponents in conflict. “Surely it’s to make money Daniel” he replied. “We serve customers to make money!”

His tone, the use of Daniel’s name, and the patronising phrasing did their work. Daniel entrenched himself further and explicitly away from Peter’s original stand. “A business is its customers,” he proclaimed pompously. “We make money, in order to, and purely as a result of, serving them. And that is a direct quote from Cyrus Lerejecks last month. Case closed!” he said, and sat down. Cyrus Lerejecks was ‘the Old Man’, Cylek’s esteemed founder and President.

“And, of course, Cyrus is happy for his vast financial wealth to dwindle in that cause is he?” Peter asked sarcastically.

Richard quickly forestalled Daniel’s response with a question. “Where exactly does the Corporate Environmental Policy fit into this?” he asked.

“It’s about our social responsibility,” submitted Deborah.

“In part,” responded Daniel, “but it’s mostly about our image with our customers”.

“Actually it’s about the avoidance of costly litigation,” challenged Peter.

“And Investors in People?” Richard queried. But before Andrew could get in with a response, Richard continued: “Actually, we have never sat down and clarified what our collective objectives are. We have all assumed them, but we have just demonstrated that, as a group, we have no clear consistent, coherent set of goals. Each of us may feel that we have a clear understanding of what we should be doing, as a business, but unless we can agree how everything fits together, then in practice we’re likely to find ourselves working against each other. That is what we have experienced over the last two months. In practice!”

objectives take priority? And how do your team decide that?

If your objectives are not thought through, in terms of how they relate to each other and to higher objectives, it is extremely difficult to answer these questions. And this is often a cause of contention between people with responsibilities for delivering different objectives. For instance when there is conflict between cost reduction and key investments.

Having a hierarchy of objectives helps a team relate their objectives to the overall structure of objectives, and to make intelligent decisions in compromising one objective to optimise a more critical one.

For this reason, it is important to get the whole team involved in exploring the hierarchy of their objectives. This both ensures a deeper understanding of the strategy, and a greater commitment to the conclusions.

Why-How charting

A Why-How chart is such a hierarchy, and it provides an opportunity to address all of the three foregoing areas.

- To engage people in clarifying the objectives, and getting them to think through how they relate to them.
- To develop a complete hierarchical picture of the strategy, from the abstract to the detailed.
- To ensure that the relationship between different objectives is clearly understood.

It also provides a mechanism to expose where thinking is currently weak in these areas, and to strengthen it.

A Why-How chart is essentially a map of the logic of the organisation. It is a map of what the organisation is planning to achieve, and how it intends to deliver it.



The 'five whys'

To what extent are your people clear on how their objectives fit into the overall scheme of the company's objectives?

The 'five whys' are a means to explore your objective. Simply ask 'why' you need to do that, then 'why' you need to do that . . . five times. Imagine you have an eight year old who you have told to take a bath, but you're not allowed to respond with: "Because I said so!"

Are all objectives of equal importance?



Richard had their attention. He could see that it was a fragile grip in some areas, Daniel and Peter were itching to re-assert their views, but it would hold for the moment.

“If I am wrong, then this will be a very, very short meeting. Someone will state a simple set of clear objectives. We’ll all agree with them, and that will be that. If I am right, then we will be spending quite a bit of effort in discussion and reconciliation, because my objective for this meeting is to leave here with a common explicit set of clear objectives for Cylek UK.”

He waited for further challenges but gradually they all settled into their seats. They knew he was right. A number of them believed they could state the objective, but looking round the table, they could not identify anyone they could be sure would agree it in full.

Richard pulled out a number of pads of yellow sticky notes, and distributed them round the room. Daniel put on his best “Oh surely not this!” face, but Richard intentionally avoided catching his eye, and proceeded smoothly.

“What I’d like everyone to do,” he said, “is to write what you believe our objectives, as Cylek UK, should be. One objective per sticky note. Large clear writing so that it can be seen at a distance. And when you’ve finished come and stick them on the wall over there so that everyone can read them.”

Everybody thought, and wrote, and stuck their sticky notes up on the wall. Some in clumps, some randomly spread out, some in neat columns. Richard encouraged everyone to read the notes and ensure they understood what was meant. Then duplicates were taken away by agreement, and very similar notes were amalgamated.

“Now the difficult bit,” said Richard. “We are going to identify the relationships between these objectives. To work through and agree which supports what and why. But first a few ground rules: One, this is not a democracy. I have the final say because it was me that was appointed to do so, and because it will be me who will be called upon to justify the conclusions. Two, in reaching my conclusions I will be strongly influenced by the view of the team. We will all listen carefully to all of the considerations expressed, and where there is still a difference of opinion, having heard all of the arguments, we will assume the majority is most likely to be right.”

On a Why-How chart, boxes each containing a stated objective, are linked by upward pointing arrows. The arrowheads point to the reason why an objective exists, and the tails point to how an objective is to be fulfilled. The steps to develop a Why-How chart are listed on the right.

Organisations developing a Why-How chart for the first time may find that it takes them all day to complete. This time is typically taken up in reconciling disparate views amongst the management team. However, as a result of this, the first working through of the Why-How chart can provide tremendous insight and shared understanding on how the organisation works, providing the debates are efficiently managed.

This insight and understanding opens up new lines of thought, and the team finds that it can identify previously unseen opportunities and ideas for leveraging the assets of the organisation in pursuit of its goals.

In an ideal world, your Why-How chart may look like the neatly ordered diagram seen on the right, and progressive refinement of your thinking may eventually be rewarded by such a cleanly logical model.

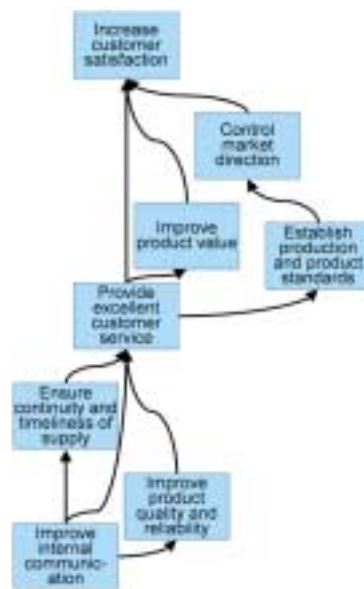
In practice, however, it is far more likely that your finished result will look more ragged,¹ with arrows going everywhere, and sometimes even back on themselves.

This is not a problem. The key value in the Why-How chart is the discussion that takes place to develop it. Why-How charting is not a precise science, and its effectiveness is best judged by the level of engagement, and quality of discussion², from those involved in developing it.



Steps to produce a Why-How chart.

1. List the objectives we know we should have - write each on a separate sticky-note.
2. Place the first sticky-note on the board.
3. For each sticky-note placed ask "Why are we doing this?".
4. Find and place objectives that answer this question and continue the process.
5. For each sticky-note placed ask "How are we doing this?".
6. Find and place objectives that answer this question and continue the process.
7. Create new objectives as necessary to complete the logic of the model.
8. Resolve any disagreements through understanding each other's perspectives and explanations.



¹ An example of a real Why-How chart for a retail IT facility can be found on the associated web-site. See Appendix 7.

² Effective facilitation clearly helps in this.

Daniel was not keen on this, and he challenged it. “But supposing the minority just happens to be the one person who is the expert on the subject?” There were a few nods around the room.

Richard took it calmly in his stride. “Then it is very much up to that expert to articulate the arguments clearly so that the whole team can understand, and to maintain their credibility so that their colleagues are swayed by their opinion.”

That seemed fair to most people, but one or two still appeared hesitant.

“Look,” said Richard, “at the end of the day, confusion over our goals within this team and this company is costing us big time. We’ve lost two months on the launch of the MR4; we’ve lost two major accounts; we’ve lost four of our key people in the last month; we’ve wasted hours of our time in meetings; and we waste each other’s energy through arguments and confusion. I am not willing for this situation to continue, and I would rather be 100% agreed on all our goals, and 100% wrong on some of them, than 0% agreed on our goals, and thereby 50% wrong on all of them. Frankly, we may make some mistakes in forcing the issue, but they won’t in practice be big ones, and they will be overwhelmed by the progress that clarity and agreement will afford us.”

Peter thought about this, carefully. He narrowed his eyes, looked up to the right and then he nodded. Daniel just looked sullen, but he did not challenge any further. So, be it!

Richard continued: “We are going to get a lot out of sharing our views on these objectives, and I don’t want to lose that, so I’m going to ask Helen to come in and take notes of our discussions. These will be available to everyone to supplement the final conclusions we reach.”

Richard started with the sticky note on serving customers, and with a series of ‘Why?’ and ‘How?’ questions he began, one by one, to link it to the other objectives. Every time another sticky note contained the answer to ‘Why?’ he placed it above the original note and joined it by an upward pointing arrow. Whenever another sticky note contained the answer to ‘How?’ he placed it below the original note and joined it by an upward pointing arrow.

New notes were written when no existing sticky note had the answer to ‘Why?’ or ‘How?’

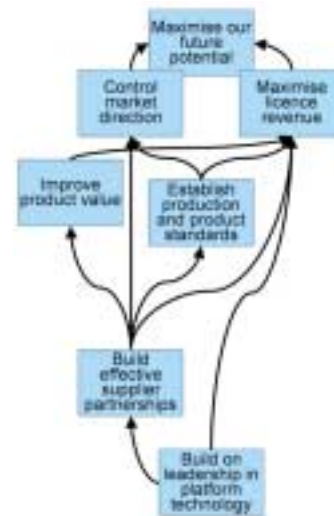
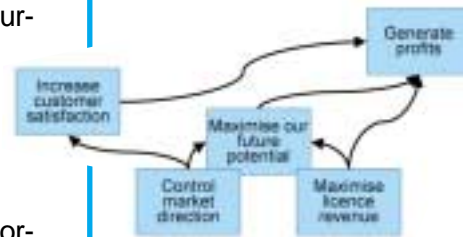
Turning the Why-How chart into effective objectives

The completed Why-How chart provides excellent insight into the interdependence of your organisation's objectives, and will do much to ensure a balanced perspective within your team. But for practical purposes, this logic now needs to be drawn back into a simple set of words: a limited number of complementary objectives that together reflect all that is important to your organisation.

This can be achieved by taking a layer horizontally through the chart. Any line drawn from left to right through the chart will have to pass through all the strands that are required to make your organisation work. The challenge is to draw this line through a series of statements which effectively balance detail with direction. In doing this it is important to ensure that:

- everybody has included what is important to them in the diagram, and can see how it fits into the statements being selected
- the statements provide guidance, without undue constraint, and in particular that they reflect performance and impact rather than events and activity
- the objectives can be seen as a complete and complementary set, all of which are necessary to achieve the overall goal.

If the layer of statements to be developed into objectives is selected by discussion, with these points in mind, then you will have done much to ensure that your objectives will be fully effective, reconciled, and deployed within your organisation.



Gradually a diagram took shape. A map of the logic that held the objectives of Cylek UK together. Some discussions had been entrenched, but Richard had managed them well: taking the heat out of arguments; focusing on new information; ensuring people did not simply re-state the same points; checking that everybody felt they had heard all the arguments and were willing to abide by the majority decision.

He lost Daniel for at least ten minutes when 'Customer Satisfaction' had been made subservient to 'Generate Profits'. Privately Richard thought Daniel had a point. Money as a goal for its own sake was unhealthy. But he did not feel the rest of the team were ready for that discussion yet. In fact, he felt Daniel did not really believe it, it just met his needs to emphasise the importance of his own role.

By the end of the meeting, something had clearly been achieved. The objectives and sub-objectives of Cylek UK had been made a lot clearer, and new insights had been gained by everybody, including Richard. He now realised how much he had not understood about what Cylek was about. The biggest surprises for him concerned the role of suppliers in establishing production standards, and how big a factor production lead times were on their current inventory levels. It was frightening that he had run the organisation for six months with such blind spots.

In the event, Richard had not used his right to overrule once. He had not needed to. He kept the discussion open long enough to fully understand it himself, and found that every time he had come to a very firm conclusion, a majority of the team had reached the same point. And some very worthwhile points had been reached.

The diagram had opened up a whole new area of thinking for the team, in terms of how it could license the platform technology back into the market via certain suppliers. The links in the Why-How chart showed how this could secure not just additional revenue, but also have a dramatic influence over the future direction of the market. Richard's team were clearly excited about this insight, and there was a steady buzz of conversation around it.

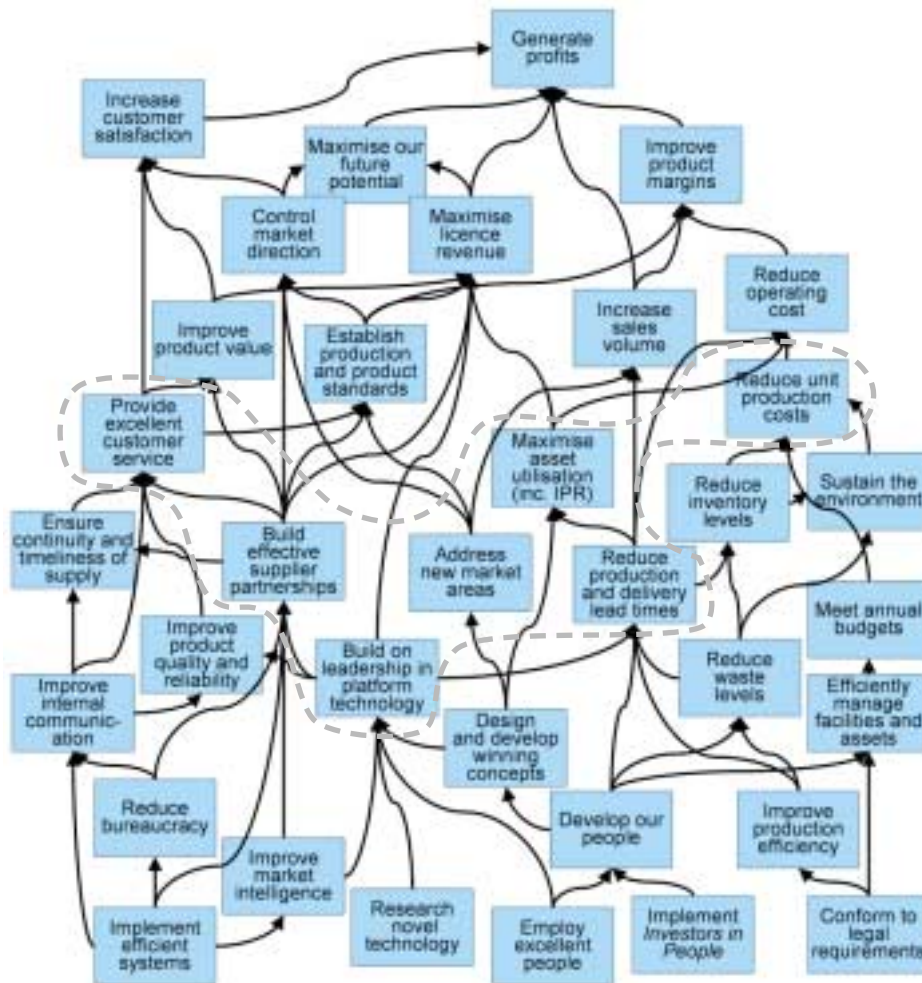
At the end of the meeting even Daniel had to admit it had gone well, and it was sheer vindictiveness that made him ask: "Is there any truth in this rumour that Cylek are sending over a trouble shooter, Richard?"

In addition, the discussion will have highlighted areas where you need to reconsider the alignment of any individual's personal objectives and reward system.¹



Completed Why-How chart

The dotted line indicates a set of objectives which could be used to summarise the chart



Richard responded immediately: “Good grief, no!” and then he realised who was asking and he felt a bit less comfortable. “What rumour Daniel?”

Daniel shrugged. “Just something of nothing,” he said as he left the room. He felt good. Richard had been rattled, and he still did not know about it.

¹ Opportunities to address this are covered in Chapter 9.