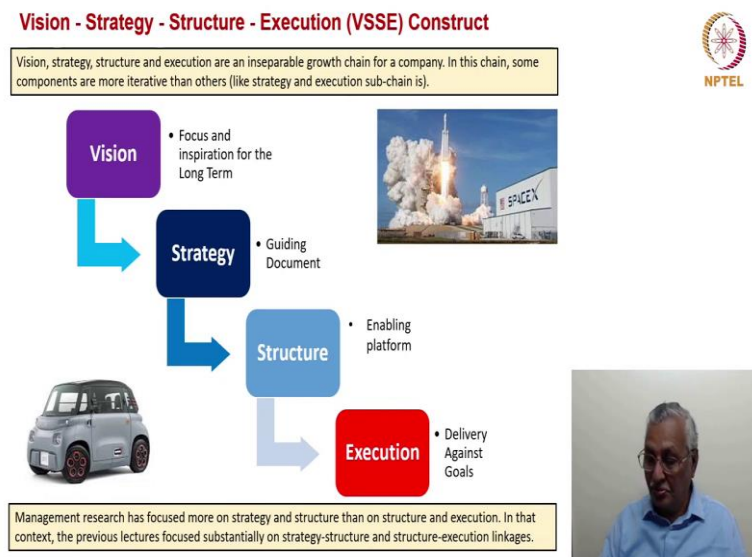


Leadership for India Inc: Practical Concepts and Constructs
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Week - 06
Leadership Structures
Lecture - 29
Effective Execution

Hi Friends, welcome to the NPTEL course Leadership for India Inc. Practical Concepts and Constructs. We are in week 6 discussing Leadership Structures. In this lecture, we will focus on Effective Execution.

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In the previous lectures, we have considered vision, strategy and structure in some detail. In this lecture, we will focus on execution. Execution is the fourth leg of the vision, strategy, structure, execution, construct. These four together constitute an inseparable growth chain for a company. In this chain, some components are more iterative than others. Vision and strategy, strategy and structure are two sub chains which are more iterative.

However, execution is a singular path and once committed it needs to be completed as per the desired time frame. You see two images here, one that is of SpaceX and the other is of an electric vehicle. You can see that vision that has been developed years ago has

been the foundation for the development of these projects and these projects were developed as per a guiding document and then, the companies had robust structures including R&D, manufacturing were applicable or projects were applicable and commercialization platforms.

And finally, as the SpaceX moves into the space and as the electric vehicle moves on the road, it is execution completed that is delivery against goals. This is how projects, mega projects or mini projects take place. Management research has focused very much on vision, strategy and structure rather than on execution, the reason is that there were several options available for vision, strategy and structure, but execution is considered a doers' job.

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Execution

Previously, we discussed the critical role of strategy, structure, and execution trilogy for leadership. This lecture focuses on the execution component of the trilogy, which not only delivers results but also drives competitiveness.

Vision and Strategy	Execution
Crafted by Select Few	Organization-wide
Usually Top Led	Usually Frontline Led
Externally Oriented	Internally Focused
Internally Introspective	Stage Gated

There is a surfeit of management literature on planning, strategy and the like but very little on execution. By way of comparison, there are hundreds of books focused on strategy or project management while only a few are dedicated to execution. A few select books on strategy and execution are presented above.

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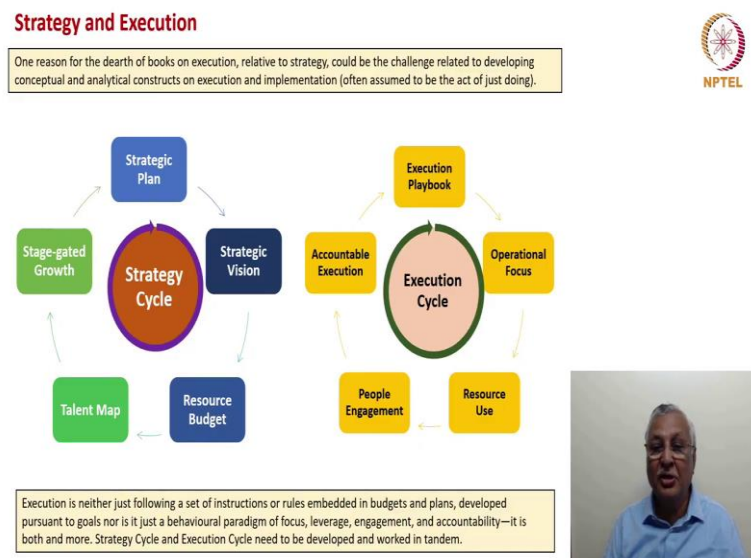
If you see vision and strategy, the characteristics are that they are crafted by select few especially, people who are in the top echelons of a company, these are externally oriented, vision is completely externally oriented, developing the future state of the company 5 years, 10 years hence, in an industry which is evolving or an environment which is taking shape and as far as the internal approach is concerned, it is introspective, what are my strengths and opportunities for growth and what are my risks and what are the ways in which I can mitigate the risk. So, it is an introspective approach as far as the internal framework is concerned.

On the other hand, execution is an organization wide phenomenon. If vision and strategy are crafted by select few, execution is carried out by each and every person in an organization. Usually, it is led by the frontline operatives. It is internally focused as opposed to vision and strategy which are externally oriented and execution is stage gated, that is you need to cross a milestone before you try to aspire for the next milestone.

But if you see the literature on these vision and strategy as well as execution, you will find that there are hundreds of books that are written on vision and strategy, but very few books are written on execution.

There are some very good books on strategy and execution. I have presented some of these here and when you have the time and opportunity, please go through the select books on strategy and execution as presented here. We have considered some of the core concepts when we considered these management thoughts in earlier lectures.

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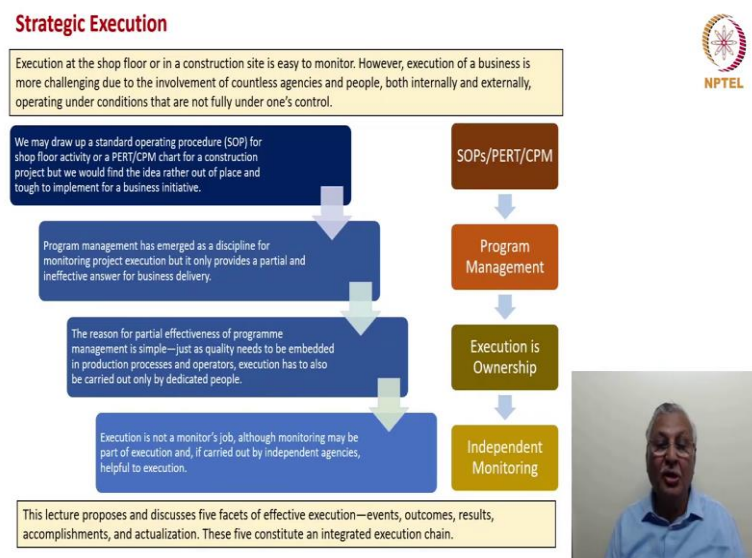
If you see this strategic plan, it follows a cycle. Let us assume you already have a strategic plan then you try to create a new strategic vision and then create a resource budget, you develop a talent map and you develop a stage-gated growth plan that is the strategy cycle, and it goes on and on. There is no beginning and end for this strategy cycle. Once a strategy cycle gets over, another strategy cycle starts off whereas an execution cycle is something which is predetermined both in terms of the goals and timelines.

You have an execution playbook, you have an operational focus, you utilize the resources that have been budgeted as per the strategy, you engage the people in terms of execution plans and execution actions and finally, the accountability of execution takes place and once the goals are completely met, you look for the next strategic direction so that you can take on further execution. However, there is lot of misconception about execution.

Execution is neither just following a set of instructions or rules which are provided in budgets and plans. It is also not trying to find a journey to reach a destination, but it is something which is also related to behaviour, focus, leverage, engagement and accountability. A whole set of factors that have certain specific mindset of execution.

Strategy cycle is extremely important for an organization and so, is execution cycle. Even not so good strategy can be made very effective by effective execution whereas, even a grand vision and a great strategy can be spoiled by poor or ineffective execution. Therefore, the strategy cycle and execution cycle must work to their fullest potential in an organization, if the organization has to be competitive and sustainable in its growth path.

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So, if you want to combine all of these things in the concept of strategic execution, it is indeed possible and when we want to look at strategic execution, that is execution of the

growth plan of a company, it is quite different from execution of a machining operation or assembly operation in a company.

Execution on the shop floor or in a construction site are easy to monitor. However, execution of a business with its strategy and the many environmental unpredictability's is more challenging due to the involvement of countless agencies and people both internally and externally and the operations are carried out under factors which are not clearly under ones' control.

Many times, people mistake execution to having standard operating procedures and or having ourselves governed by PERT, CPM charts or Gantt charts however, these do not constitute execution. Neither does the next level of program management that is bringing together a whole lot of people who are involved in a project and try to direct resources, measure outcomes that is also not strategic execution.

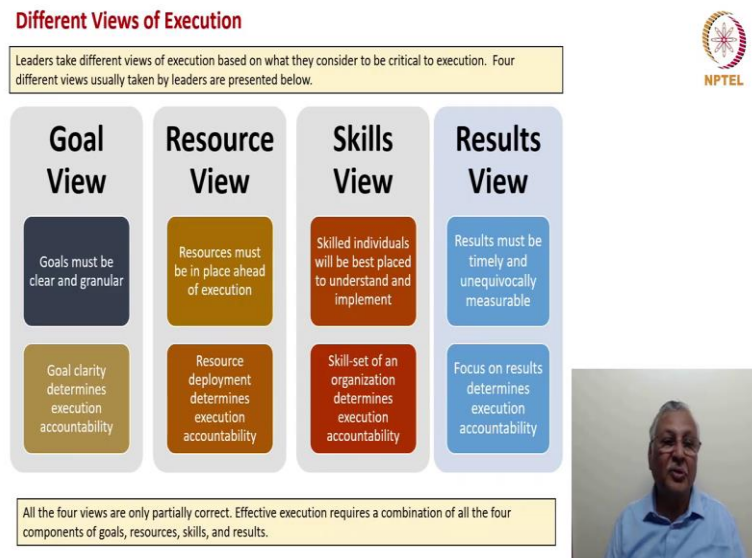
Execution is ownership. Every individual needs to feel for execution and needs to feel one in getting the execution carried out and people who are executing must also be open to independent monitoring by other agencies, just as safety, health, environment, quality these are embedded behaviours of an individual, execution also has to be an embedded behaviour of an individual.

How do we classify execution as a separate discipline? Why is it that there are not many books or white papers written on execution? The reason is that execution is seen as just one activity of carrying out a task whereas, execution is broader than that. We many times confuse execution with several other aspects that come out of execution. For example, events, outcomes, results, accomplishments and actualization these are all parts of execution.

Depending upon the evolved thinking, we have one execution. We think that any of these five factors are facets of execution tantamount to total execution, that is not true. We have to ensure that execution actually results in the final outcome which is not the physical outcome or the financial outcome, but that is the actualization outcome, but that is not achieved immediately.

It goes through a process of events, outcomes, results, accomplishments and actualization before a matured organization can claim that I have achieved the best possibility in execution.

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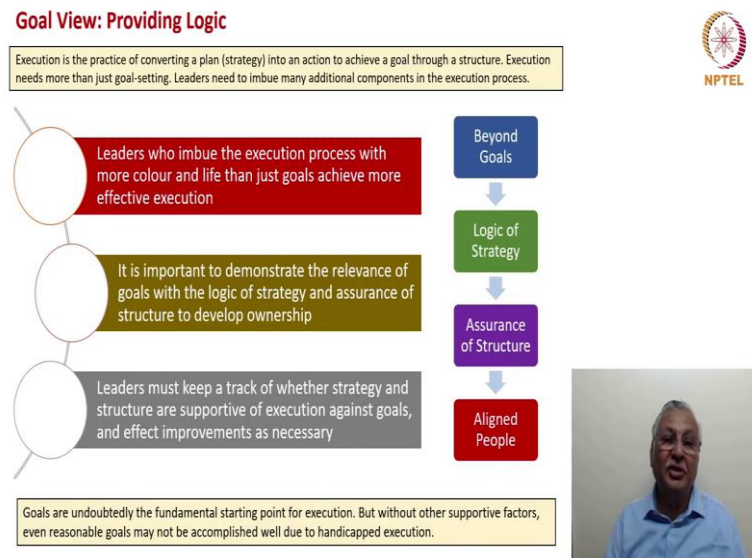
There are four different views of execution. Leaders take different views of execution based on what they considered to be critical to execution. The four different views usually taken are presented below: the first is goal view. It believes that if the goals are clear and granular, execution gets enabled. Goal clarity determines execution accountability is the basis of the goal view.

Another view is resource view. It believes that resources must be in place ahead of execution. If you are able to provide the people who are executing a particular activity or a particular project with adequate number of resources, then the execution gets done. So, resource deployment determines execution accountability is the view emanating from the resource view.

There is also a skills view which believes that if you have skilled individuals, they will be best placed to understand and implement an execution pathway. The view, therefore, is that the skill set of an organization determines the execution accountability and finally, there is a results view. Results must be timely and unequivocally measurable for us to believe that the execution has taken place in the appropriate manner. Focus on results, therefore, determines execution accountability under this view.

As we can perceive, all the four views are only partially correct. Effective execution requires a combination of all the four components of goals, resources, skills and results, then only the factor view of execution becomes complete.

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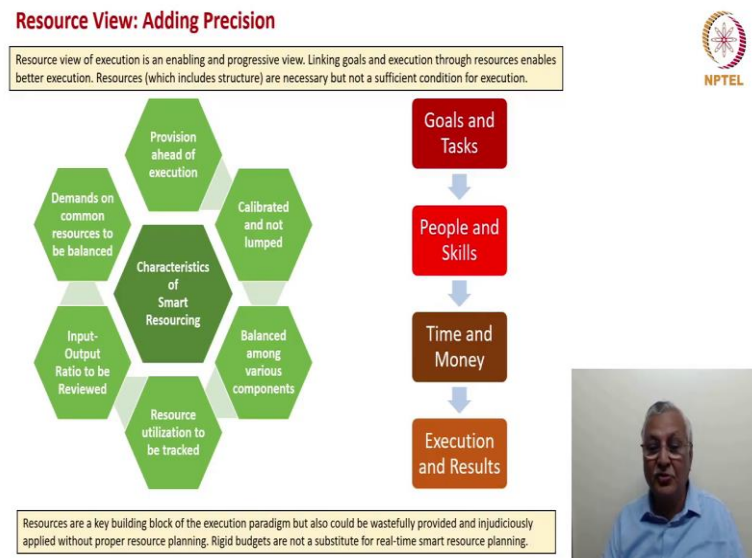
The goal view said that if you have clear goals, you will have clear execution path. But I would like to suggest that goal view also needs to be value added with some kind of rationality and logic. Leaders who are able to imbue the execution process with more colour and life than just goals achieve more effective execution that is you must look beyond goals.

Apart from specifying the goals, you must explain to your people why these goals are important and why we are going the way we are going for achieving the goals. It is important to demonstrate the relevance of the goal with the logic of strategy and assurance of structure to develop ownership.

When they know that the goal is not just a quantitative measure thought about by the top management, but it has got lot of relevance to the prosperity and perpetuity of the organization, then there will be a greater ownership on the part of the executives. Leaders must also keep track whether strategy and structure are supportive of execution against goals and effect improvements as necessary that ensures that the structure is aligned with the delivery of the execution and people get aligned.

Goals certainly are the fundamental starting point for any exercise for execution. But without other supportive factors and without a greater logic related to strategy, the goals may not be accomplished well, and it results in handicapped execution.

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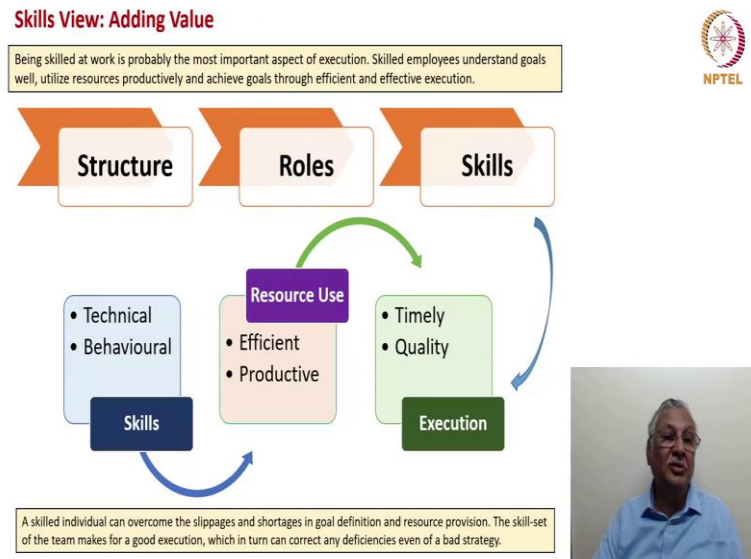


Similarly, on the resource view, we can take a broader perspective. Characteristics of smart resourcing or providing the resources ahead of execution, calibrated provision of resources than lumping of resources, balanced deployment of resources under various components and ability to track resources, input-output ratio being measured at a very stage of resource consumption and demands on common resource to be balanced across various stakeholders.

So, you need to have goals and tasks as per the goal view. You also need to have people and skills as a resource factor. You need to have time and money provided as another resource factor and then, you can measure execution and results. Resources are a key building block of the execution paradigm, but could be wastefully provided and injudiciously applied without proper resource planning.

Rigid budgets are not a substitute for real time resource planning. So, we need to add precision for the resource view, for the resource view to be applicable.

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Then, we have the skills view. We can add value to the skills view also. Being skilled at work is probably the most important aspect of execution. If you are skilled, execution gets done with efficiency and effectiveness. Skilled employees understand goals well, utilize the resources productively and achieve goals through efficient and effective execution.

So, structure, roles, skills, this is the value chain of execution and skills could be technical and behavioral whereas, resource use can be efficient and productive, and skills could be timely and quality. Skills are directly related to the efficiency of execution as we said. A skilled individual can overcome the slippages and shortages in goal definition and resource provision.

The skill-set enables an individual comeback with clever and creative ways of overcoming any lacunae in the execution pathway and can correct any deficiencies even of a bad strategy. So, a value added skills view is helpful for achieving proper execution.

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Results View: Adding Rationality



Results are the final confirmatory metrics of an execution process. Results may not be seen only as the final outcomes of an execution process. The longer the implementation horizon, the greater is the risk of sole reliance on results.

Planning Frequency Twice or more per year	Execution could suffer from micro-management, and frequent changes	Execution could be de-risked with timely corrections
	Stable execution paradigm in stable companies	Executions could be prone to error with misalignment of goals and results between themselves and together with the environment
Once a Year	Short (One to two years)	Long (3 years or more)
	Implementation Horizon	

It is important to link the goal-setting strategic processes with the result-delivering execution processes in a flexible manner related to the execution horizon and planning frequency. Inability or unwillingness to do so will lead to time and cost overruns.



Then of course, the results view which is the final endpoint of execution. These are the final confirmatory metrics of an execution process. Results should not be seen as only the final outcomes of an execution process because the longer the implementation horizon, the greater is the risk of sole reliance on results, efforts become extremely important in forecasting what kind of results could come up.

Let us consider the implementation horizon versus the planning frequency. We can have a very short implementation horizon which could be regular projects which take place on the shop floor or a product launch project in the marketing environment or very specific design and development project, these are all short-term horizon projects with duration of 1 to 2 years.

On the other hand, construction of a brand-new facility on a greenfield site and getting it approved by the regulatory agencies could be a very long process with an implementation horizon of 3 or more years. Planning horizon could be once a year which is the normal or it could be twice or more per year depending upon the variability in the environmental circumstances.

If we have a short implementation horizon and if you also have an annual planning frequency, we can say that we are in a stable execution paradigm and the company is also in a stable business, then it is a kind of continuous self-piloting situation. On the other hand, we have an implementation of horizon of only 1 to 2 years, but the planning

frequency is substantially more frequent, the execution could suffer from micromanagement and frequent changes. If the individuals are monitored on a very continuous basis, then the execution could suffer from the hazards of lack of ownership.

There could be a situation where the implementation horizon is very long 3 years or more, but the planning frequency is very short relative to the implementation horizon that is just once a year. In such cases, executions could be prone to errors and misalignment of goals and results between themselves and together with the environment.

So, we may lose track of the fundamental goals with which the project has been started and various other developments that have taken place both internally with respect to project execution and externally with reference to the competitive developments. Many infrastructure projects are prone to this error.

You may decide to establish a particular express way hoping that you would be able to meet the traffic demand, but when the implementation of horizon is very long 5 to 10 years and if the city is expanding during this process beyond the expectations and the planning horizon is only once a year, it is quite possible that the execution could be error prone and faulty and it may not meet the goals of fulfilling the traffic as envisaged originally.

If the implementation of horizon is long and if the planning frequency is pretty high, then the execution could be de-risked with timely corrections. Therefore, it is important to link the goal-setting strategic processes with the result-delivering execution processes in a flexible manner related to the horizon of the execution and the appropriate planning frequency. Inability or unwillingness to do so will lead to time and cost overruns.

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Execution Maladies

Infrastructure projects which typically have 5 to 10 year execution horizons and operate within the first granted budget typically suffer from such time and cost overruns.



In respect of each infrastructure project, millions of dollars, which a resource-scarce economy like India can ill-afford to lose, are at stake due to issues in execution so far discussed.



What are the execution maladies which we frequently encounter? As an emerging economy in India too, when we try to build mega projects, we encountered very long delays over and above the long lead times that are involved in the infrastructure projects. Typically, any infrastructure project even in developed country would have a lead time of 5-to-10-year execution, in India it could be even longer.

In airports, our lead times could be 10 to 15 years from the time the land is decided to be acquired. So, is the implementation duration for power plants 10 to 20 years. Oil refineries, 10 to 15 years. Expressways, 10 to 15 years. Pharma, of 5 to 8 years and seaports 10 to 15 years.

One of the biggest drawbacks of execution in infrastructure projects is that a budget is developed very ambitiously based on very tight project schedule and it is never reviewed and even if you want to review, the resource position does not allow you to review to increase the budgets. As a result, we actually constrain the proper execution of the project and there would be more time and cost overruns than could be saved if proper deployment of additional resources or course correction with reference to expanded timeline.

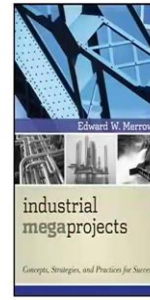
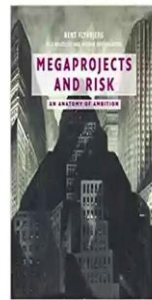
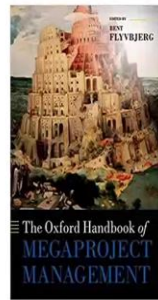
So, in respect of each infrastructure project, millions of dollars could be at stake by not planning the project properly and by not executing the project properly and resource-scarce economy like India can ill-afford to lose and these are the issues which we need to

consider as leaders, how infrastructure execution could be the most optimal and the most effective one so that the needs of the society are fulfilled.

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Books on Megaprojects

Given the critical importance of planning and executing megaprojects effectively, several authors came up with their prescriptions. The three books presented below are some of the best in the domain of megaproject execution.



The fruits of development of megaprojects are often challenged by the financial and non-financial risks associated with such projects. Effective execution is the key.

Megaprojects are the ultimate tests for leadership's vision-strategy-structure-execution paradigm. Japan emerges as one nation which has perfected the methodology for successful execution of megaprojects. National behavioural culture of ownership and alignment play no small part in Japan's success in this.



Given the importance of mega projects and the execution thereof, there have been very interesting and very helpful books that have been authored. The oxford handbook of Megaproject Management is a great guide for handling mega projects. The same author has talked about the Megaprojects and Risk, the anatomy of ambition that is inherent in mega projects.

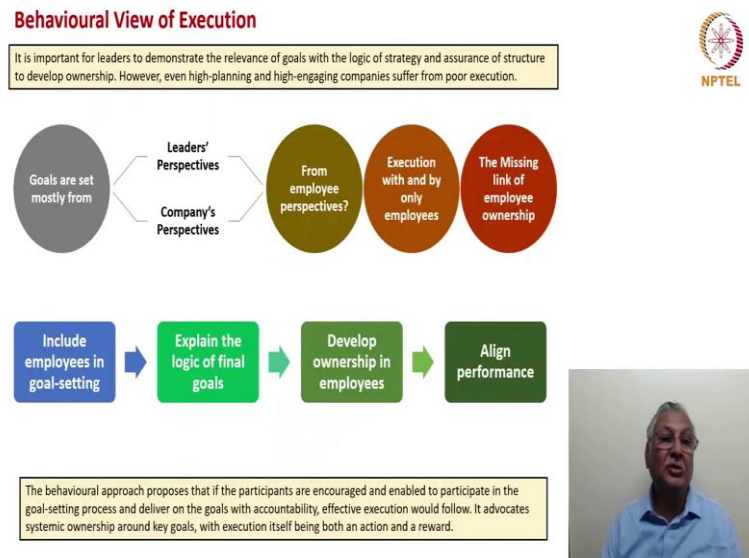
Similarly, we have mega industrial projects, oil refineries, energy projects, rivers and dams, bridges and these projects also make a lot of difference to human habitation and economic and social life and if these projects are delayed, then there would be significant loss of economic momentum for the nation.

The fruits of development of mega projects are often challenged by the financial and non-financial risks associated with such projects. Effective execution is the key to minimize those risks. These are also the actual and ultimate tests for a leader's, vision-strategy-structure and execution paradigm.

Amongst various nations, Japan emerges as one nation which has perfected the methodology for successful execution of mega projects. National behavioural culture of

ownership and alignment play no small part in Japan's stupendous position and success in building mega projects.

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We have taken a factors view of execution. We thought about goals, we discussed resources, we talked about skills and we talked about resources and we also concluded all these things have to be value added for making an impact and they all must be considered together as one cluster of factors to drive project execution.

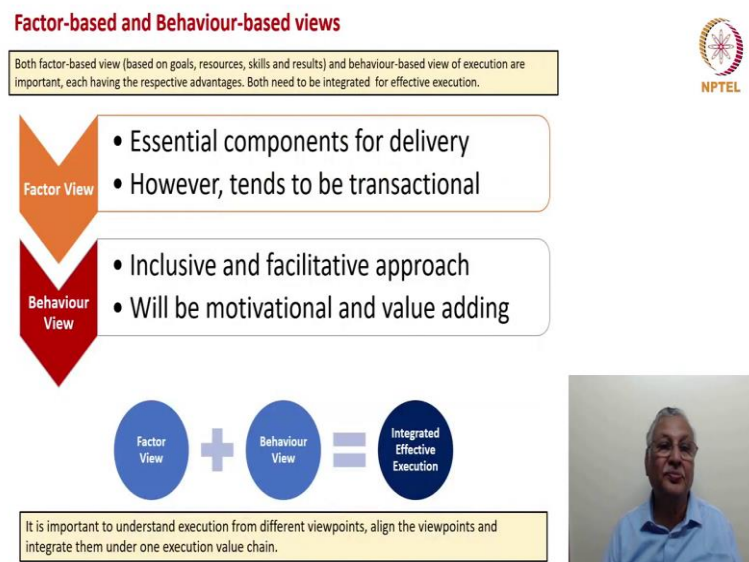
Then, there is also this behavioural view of execution because everything which is involved in the execution chain is something to do with individuals, the individuals could be leaders, or the individuals could be the companies which are led by the leaders. Goals are set mostly from the leader's perspective and from the company's perspective. What about employee's perspective?

Where do we employee's figure in deciding how the execution would take place? Because they are the people work on the execution pathway with their hands and with their intellectual faculties. Execution will be and can be only with the employees and by the employees at the frontline and at the middle level. So, the missing link of employee ownership has to be brought into execution paradigm for execution to be effective. This is the behavioural view of execution.

It says that employees should be involved in goal setting. The logic of setting the final goals must be intimated, informed to the employees. There should be ownership that is developed in employees and performance should be aligned, I have tried to bring some of these behavioral factors when value adding into the factors view of the execution process.

The behavioural approach proposes that if the participants are encouraged and enabled to participate in the goal setting process and deliver on the goals with accountability, effective execution would follow. Systemic ownership around key goals, with execution itself being both an action and a reward is proposed in the behavioural view of execution.

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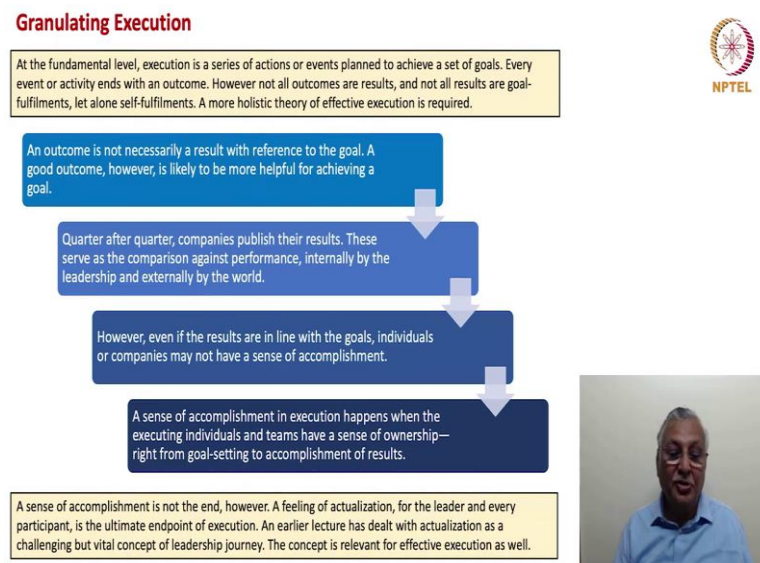


We have to combine the factor view of execution as well as the behaviour view of execution. Factor view of course, is the foundation. Without the essential components of goals, resources, skills and the aspiration for results obviously, the execution would not be there. But if you focus only on the factor view, the execution paradigm would be very transactional.

The behaviour view adds value to the factor view. It promotes an inclusive and facilitative approach to execution. It will be motivational and value adding to the factor view. So, if you combine the factor view and behavioural view, you get integrated effective execution methodology.

It is therefore, important to understand execution from different viewpoints, align the viewpoints and integrate them under one execution value chain. When there are so many aspects of execution, it is improper and inadequate to consider that execution is just doing a job, it is just following a standard operating procedure, no, these are not the only views or sufficient views of execution, execution has got a much broader construct that governs it.

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So, how do we granulate execution? At the fundamental level, execution is a series of actions or events planned to achieve a set of goals. Every event or activity ends with an outcome. However, not all outcomes are results and not all results are goal fulfillments, let alone self-fulfillments. A more holistic theory of effective execution is required.

To repeat an outcome is not necessarily a result with reference to the goal. A good outcome, however, is likely to be more helpful for achieving a goal. Quarter after quarter, companies publish their results. These results serve as comparison against performance, internally by the leadership and externally by the investor world.

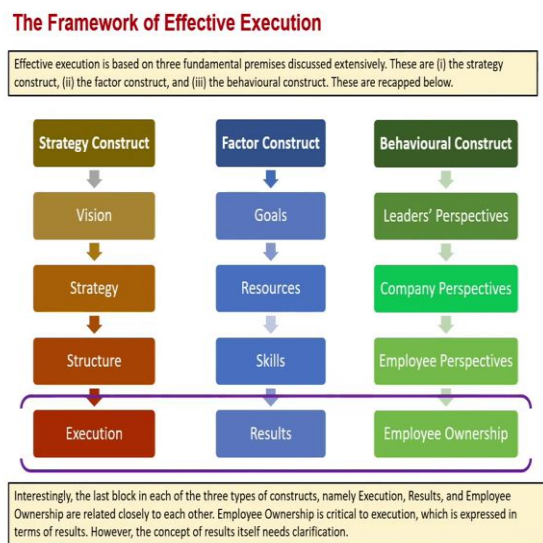
However, even if the results are in line with the goals, individuals or companies may not have a sense of accomplishment because they intrinsically know that the goals probably have been set either too ambitiously or too unambitiously and even if they have met the benchmark of meeting the goals, they are not fully satisfied.

So, there needs to be a sense of accomplishment beyond the sense of meeting the goals that is what would happen when the executing individuals and teams have a sense of ownership, then the goal setting itself will be to the best possible level and accomplishment of results would also be to the best possible level.

However, even a sense of accomplishment is not the end. A feeling of actualization that I have made a fundamental transformation through my execution is the ultimate result or of ultimate endpoint of execution and for the leader and for every participant, the ultimate endpoint of execution should be actualization.

We discussed in the very first lecture as well as in another lecture the concept of self-actualization not only self-actualization, actualization of the team and actualization of the organization and the broader corporation are the real endpoints of effective execution, it is a vital concept in the leadership journey.

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So, I can look at three constructs and how they implement things. If you have the strategic construct, vision is the first part, then you have the strategy, then you have the structure and you have the execution, this is the four-component vision, strategy, structure, execution that I outlined.

When we look at the factor construct, we have got goals, we have got resources, we have got skills and we will get the results. In the behavioural construct, we have the leader's

perspectives, the company perspectives, the employee perspectives and finally, employee ownership that results.

If you see the last line of each of these three constructs and combine them, execution is a resultant of employee ownership that is the formula which we need to have. Execution is the resultant of employee ownership and employee ownership is a resultant of the behavioural construct executed properly in the minds of leaders and employees.

Results are arising from the factor construct which has appropriate goals, resources and skills and execution is arising from the strategic construct which place out a vision, crafts a good strategy and provides a good structure. This is the framework of effective execution. These three constructs are very important and employee ownership is the ultimate end goal which the strategists must look at as the strategist embarks upon the action of doing vision.

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Results Redefined

While results are the endpoints of execution, there is significant confusion regarding what constitutes the real expression of effective execution. As the cycle of effective execution below shows, even events and outcomes may be interpreted as results while accomplishments and actualization would be better reflection of true results.



The process of actualization, discussed earlier, reminds and teaches leaders that their responsibility is not merely one of achieving results but one of becoming the best they can, and in the process bringing out the best from their team members. Actualization, therefore, is the ultimate form of results.



I said that events or outcomes are not really the expected endpoints of execution. This is the cycle of goals to delivery. Whenever you do a particular execution, it happens as an event or an activity that is the fundamental starting block of execution. Then, once you do an event, you get an outcome that is let us say you have worked on laying the bricks with cement for the whole of the day, then you will be able to raise the basement that is the outcome.

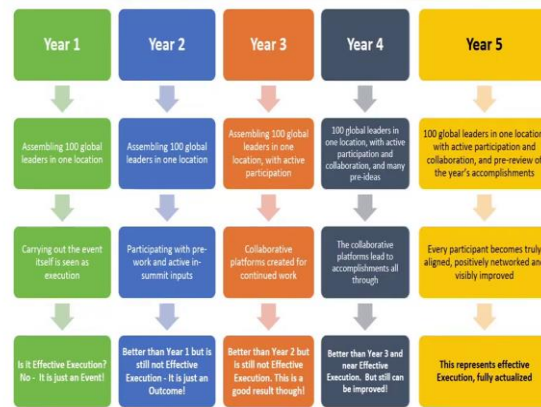
But is it a result in terms of constructing the house? No, you are far away from the result and does it give you good feeling that the basement you have laid is the best possible basement for the house? No, we are yet to test that, and several activities need to be performed to test that.

And can you see the house fully constructed and having the kind of architectural elegance and the quality of construction you have envisaged? You do not know, that means you have still not actualized. So, any part of execution by itself cannot be seen as the final lap of the execution each is temporary, transient and enabler for the final execution. This cycle of effective execution must be understood by all of us when we say that we are on the path of execution.

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Effective Execution

To correctly interpret results, one needs critical thinking – an ability to separate chaff from grains, and the superficial from the core. Let us review the example of organizing an annual global leadership summit.



The progression of execution from event to outcome, result, accomplishment and actualization is notable.



How does this work? Let us take one example. Let me assume that I am part of a global multinational corporation which has got 100 top-level leaders across the world in several regions doing several things from R&D to manufacture to marketing and regulatory affairs, quality management and so on. I decide to have a global strategic leadership meet of all the top 100 people because as a global organization, we are not able to interact with each other.

So, year 1, we assemble the 100 global leaders in one location. It is a huge logistical challenge and carrying out the event for the first time itself is seen as execution. Everybody feels happy that we brought together for the first time in the company's

history, 100 leaders on to one platform and discussed various aspects relating into the company. But is it effective execution? No, it is just an event because we have not specified really any transformational changes arising from this meeting.

The same global leadership conference takes place in year 2. As in the past, we assemble 100 global leaders in one location, but learning from the previous experience, we tell the readers that you please do your pre-work, provide active in summit inputs and then, let us interact.

Better than year 1 outcome, but it is still not effective execution, it is still an outcome. If the first event was just an event, this event had an outcome, an outcome in terms of coming with pre-work, sharing the inputs and trying to develop some new frameworks and new constructs as part of the year 2 summit.

Let us say we do that in year 3. We again assemble with 100 global leaders in one location and we encourage greater participation ahead of the summit. We also create collaborative platforms created for continued work. We will say that we will not just go back to our positions for strategy, let us link up a, b, c, d location for R&D, we will link up 1, 2, 3 locations and we will do marketing initiatives based on 5, 6, 7 locations. All these kinds of decisions could be taken. What about the endpoint of this execution? Certainly, better than even year 2, but still it is not effective execution because it is a good result, but not the best that could be achieved.

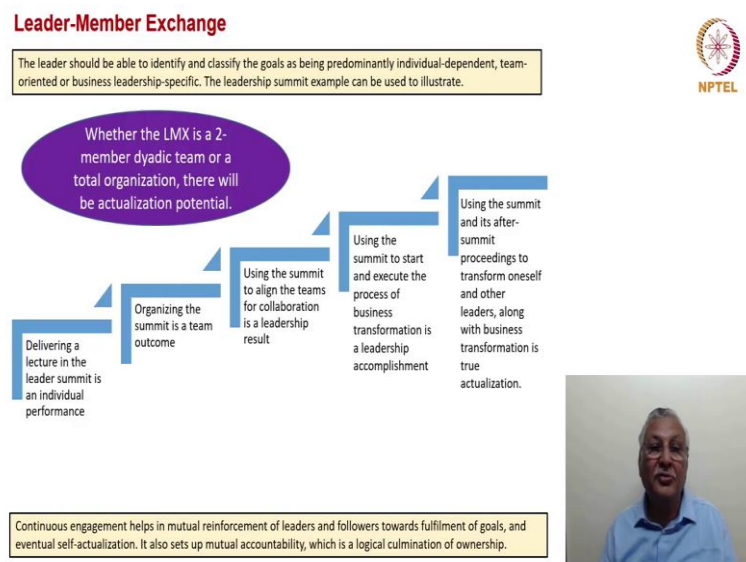
Let us say we do it in year 4, 100 global leaders in one location with active participation and collaboration and many pre-ideas as opposed to pre-work in the 2nd and 3rd years. We have pre-ideas, that is people come with the ideas of how to change the course of business, how to improve market share, how to reduce cost, how to improve quality and so on. Then, the collaborative platforms that were already constituted lead to accomplishments all through during this summit and the outcome or the endpoint of year 4 is certainly better than year 3 and almost near effective execution, but still can be improved.

We have arrived at a particular transformative point through year 4. And in year 5, let us say these 100 global leaders again assembled in one location have active participation and collaboration as last year and also have a pre-review of this year's accomplishment that is you are trying to do a midterm review of all the initiatives taken so far.

And see holding a mirror to ourselves whether we are on the right path and every participants becomes slowly aligned, positively networked and visibly improved, then it is a transformational exercise. This represents effective execution fully actualized. So, the progress of execution from event to outcome, result, accomplishment and actualization is visible and notable.

So, when we say that we are going in for effective execution, we should never look for conducting events or looking for outcomes or measuring results or just at the goal post of final effective execution, we should actually actualize ourselves and claim that we have effectively executed that is the requirement of effective execution.

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When we think of effective execution, it is all a leader member exchange. It could be a dyadic exchange between one leader and one follower or one leader with the whole number of followers. Again, we should distinguish between individual performance, team performance and a leadership performance of all the people included. If you deliver a lecture in that summit, if you contribute as an individual, it is just an individual performance.

Organizing the summit and in any of the 4 or 5 formats is certainly a team outcome, the entire team has participated. Using this summit to align the teams for collaboration is a leadership result. Using the summit to start and execute the process of business

transformation which is almost being near the effective execution endpoint that is a leadership accomplishment.

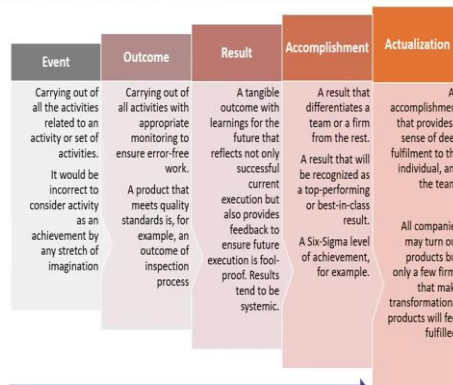
Using the summit and its after summit proceedings to transform oneself as an individual, other leaders and also the business itself is true actualization. Continuous engagement helps in mutual reinforcement of leaders and followers towards fulfillment of goals and eventual self actualization.

This must be individual driven, team sponsored and business leaders specific with lot of ownership on the part of both leaders and the participants. These kinds of final actualization approach sets up mutual accountability which comes up as a logical culmination of ownership.

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Progression of Results

It is important for both leaders and followers to have clarity on how the end-points of execution are defined. Reality is more important than perception.



This lecture does not suggest that all execution should aim at only actualization. Typically, there would be a combination of many results, several accomplishments, and a few actualizations in a leadership endeavour.



So, let us look at this once again because this concept is very important event, outcome, results, accomplishment, actualization. Carrying out of the activities which are required for execution is like doing an event. This should not be considered as execution. Activity is not achievement by any stretch of imagination.

Outcome is the carrying out of all activities with appropriate monitoring to ensure error-free work. So, at the end of the execution, if you get a product or if you deliver a service which meets the equality standards, you got an outcome out of the whole process, it

could be a manufacturing process or it could be a marketing process. So, you got an outcome that is the barest minimum which you should aim for.

Then the result that is a tangible outcome with learnings for the future that reflects not only successful current execution but provides the feedback for future execution that is fool proof. Results tend to be systemic, that is whatever are the learnings that are arising from these results would go into the DNA of the company and help the company make the results better in future cycles.

Then finally, the accomplishment prior to actualization, that is the result which differentiates a team or a firm from the rest. It could be an accomplishment which says that this strategic business unit will have this level of extraordinary performance or that this R&D unit will develop a brand-new engine or a brand-new power pack or that the entire capital goods equipment will be digitized using internet of things.

There could be several ways a group or an organization could aim for accomplishment that reflects a top performance, best in class result and it is a Six-Sigma level of achievement generally that is the accomplishment. And finally, actualization which is an accomplishment that provides a deep sense of fulfillment to the individual and the team, it is like getting Deming's award for quality, capability of the organization.

JD Powers award for being the best marketing company or best product quality company on the field. It could be like getting OSHA certifications with reference to occupational health or other certifications for environmental compliance or ISO certifications for quality. So, these are the final actualization that you are the best.

And in certain other industries such as pharmaceuticals, ability to get certifications by all the related agencies without even one single observation, first I am writing inspection that is actualization that means, every member of the team has worked so perfectly that no inspecting agency across the world or around the world could say anything as lacking in the organization.

That means, best of technology, best of human behaviour, best of leadership, best of employee ownership have combined to deliver that kind of result that is actualization. By no means, I would like to suggest that everybody should aim at actualization in every execution activity.

It is physically not possible. You need to understand where actualization should be pursued as the superordinate goal and where accomplished should be pursued as the ordinate goal and where result should be pursued as a normal goal. Typically, in an organization, there would be a spectrum of execution activities and that spectrum would be a combination of results, accomplishments and a few actualization. Certainly, events and outcomes should fall out of the way in the execution path.

Results, accomplishment and actualization are the ones we should aim for ineffective execution.

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Leader Reflections

As one travels the full length of execution value chain, the journey would require leader to reflect on what really fulfills him or her, and not what the external and internal stakeholders desire or aspire for.



While all the factors would be reflected in company valuation, the sense of fulfilment could come from completely different factors. It could, for example, be from a sense of learning that one has become a master of turnaround, disproving all naysayers. Such fulfilments may not be expressed or measured at all.



Leader reflections, how do leaders look at their own execution? As one travels the full length of execution value chain, the journey would require the leader to reflect on what really fulfills him or her and not what the external or internal stakeholders desire or aspire for.

When Eicher had the opportunity to take over Royal Enfield, there were several questions, people said that the Royal Enfield infrastructure is outdated and there were several quality problems and a newer breed of Japanese motorcycles is said to conquer the country and what is the point in trying to revive, but for Siddharth Lal, the CEO of the Eicher group family, it was a challenge. The challenge of resurrecting and growing a company where you wrote off was the challenge.

The challenge of keeping alive the Royal Enfield passion which he personally believed in. The scope and potential to emerge as an achiever on his own within the founder family that was an actualization driver and the ability to take Eicher group which was predominantly North based into South India and to in to a different product group. These were the motivators first for Siddharth Lal, when he accepted the challenge or when he welcomed the challenge of turning around Royal Enfield.

And finally, he took himself and Royal Enfield into the hall of fame. He got in better revenues for the company, he turned out the company, removed the quality glitches, modernize the product line up and profits, increased market cap for Eicher and generated jobs. Today, the stock market respects and rewards Eicher for its performance on the two-wheeler segment more than the tractor segment or the commercial vehicle segment.

So, a leader can take up a particular execution challenge and reflect what really motivates or inspires him to take on this execution challenge and actualize himself by completely fulfilling it in all its aspects and such fulfillments may not be measured or expressed by the individuals concern, but it is deeply felt, and this is what we call felt leadership.

Having demonstrated this level of turnaround and having ensured a strong presence in a highly competed market, it is an actualization experience which is felt by each and every member of the organization though it may not be quantified by other than revenue, profit and the other the financial parameters.






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Leader Transformations: From Forgings to Forging a Blueprint

A sense of actualization occurs by focusing on transformative goals rather than mundane goals, and by focusing on a few prioritized ones among them, rather than on every one of them.



Baba Kalyani, CMD, Bharat Forge Group



World-Class Technology driven Engineering Company	More than 50 years in manufacturing high performance, mission-critical components
Vertically integrated with end-to-end capabilities from Steel to Finished Components & Aggregates	India's largest automotive forging company, with a range of auto components
Global Footprints with ten manufacturing locations spread across India, Germany, Sweden, France and North America	Building India's economic backbone, strengthening national capabilities
Serving multiple industrial and infrastructure sectors	Engaged in providing primary education to under-privileged children

Baba Kalyani transformed Bharat Forge from being a preferred supplier of crankshafts to heavy duty diesel engines focused only on India to a globally competitive technology powerhouse serving multiple industrial sectors, in US and EU. Actualization comes from the industrial transformation he could achieve over his tenure.



Similarly, there are many other leaders who transformed their companies, Bharat Forge was a highly respected company in the 1980's. Manufacturing crankshafts and camshafts and various other forgings primarily for the automobile industry and later on for other industries.

The company had world class technology, it had more than 50 years in manufacturing, but Baba Kalyani, after he took over, transformed the company to such quality levels that the forgings made by the company or the first choice in the north American market as well as the in the European market.

The he dovetailed the company not merely into auto components to a greater degree, but he got into wind energy, defense products and also into e-mobility. So, world class technology more than 50 years of heritage in manufacturing, vertical integration with end-to-end capabilities, scale and scope as the largest forging company, having worldwide manufacturing capability from having only facilities in India, building India's economic backbone including defense and energy infrastructure.

Serving multiple industries not merely the commercial vehicle industry and multiple infrastructure sectors and engaging in its social responsibility activities Baba Kalyani could diversify Bharat Forge Group from just crankshaft and camshaft manufactured to a large automotive component and heavy engineering entity operation that is actualization it is a leader transformation.

From forgings to forging a blueprint, Baba Kalyani actualized himself with an aggressive, diversification and modernization blueprint for the company.

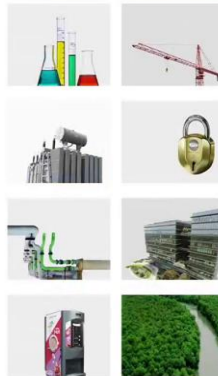
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Leader Transformations: From Soaps to Space

Adi Godrej is another industrialist who achieved actualization for his Godrej group by intertwining with products of personal and family care on one hand and with projects catering to industrial and economic needs on the other.



Adi Godrej, CMD, Godrej Group



The transformation by Godrej of a company into a group is a striking example of vision-strategy-structure-execution in action. The Group does certain inimitable acts like protecting the Vikhroli Mango Groves for over a century.



Adi Godrej, chairman managing director of Godrej Group. For years, Godrej was known for products of personal and family care on hand, but now, it does projects for India's industrial and economic needs as well.

It is into aerospace, agriculture, appliances and of course, the original core business of personal and family products into transformers, into logs, into construction equipment, into various other activities, Godrej has put its stamp on and it has also done something which no other group has done.

In an inimitable way, protection of the Vikhroli Mango Groves for over a century that is something very remarkable in respect of environmental empathy on the part of a group. This is something again which actualizes a leader to the fullest extent.

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Execution Myths and Mitigation

According to McKinsey & Company, execution practice is surrounded by five pernicious myths. McKinsey also proposes certain perspectives to debunk the myths.

Myth	Mitigating Perspective
Execution Equals Alignment	Alignment needs to be proven on ground with reliable commitments for effective execution
Execution Means Sticking to the Plan	Timely course correction in response to environmental changes leads to better execution with impactful results
Communication Equals Understanding	It is not the periodicity of communication but it is its simplicity and clarity that matters most
A Performance Culture Drives Execution	While performance is critical, it is more important to foster collaboration in the organization
Execution Should Be Driven from the Top	To be effective, execution should be driven from the middle of an organization by "distributed leaders"

Source: <https://hbr.org/2015/03/why-strategy-execution-unravels-and-what-to-do-about-it>

According to McKinsey, the starting point is a fundamental redefinition of execution as the ability to seize opportunities aligned with strategy while coordinating with other parts of the organization on an ongoing basis.



So, given that we can see very easily that execution is just not doing a few things, there are several myths associate with execution and we need to mitigate them after disabusing ourselves of those myths. Execution equals alignment is a myth. Alignment needs to be proven on ground with reliable commitments for effective execution.

We can create a sense of ownership, but that does not mean that execution would automatically take place in an alignment must happen on the ground as executives and employees start working on the execution pathway. Execution means sticking to the plan that is another myth. No, if the plan is deficient relative to the unfolding environment, timely course correction is essential and that is actually better execution and that will produce more impactful results. Communication equals understanding that is another myth. It is not the periodicity of communication; it is not the exhorting type of communications that leaders send.

But it is the simplicity and clarity in communication that matters most and the ability to listen to the problems faced in execution and making necessary amends through better resources and better guidance, that is the important aspect of communication. A performance culture drives execution, if you have a task-oriented approach, if we believe in operational excellence and generally, there is what we call a performance culture in the organization, execution would be much better that is one myth.

While performance is not doubt critical, it is far more important to faster collaboration in the organization. A culture of collaboration in the organization has got better capability to achieve perfect execution. Another myth is that execution should be driven from the top. If employees are aware that the topmost leader is watching the execution, then the results would be better it is a myth. To be effective, execution should be driven from the middle of an organization by distributed leaders.

Ideally, it should be self-driven through ownership, but because the employees at the frontline may not have all the inputs, all the factor inputs that are required to drive the execution forward, it is appropriate to have a spectrum of distributed leaders who have the top leaders' aspirations and goals in mind, but also understand the frontline executives' skills and constraints and then, provide the appropriate leadership to make execution happen.

And this according to McKinsey is the starting point in terms of a fundamental redefinition of execution as the ability to seize opportunities, aligning with the strategy, understanding how the environment is moving that is important for execution to be effective.

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Transformations: The Ripple and Pull Effects

A sense of actualization occurs by focusing on transformative goals rather than mundane goals, and by focusing on a few prioritized ones among them, rather than on every one of them.

Multiple growth pulls in the Conglomerate

Ten companies prioritized for transformation inspire several other companies of the balance 90 in the Conglomerate for emulative transformation



Flagship Company Transformations

TCS, Tata Motors, Tata Steel, Tata Beverages, Tata Consumer Products, Titan, Tata Power, Croma, Westside etc.,

The Transformation Triggers

Push
Pull
Nudge

Even within each company, certain transformations will be striking and inspiring. Examples are entry into SUV passenger car segments by Tata Motors based on indigenous developments in the 1990s as well as acquisition of marque JLR in the 2000s.



Then we also have the ripple and pull effects in an execution paradigm. There are always multiple growth pulls in a conglomerate. There are 10 companies prioritized for transformation let us say. Then, those 10 companies can have the pull effect on 90 other

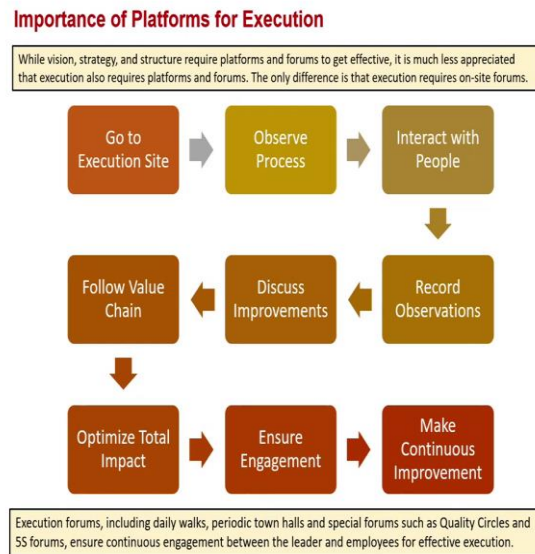
companies that frequently happens in a conglomerate. What do we do in a single product company or a simpler business company?

We have to select one or two divisions for ensuring that they have a transformative execution capability and once that happens, then there would be a positive pull effect on the rest of the organization. In case of Tata Group, the Tata's focused on Flagship company transformations, they selected TCS, Tata Motors, Tata Steel, Tata Beverages, Tata Consumer Products, Titan, Tata Power, Croma, Westside and couple of others as the Flagship companies for transforming themselves.

And transforming the conglomerate and the ripple effect of such transformation was felt on 80 other or 90 other companies in the group. And the transformation triggers are pull on one side, push on the other side and nudge and nudge is a great factor. When a flagship company in a conglomerate performs differently at an elevated level, it nudges other companies to come up with similar high-level and high-capability execution performance.

Even within each company there could be transformations. For example, in the case of Tata Motors, entry into SUV passenger car segments based on the indigenous development in the 1990's and the acquisition of marque JLR brands in the 2000's along with the facilities, these were transformational execution activities that happened or the execution endpoint that happened which spelt the starting points for the next round of strategy and next round of execution.

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We also need platforms for viable execution. Vision, strategy and structures require platforms, we considered earlier. In particular, we said that strategy requires the platform of structure.

Vision requires the foremost senior leadership team as does strategy to make effective vision as well as strategy. However, it is much less appreciated, how execution could benefit from appropriate platforms and forums, but the only difference is that execution has to be carried out Gemba, that is on site.

So, if you want execution to be planned well, executed well and monitored well, you need to go to the execution site. You have to observe the process of execution, interact with people, record observations, discuss improvements, follow value chain, optimize the total impact, ensure engagement and make continuous improvement.

Any leader who is involved in execution, when is a leader involved in execution, I do not again mean the top chief operating officer, I am meaning the distributed leader who is taking ownership for making the execution effective. There are several ways and forums for doing execution through a platform approach, daily walks, periodic town halls, special forums such as quality circles and 5S forums. These ensure continuous engagement between the leader and employees for effective execution.

When you want to execute strategy in a company, the first and the fundamental way is to take a safety walk. Anybody who enters the company from another company or anybody who enters a site from another site should be encouraged to take a safety walk and the idea is to identify potentially unsafe acts or potentially conditions of work which can be improved upon and counseling the employees.

So that they also come out with their own unsafe acts and discuss ways and methods to improve the safety culture, safety strength of the organization. So, in the same manner and safety walk works as a platform for integrating safety culture in the organization. Execution culture in the organization also can be integrated and embedded in the psychology of the individuals and institution by daily walks.

A supervisor who does not do a daily walk in his area of supervision is probably not doing justice for the distributed leadership responsibility he has got.

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Execution-Reinforcing Platforms

Engagement, rather than monitoring, is the prime component of effective execution processes. Leaders and employees need platforms and forums to articulate, prioritize and focus on actions, and monitor the outcomes and results of each of the groups. Once the forums are in place, taking them seriously and staying engaged is an essential mindset for both leaders and followers.



Continuous engagement helps in mutual reinforcement of leaders and followers towards fulfilment of goals, and eventual self-actualization. It also sets up mutual accountability, which is a logical culmination of ownership.



And these act as reinforcing platforms. If you do a daily check at the end of the day as to what are the pluses and minuses of today's execution, what were the low hanging fruits that were plucked and what were the once which eluded success, you have lot of learning for the next day.

Then the weekly chats, the monthly meetings, quarterly reviews, random town halls, special visits these are all various forums that are available for the leaders to make their

presence felt on the execution roadmap and this presence must be felt in a subtler manner, in a discrete manner and not in the micromanaging manner.

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Follower Reflections

Admittedly, followers are unlikely to have the same uniqueness of perspectives or levels of motivation that leaders would have. Followers are generally a part of larger teams with significant interactive noise. Each team tends to have its own group dynamics in terms of behaviour towards performance.



The relative mix of aspirant leaders and passive followers is not necessarily a driver of relative performance differentials. It does not, for example, follow that if there is a high proportion of aspirant leaders, the group would automatically perform better. On the other hand, such a group could be more fractious and energy dissipating.



And what should followers do? It is not that followers do not have any responsibility. Just as leaders have their unique perspectives or levels of motivation with reference to execution, followers also have their own perspectives. Followers are generally a part of larger teams with significant interactive noise.

Unlike a leader who is usually a part of a small compact team which is homogeneous, and he is committed to certain superordinate goals, followers come from diverse backgrounds and they tend to have their own group dynamics and their own noise levels in terms of behaviour and communication and approach towards performance.

So, if you classify the individuals, you will find there would be two types of individuals in a team or in an execution team: those who are determined to be leaders and those who are content to be followers. The those who are determined to be leaders will be highly execution oriented inherently and those who are content to be followers will be passively participative characteristically and our goal is to make as many people as possible into the highly oriented personality framework.

The relative mix however, is not necessarily a driver of relative performance differentials, it is not that those who are in the follower group will be performing less

than the ones who are in the achievers group or potential leader group, it is not so, both could be performers to an equal extent. It also does not follow that if you have a high number of aspirant leaders in a team, the team would be performing far better that also is not necessary.

It could even be more fractious and energy disputing. If you have too many people who are aspiring to be leaders instead of trying to execute the projects. So, what kind of mix we should have of individuals is something we inherit when a team is constituted and which can be managed in an appropriate way depending upon how the project is in terms of its basic nature, in terms of its context.

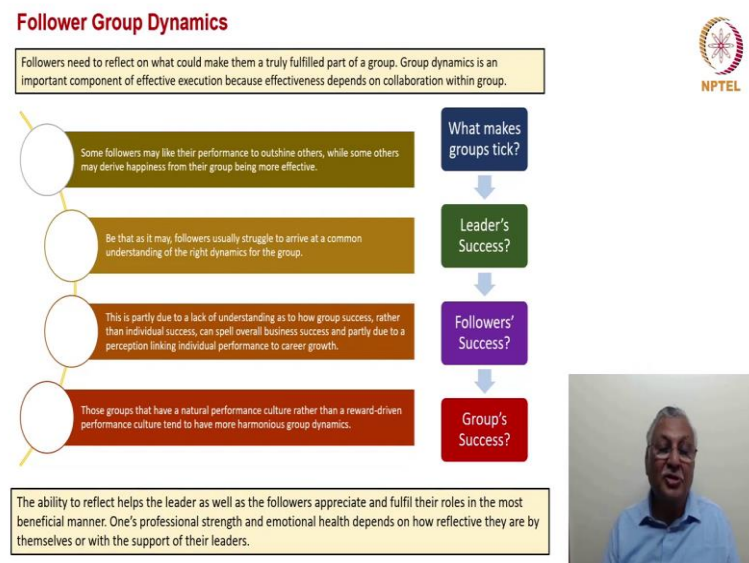
If you are developing a project based on let us say design thinking, trying to discover a problem which the customer is grappling to describe and a solution which is completely beating the imagination of the company. Then every member needs to be a design thinker in that group, everybody needs to have leadership in trying to discover the problem or finding a solution or interacting with the customer, finding the resources, making the prototypes.

And various such things that group succeeds in the execution related to the group's goal of design thinking by having highly execution oriented, people as an inherent characteristic. On the other hand, if the project is one of manufacturing a vehicle based on a newly introduced technology, you require people who are leading from the front in respect of certain activities.

And those who are following the instructions, who are doing things appropriately knowing of course, the full strategy of why we are doing that and also the full roadmap for bringing those vehicles onto the marketplace, they may be more passively participative individuals in such a group, but that group itself could be high performing.

So, we should not make any pre-judgments on what kind of followers we should have in the group, but we have to remember that followers will have interesting characteristics and followers also have their own reflections on how the group dynamics are working.

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Follower group dynamics are extremely important for a leader to understand when we are going through execution. What makes a group tick? What are the dynamics within the group in terms of performance as well as in terms of execution, in terms of optimizing the resources as well as asking for more resources?

Some followers may like their performance to outshine others, while some others may derive happiness from the group being more effective. Typically, the group dynamics will be more positive when we have more people who have an interest in the group performing better than their own wanting to be credited for the performance.

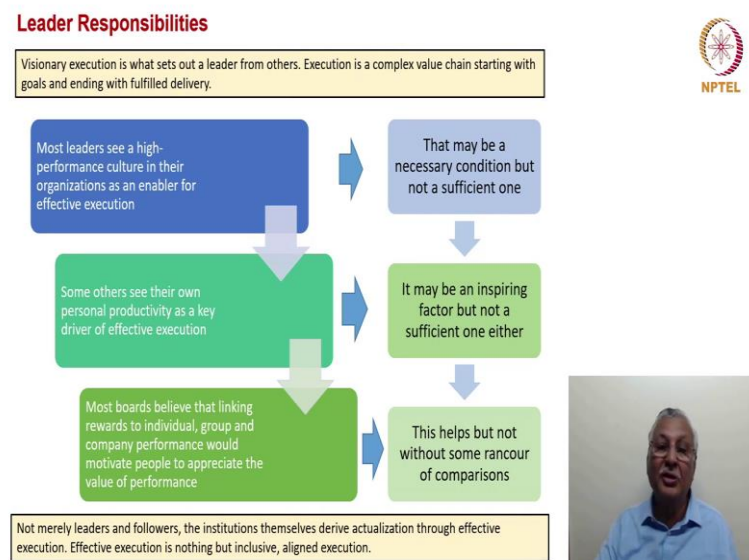
In spite of this understanding, usually followers in a group struggle to arrive at a common understanding of the right dynamics for the group, that is because what really constitutes the group success is never articulated in a proper manner by the leader and how it leads to business success is also not articulated and how the failure of group dynamics or the negativeness of group dynamics could impact the final delivery that also is not fully explained.

As a result, the group dynamics are not always to the support of effective execution. So, those groups that have a natural performance culture rather than a reward driven performance culture tend to have more harmonious group dynamics, it is, because it is in their nature to be high performing, because it is in their nature to own certain things and produce results.

So, the questions which the leader needs to ask in respect of the execution groups is an understanding of what makes the groups tick and what makes the leadership succeed and what makes the follower succeed and therefore, together what makes the group succeed?. This ability to reflect helps the leader as well as the followers appreciate and fulfill their roles in the most beneficial manner.

One's professional strength and emotional health depends on how reflective they are by themselves or how they acquire that capability with the support of their leaders and followers mutually that is important for ensuring good follower group dynamics.

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What are the leader's responsibilities? We clearly understand that strategic execution or visionary execution is what sets out a leader from others. We also understand based on whatever we have gone through so far that execution is a complex value chain starting with goals and ending with fulfilled delivery. It is very facile to assume that execution is just one homogenized set of activities that need to confirm to a project plan, it is not so we understood.

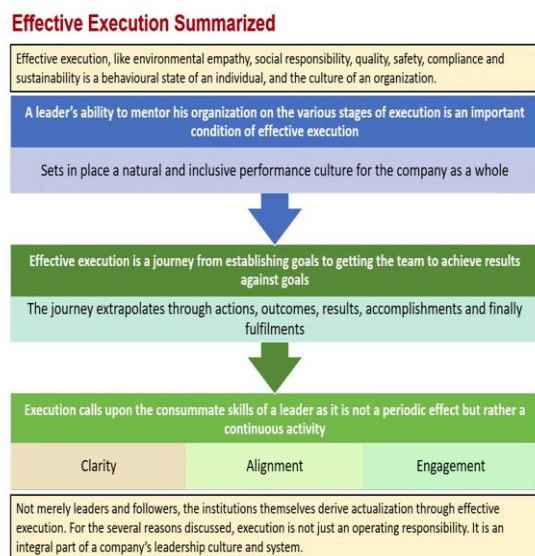
Most leaders see high performance culture in their organizations as an enabler for effective execution but let us understand based on whatever we have gone through till now that it may be a necessary condition, but it is not a sufficient condition. Some other leaders see their own personal productivity as a key driver of effective execution.

If I work 12 hours a day, if I am having the interests of the project or the execution uppermost in my mind at all times and if I am always in touch with what is happening, I am setting up a role model which will make everybody a strong execution role model that could be an assumption by the leaders. It may be an inspiring factor, but not a sufficient one either and if it really moves into the era of, if it moves into the space of micromanagement that could be even a negative factor.

At the board level, most boards believe that linking rewards to individual, group and company performance would motivate people to appreciate the value of performance this helps, but not without some ranker of comparisons. So, there are certain necessary conditions, but not necessarily sufficient conditions. There may be inspiring factors, but not necessarily the sufficient or causative factors. There may be incentivizing factors, but not necessarily fulfilling factors.

Not merely leaders and followers, the institutions themselves must derive actualization through effective execution that is the responsibility of the leaders and the followers and effective execution is nothing but inclusive, aligned execution that is the goal that, for that, the factor view of the execution paradigm, the behavioural view of the execution paradigm and the transformative role of the leader in ensuring effective execution in terms of accomplishments and actualization outcomes that must be understood and deeply embedded in both leader and individual psychology.

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So, summarized effective execution therefore, like environmental empathy, social responsibility, quality, safety, compliance, ethics and sustainability is a behavioural state of an individual and is the culture of an organization. To repeat, effective execution like environmental empathy, social responsibility, quality, safety, compliance, ethics and sustainability is a behavioural state of an individual and the embedded culture of an organization.

A leader's ability to mentor his organization on the various stages of execution is an important condition of effective execution. It sets in place a natural and inclusive performance culture for the company as a whole and effective execution is a journey from establishing goals to getting the team to achieve results against goals.

Based on an understanding of the logic of strategy, fortified by the availability of a structure and resource deployment, confident because of the skills one possess and satisfied with the accomplishments that come about through the execution, that is the journey of execution.

Execution calls upon the consummate skills of a leader as it is not a periodic effort, but it is a continuous activity. It requires clarity, it requires alignment and it requires engagement all the time. Not merely leaders and followers, the institutions themselves derive actualization through effective execution, this is worth repeating and for the several reasons discussed, execution is just not an operating responsibility.

It is an integral part of a company's leadership culture and system and the overall employee culture and the employee ownership that is extremely important.

Thank you and we will meet in the next lecture.