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HUMAN CAPITAL MANAGEMENT



# Connections

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## Welcome!!!

I'm Jason Boltax, President of JHB Human Capital Management. Earlier this month, I attended the Small Business Summit 2008, where I was invited to be a participant in a roundtable discussion. The topic of this panel was "It's Time to Reinvent Your Business: What You Need **NOW** to Succeed." As an HR professional, the answer is obvious: great people.



But great people are not enough. An organization's success begins with the very foundation it is built upon; the values inculcated in its culture. A lack of focus and execution is often the reason companies fall short of their promises.

In this issue of Connection's, you will learn why lack of execution is the single biggest obstacle to success and why creating an execution culture is a leader's most important job.

Enjoy!!

A handwritten signature in blue ink, appearing to read "Jason".

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## Creating an Execution Culture: A Leader's Most Important Job

In the year 2000 alone, 40 CEOs of the top 200 companies on Fortune's 500 list were fired or made to resign. When 20 percent of the most powerful business leaders lose their jobs, something is clearly wrong.

Leaders make big promises ... and then what their organizations actually deliver falls short. They have accountability problems—people aren't doing what they're supposed to do. Execution is a culture with a specific set of behaviors and techniques that companies must master in order to have competitive advantage. More than a tactic, it is a discipline and a system that must be built into a company's strategy, goals, and culture, and the leader of the organization must be deeply engaged in it.

According to Ram Charan and Larry Bossidy in their book *Execution* (2002), a lack of focus on the discipline of execution is the main reason companies fall short on their promises. It explains the gap between what leaders want and what they deliver.

Execution should be a central part of a company's strategy and goals and the priority of any leader. *An execution culture links the three core processes of any business—the people process, the strategy, and the operating plan—together to accomplish things on time.*

The execution phase forces the leaders to translate the broad-brush conceptual understanding of the company's strategy into an action plan for how it will manifest: who will do what in which sequence, how long those tasks will take, how much will they cost, and how they will affect subsequent activities. Fundamentally, execution is a systematic way of exposing reality and acting on it. Most companies do not face reality very well; hence, they can't execute.

### Execution Questions

- Who will do the job—and how will they be judged and held accountable?
- What human, technical, production, and financial resources are needed to execute the strategy?
- Will the organization have the resources it needs two years out, when the strategy goes to the next level?
- Does the strategy deliver the earnings required for success?
- Can it be broken down into doable initiatives?



## Creating an Execution Culture: A Leader's Most Important Job

People engaged in the processes argue these questions, search out reality, and reach specific and practical conclusions. All agree on their responsibilities for getting things done and commit to those responsibilities.

### 3 Core Processes: People, Strategy & Operations

The heart of execution lies in the *three core processes* (the people process, the strategy process, and the operations process), which every business uses in one form or another.

In a 10-year study of winning companies, professors William Joyce and Nitin Nohria found four primary management practices that directly correlate with superior corporate performance, as measured by total return to shareholders: execution, strategy, culture, and structure (*What Really Works*, 2003).

However, more often than not, these core processes stand apart from one another like silos. Typically, the CEO and his senior leadership team allot less than half a day each year to review the plans and, generally, the reviews are not particularly interactive. What is needed is:

- **Robust dialogue** to surface the realities of the business.
- **Accountability** for results discussed openly and agreed to by those responsible for getting things done.
- **Rewards** for the best performers.
- **Follow-through** to ensure that progress tracks to the plans.

### Robust Dialogue

An execution culture requires robust dialogue that brings reality to the surface through openness, candor, and informality. When mistakes are made, openness is preserved and blaming avoided. The information is used for course correction. Candor and honesty foster creativity and ultimately lead to competitive advantage and shareholder value.

### Emotional Fortitude

Emotional fortitude is necessary to be open to whatever information you need, whether it is what you want to hear or not. It takes a special kind of confidence to encourage and accept challenges in group settings. It is necessary to accept and deal with your own weaknesses and vulnerabilities, to be firm with people who aren't performing, and to handle the ambiguity inherent in fast-moving, complex organizations.

### Execution Is the Main Job

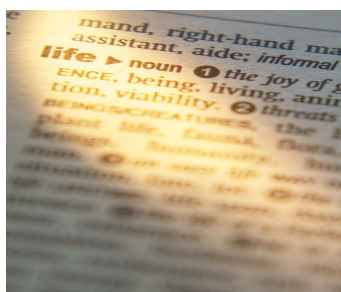
Leaders often bristle when told they have to run the three core processes themselves. "You're telling me to micromanage my people, and I don't do that." Micro-managing is a big mistake; it diminishes people's self-confidence, saps their initiative, and stifles their ability to think for themselves.

There's an enormous difference between leading an organization and presiding over it. The leader who boasts of a hands-off style is not dealing with the issues of the day, not confronting the people responsible for poor performance or searching for prob-

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**"Execution is the great unaddressed issue in the business world today. Its absence is the single biggest obstacle to success and the cause of most of the disappointments that are mistakenly attributed to other causes."** — Ram Charan, author of *What the CEO Wants You to Know* and *Boards that Work*

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## Creating an Execution Culture: A Leader's Most Important Job

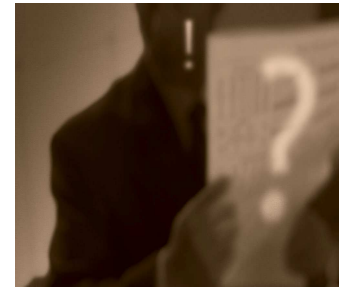
lems to solve and making sure they get solved. Putting the right people in the right jobs and ensuring that rewards and recognition reinforce performance are essential.

### The Leader's 7 Essential Behaviors

How does a leader in charge of execution avoid being a micromanager caught up in the details of running the business? Seven essential behaviors form the building blocks of execution:

- Know your people and your business.
- Insist on realism.
- Set clear goals and priorities.
- Follow through.
- Reward the doers.
- Expand people's capabilities.
- Know yourself.

Most executives and managers don't understand the "discipline" of execution. Not simply a matter of trying harder or paying more attention to details, execution involves a specific set of core processes built on a foundation of leadership behaviors; it's a culture unto itself.




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*"Many people regard execution as detail work that's beneath the dignity of a business leader. That's wrong ... it's a leader's most important job." –*  
 Larry Bossidy, former chairman and CEO, Honeywell International

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## People, Performance, Results.

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## Events

### NY HUMAN RESOURCES/HUMAN CAPITAL MANAGEMENT GROUP

The NY HR/HCM group creates an environment where HR professionals can turn for advice, best practices or to find a helping hand.

For complete event calendar and to join, visit [www.jhbhcm.com](http://www.jhbhcm.com) and click events.



### NY HR WEEK 2008

Designed by the nation's leading HR publication, *Human Resource Executive® Magazine*, NY HR Week offers you access to the people and ideas that are shaping the future of HR.

When: April 15-17

Where: NY Hilton

Simply register by February 22 with Promotional Code "NCMG" to save \$300 off the regular registration price. This savings also applies to the all-access Super Pass, which allows you to attend sessions from all three conferences featured at NY HR Week, and gain access to all program materials. To take advantage of this exclusive offer, register online at [www.NYHRWeek.com/NCMG](http://www.NYHRWeek.com/NCMG)



## About JHB Human Capital Management

JHB Human Capital Management is a human resources strategy consulting firm, specializing in HR management, organizational assessments and workforce development.

The mission of JHB HCM is to help companies succeed by providing guidance, advice, process, structure and strategy for their human resources needs.

If you would like to schedule a **FREE** consultation, receive more information about our services or have a question, contact us directly at:

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