"Good business leaders create a vision,
articulate the vision,
passionately own the vision and
relentlessly drive it to completion."

Jack Welch

Chapter 1

Get started with a clear direction and ambitious goals

As we touched upon in the preface, in our opinion, the leadership role is not for everyone. It is a demanding role, and you have to want the responsibility. To be a world-class leader, you must be hungry and driven to make a bigger difference. In other words, you must be ambitious! Ambition gives you the drive to act and thereby produce results. Contrary to most qualities we will talk about in this book, ambition is not something you can actually learn or acquire. It is not a technique, like giving feedback or delegating work. And yet, it is crucial to your success as a leader. If you possess a healthy level of ambition, then you are willing to do what it takes to succeed in your mission (see Figure 12 for additional indications of ambition). Similarly, if you are willing to assume responsibility as a leader and you are passionate about making a bigger difference than you can on your own, then you will be happy to learn that you already possess the first prerequisites for success. Then "all you have to do" is convert that drive into appropriate actions and embark on a journey so inspiring that others will want to join you. To do this, you need to figure out what you specifically want to achieve with your leadership, and express your expectations

Figure 12. Are you ambitious?

From ambition to results

Ambition → Drive → Action → Results

Indications that you are ambitious

1. You like competing with others, and you hate to lose
2. Setting goals for yourself – for instance, in sport or in your career – gives you energy
3. When you succeed with something, you set new and more demanding goals for yourself
4. You feel guilty when you don't succeed at a goal you had set for yourself
5. You continue to fight to reach your goals, even though you have been struggling for some time

clearly to those who are there to help you succeed – that is, to your employees. Aligning expectations is a discipline that everyone can master. That doesn't mean it is easy, or that it is always successful. Because it isn't.

One example from our own personal experience is a leader who made it a habit to assign the same task to several employees at once. This behaviour escalated when the leader himself came under pressure from higher up in the system, and when he was uncertain about how the situation should be resolved. From this position of weakness, his strategy became to hand off assignments, more or less unfiltered, to as many people as possible in the hope that someone would grab the ball and run with it. Because he was at a loss about what to do, he was unable to describe the desired end result, and the deadline was always ASAP. The handoff was usually very quick and the explanation very brief: 'I have this project which has attracted a lot of attention from management, because previous attempts have been unsuccessful. It would be great if you could get it done.' And then everybody was expected to give it their full attention. The leader's 'delegation strategy' caused frustration and confusion among the team. Nobody knew what the job actually was, who was responsible for it, who was expected to do what, and what specifically the leader wanted to achieve. It was both frustrating and unfulfilling. Unfortunately, this is not a unique example. The world is full of leaders with no direction and unclear expectations, and they come in all shapes and sizes.

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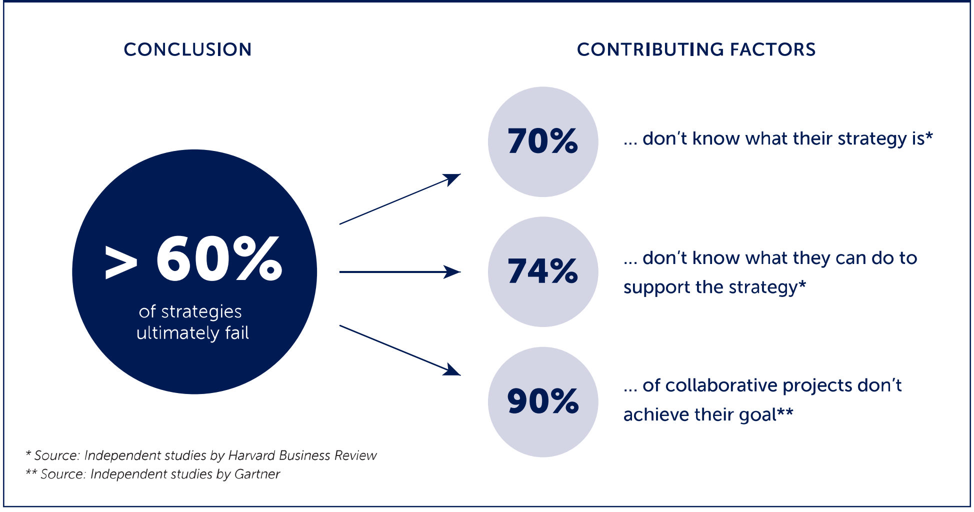
Many have stood alongside their colleagues at a high-profile staff or town hall- style meeting to listen to the senior executives present a new strategy or organisational changes – typically with a set of strategically critical goals to be achieved. After an intense meeting with flashy PowerPoints, articulate top execs and maybe even a glass of champagne to round off the event, all the employees go back to their desks to continue undaunted with their existing assignments and projects, which they, of course, carry out in the same way they always have. Numerous studies have concluded, independently of each other, that the vast majority of all strategies are never fully executed, and there are several reasons for this (see Figure 13). One common and quite critical pitfall early in the process is when the strategy is unknown or unclear to the employees and not broken down into sufficiently specific goals and responsibilities at team and employee level. And it goes without saying that if the individual employee doesn't know what they should be doing differently, why and how should they be expected to do it?

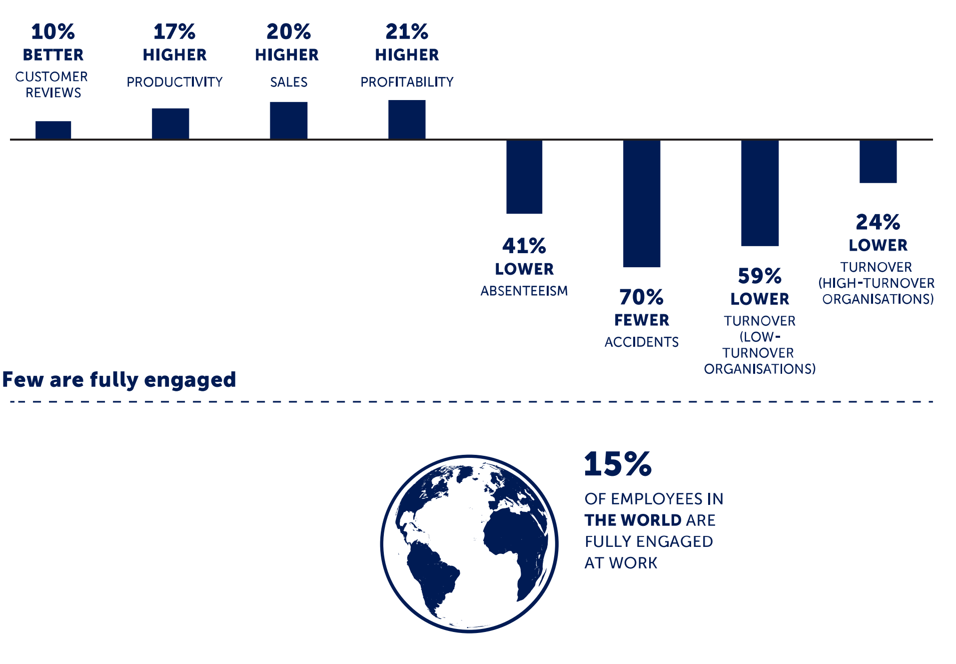
Figure 13. Many strategies fail



50% don't know what is expected of them

A Gallup survey from 2017 shows that only 15% of employees globally are fully engaged at work (see Figure 14). This low figure is cause for concern, as a number of other studies demonstrate a direct link between motivation, performance and productivity. According to the aforementioned Gallup survey, the most engaged employees are 21% more profitable, 17% more productive and sell 20% more, as well as having 10% higher customer satisfaction and 41% lower absenteeism than their colleagues at the bottom of the engagement scale. The drawback to having disengaged employees is significant, inspiring researchers to study which factors have the greatest influence on employee motivation and engagement. While it is difficult to reduce the issue to a single set of overriding factors, one aspect stands out as a key driver of motivation and thus of performance, cf. the above-mentioned causality: 'manager's expectations'. Clear expectations, or a lack thereof, can both increase and decrease motivation. Even if employees are otherwise passionate about their work, unclear expectations result in employees spending time on the wrong tasks, adding no value within the organisation and ultimately having a negative impact on employee motivation. What is disheartening about Gallup's findings is that only around half of the employees surveyed know exactly what is expected of them at work. And according to Gallup, that has negative consequences for all types of employees. Regardless of age and career level, unclear expectations cause disengagement, confusion and even anxiety in employees.

Figure 14. The impact of high employee engagement



Source: Gallup: "State of the Global Workplace" (2017)

We have seen this ourselves time and again. When the leader does not know or clearly communicate what the expectations are, employees feel insecure and struggle desperately to escape the uncertain situation. In the aforementioned example, the unclear expectations of the leader in question resulted in a kind of guessing game whereby everyone on the team randomly made their best attempt to deliver something that they hoped would be useful. But they rarely succeeded. And when we realised that we had not delivered something useful, but basically wasted our time on an uncoordinated trial-and-error process, it was hard not to feel like a failure. There is nothing value adding in such a process – not for the leader, the employee nor the organisation. When expectations are clear, however, employees thrive. The aforementioned survey found clear expectations to be the most important motivating factor. In fact, in another survey, Gallup found that 72% of Millennials feel engaged when their manager sets clear performance goals.[11] And across generations, motivation increases eight-fold when a manager expresses clear expectations and sets precise goals. After studying motivation among more than 31 million employees over a period of four years, Gallup has also developed a solid understanding of how leaders successfully define clear expectations for their employees. And their conclusion comes as no surprise (to us at least): leaders should not put their own employees in a position where they have to guess what is expected of them.

And this confirms the drawback of a coaching-based leadership style that avoids responsibility. A drawback that Henrik experienced first-hand with the appointment of the CEO we mentioned briefly in the preface. It was an unsuccessful recruitment for which Henrik and the board of directors bore full responsibility. Nobody else, especially not the CEO in question. Admittedly, the recruitment was a mistake, and Henrik had probably not been clear enough when he communicated his expectations to the new CEO. For instance, that the CEO was expected to use his know-how and many years of experience to produce specific results – realised of course, in collaboration with his employees, but with the CEO as the visionary and pace-setting captain at the helm. The result was something else entirely. The new CEO started by asked the employees a lot of questions. About what they thought was going well and not so well, which is entirely appropriate for gaining a better understanding of the company. But he took it a step further and asked many different employees what they thought the company's goals should be, how they should be realised, by whom and when. He then asked a large group of employees from every level of the organisation to sit down together and develop the company's strategy – without taking an active part in the process himself.

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A strategy with clear priorities

Setting out to develop a strategy as a basis for the direction and priorities of a company is definitely a good starting point for a new CEO, and for that matter any other (new) leader. When embarking on a long journey, the first obvious step is to figure out where you want to go and how best to get there. And, in fact, this is the essence of any strategy. We have developed countless strategies over the years, and the best are actually the shortest – those that use just a few pages to describe a direction and provide the answers to five key questions:

1. What is our current situation and position (baseline)?
2. What do we want to achieve (vision and goals)?
3. What do we need to do to achieve the goals and when (prioritised activities and deadlines)?
4. What is the optimal organisation for this process (structure)?
5. Which resources does the strategy require (skills, IT resources, etc.)?

Although some people seem to want to turn this into an extremely complex process, in our view, strategy is pretty simple – not necessarily easy, but certain not complicated. Jack Welch, a highly respected business guru who sat at the helm of the multinational conglomerate General Electric, puts it this way: 'Strategy, then, is simply finding the big aha and setting a broad direction, putting the right people behind it, and then executing with an unyielding emphasis on continuous improvement. There's no mystery to it.'[12] Strategic planning is an essential part of any leader's job description, not just for senior executives. Even for the leader of a smaller team (where the goals may already be dictated from higher up in the organisation), it is a good idea to consider at regular intervals the current situation/position, and the best way to realise the ambitions and to manage the work that the leader is expected to spearhead. We have positive experience of using a simple SWOT analysis to shed light on these fundamental questions (see Figure 15). Most leaders find strategic planning both demanding and challenging; all the more reason not to overly complicate the task. A good strategy is short, concise and focused. This simplicity is the key to successful execution.

CEO of Teva Pharmaceutical Industries, Kåre Schultz, who is known for his consistent and effective strategy implementation, reflected on the issue in 2019: '[If you move] in too many directions, you might get lucky and strike gold, but I don't have much faith in those odds.'[13] We, too, have fallen into the trap of being too 'ambitious' in our expectations of colleagues or employees. Usually, however, when there are too many targets or assignments to be juggled at once, none of them are realised or executed optimally. We experienced this a few years ago at DC during a period of very strong growth. We had identified a large number of new markets that were of strategic interest to the company and where we could turn a profit on several different products. We set the bar high, focusing on every market and product at the same time, but things quickly became very messy. The result? Many of the same resources were needed in different places in the organisation at the same time, caus-

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Figure 15. SWOT model for analysing internal and external conditions

Humphrey, Albert: "SWOT Analysis for Management Consulting"

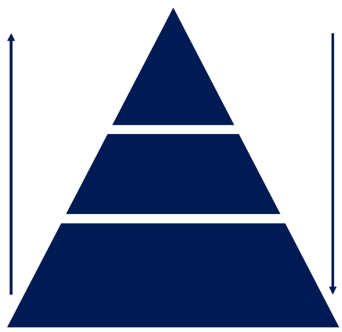
ing a tug-of-war between the various departments about who had first claim to the resources. Nor was there any time or energy to compile and share key learnings from one market before moving on to the next, and so we ended up wasting a lot of time on duplicate work and uncoordinated activities. Having learned these tough lessons, we therefore recommend when planning a strategy that you focus just as much on what not to include as on what to include, and that you limit the focus to no more than a handful of priorities, which are then given your full attention and achieved before moving on to the next set of priorities on the list.

Of course, the leader can ask for help with and input on the strategy, but we strongly warn against delegating the process to employees or any consultants who might be hanging around – a popular escape hatch for leaders who don't know what they want. Steen Thomsen, professor at Copenhagen Business School, puts it this way: 'Responsibility for the company's strategy lies indisputably with the company's board and executive management […]. If there is one core business for a company, it's the strategy […]. If the executive management or the board doesn't have what it takes to carry out the strategic planning, the solution is not to use consultants, but to strengthen the board.'[14] Strategy is about prioritisation and choosing what is best for the company from multiple (often appealing) options. It is the leader's primary responsibility to sit at the head of the table and make the difficult decisions that a strategy typically entails. The previously mentioned Lind Group CEO chose a different approach – giving the employees a huge (culture) shock. They were used to the vision, strategy and direction coming from the highest level of the organisation. But all of a sudden, they were being involved in the strategic planning, as a bottom-up process (see Figure 16). The employees were invited to participate on task forces, where the purpose was to reflect on, ask questions and brainstorm about what they felt deserved most focus and drive (based on personal convictions and interests). This can be a fine method for generating input and ideas. But for it to work, there needs to be a leader sitting at the head of the table with a vision and opinions; a leader able to prioritise the incoming suggestions. When it comes to staking out a direction and helping employees get started on realising a strategy and performing their assignments (big and small), there is a need for clear communication from management. Employees need a leader who knows what they expect of their team, what they want to achieve and how. Jørgen Vig Knudstorp, former CEO of Lego, expressed this well: 'The essence of leadership is defining a direction and priorities, and then influencing people to achieve [those goals].'[15]

Figure 16. Bottom-up vs. top-down

A **bottom-up** approach is effective when management wants input from the organisation in order to qualify decisions and create a sense of involvement in the employees, e.g.

- Input for new strategy
- New ideas, innovation and creativity
- Discussions about culture and values



A **top-down** approach is effective when management needs to make decisions and implement new initiatives within the organisation, e.g.

- Development of vision, mission and strategy
- Implementation of new goals and strategies

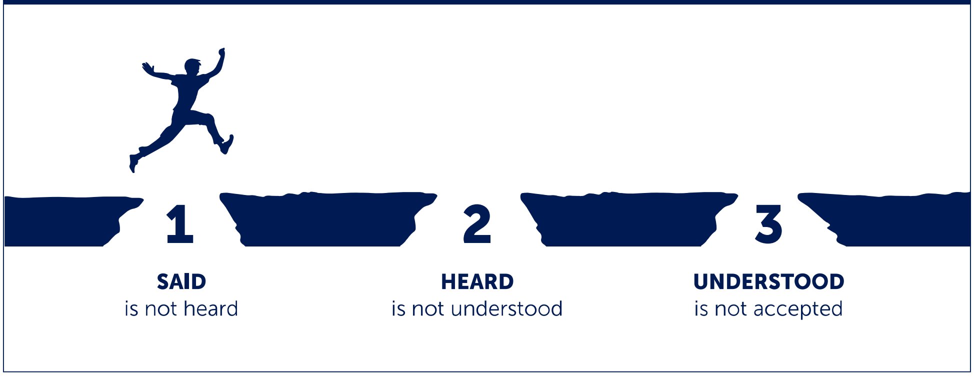
Setting clear expectations is a communication task

A sharply articulated strategy and clear expectations indicate that the leader is thinking clearly and knows what they believe in and want. This is important at every level of the organisation. In our opinion, the company's vision, mission and strategy should be broken down to the individual level, so that every single person knows what the strategy means for them specifically, including which targets they will be held accountable for and how they are expected to prioritise and execute their assignments. According to former chairman of Bavarian Nordic and business leader Asger Aamund, drawing up detailed job descriptions and performance targets will get you far: 'That's how modern leadership is done: job descriptions down through the organisation so that everyone feels comfortable with the scope of their freedom [under responsibility] and knows the extent of their accountability. I am also a strong believer in performance agreements, [so the person] knows which 8, 9 or 10 criteria define his success."[16] Entrepreneur and founder of Just Eat Jesper Buch also emphasise clear expectations as one of the keys to the success of a business: 'I designed the processes for every position in that business. From secretary all the way up to Group CEO. The sales reps knew exactly where they were expected to go in any given week, what they should pitch, what the contract should look like, where the menu should be sent, how it should be entered into the system, when our technology should be sent out to the customer, when the first follow-up call should be made. That's how you build a business.'[17]

Of course, that kind of micro-management can get out of control, and as previously pointed out in the situational leadership model, the level of detail and instruction needed from the leader depends on the employees' prerequisites. Naturally, each employee is different, but one thing that applies to everyone is that they should be actively involved in the realisation of the company's strategy. After all, strategy is about making the most of what you have available, including the employee's time and skills. However, to be able to make a positive contribution to strategy execution, the employee needs to know how to go about it. No matter how much you specify the primary tasks in manuals, the continual alignment of expectations is a communication task that every leader should give high priority, because the consequences of unclear communication can be dire. Many leaders – ourselves included – have tried giving an assignment to an employee with a clear idea of what they would get back from them, only to end up receiving something completely different. This is what happened a few years ago when Dion, on an impulse, charged a young, ambitious HR employee with compiling cases and best practice for talent development. The agreement was that the employee should investigate the knowledge and experience available, and then they would discuss and prioritise the content in relation to the department's own efforts. After a brief presentation of the assignment, the employee went to work and two weeks later submitted the results of his efforts – a 50-page Word document containing detailed descriptions of a number of academic studies and research findings. The deliverable fell far short of Dion's expectations.

He had hoped for a practical and general survey of the most common talent development methods and approaches practised by other comparable companies. Unfortunately, this is not a unique example. Many employees end up wasting their time, and leaders end up not getting what they expected, because the initial communication was not clear enough. We have identified three common pitfalls when aligning expectations (see Figure 17):

Figure 17. Aligning expectations – pitfalls



The first pitfall ('Said is not heard') can generally be resolved by speaking clearly and ensuring that the employee is actually listening. Yes, it is simple, but that doesn't make it any less important, and it is not always a given. Specifically, the communication can be supported by eye contact and controlled with a nod, a shake of the head or a break in the conversation, encouraging the employee to reveal whether they were listening or not. If they were not, the message must be repeated, possibly by rephrasing it. The second pitfall ('Heard is not understood') is more difficult to guard against. How can a leader communicate their expectations in a way that guarantees the employee understands the message? To begin with, the leader must ensure that the employee knows what the goals for their work are, that is, what they are striving to achieve and what they will be held accountable for. The classic SMART model is a good method of quality assurance, because it ensures that the goals used are specific, objectively quantifiable, achievable and relevant, as well as stating a deadline or time frame. The SMART model can be used for both professional and personal goals. Here are some examples of good goals that meet the SMART criteria (see Figure 18):

Figure 18. SMART criteria

S	M	A	R	T
SPECIFIC	**MEASURABLE**	**ATTAINABLE**	**RELEVANT**	**TIME-BASED**
The goal must be clearly and specifically described so that the employee is in no doubt about what it means	The goal must be stated in quantifiable terms making it possible to follow up along the way and, ultimately, to objectively confirm whether the goal has been achieved or not	Regardless of the level of ambition of the goal, it must be realistic, meaning achievable with the available skills and resources	The goal must be important and relevant for those working to achieve it	The time frame for achievement of the goal must be clear

Source: "There's a S.M.A.R.T. way to write management's goals and objectives" (1981)

- Plan and hold at least 20 customer meetings in Q3 2020 and convert at least five of them into paying customers for the company by the end of December 2020.
- Complete project X by 31.12.2020 in accordance with the signed project description, with an average stakeholder satisfaction score of 80 (out of 100) and no single score below 60.
- Achieve an average employee motivation score of at least 85 by May 2020 and at least 90 on each of the five leadership principles (on a scale of 1 to 100).

As the above shows, a goal does not have to contain a lot of words to be SMART, and it can also comprise several sub-goals. What matters is precision and clarity. After successfully aligning expectations, the employee should be aware of the goals they are working towards as well as their leader's expectations when it comes to achieving the goals. There could be several possibilities here, and the employee may also have their own ideas and suggestions worth discussing. What matters is that when the conversation is over, the employee has absolutely no doubts about what is expected of them. It is most difficult to be SMART when it comes to behaviour and goals of a more personal nature, such as cooperation with colleagues or communication with customers. These types of goal can easily become relatively subjective in nature. For instance, 'You need to be better at cooperating with your colleagues by the end of the month', does not meet the SMART criteria. And sending out questionnaires every quarter asking employees to quantitatively evaluate their colleagues' cooperation skills is not the right solution either. We have tried it, and it gave us nothing but a lot of administration and heated office politics.

Instead, the trick is to express your expectations as clearly as possible, preferably with specific examples of the desirable and/or undesirable behaviour. For example, an employee who tends to dominate their colleagues and take up too much speaking time might have the following goal descriptions: 'Over the next three months, I do not want to see any interruptions by you during the team meetings, I do not want to receive any complaints from colleagues regarding your behaviour, and when I ask the others, without warning, what it's like to work with you, I want to at least receive a neutral (preferably a positive) description.' It is a good idea for the leader to define the words 'positive' and 'neutral' and thus describe in more detail the desirable behaviour they would like to see in the employee. Behaviour tends to be more difficult to fit into the SMART criteria. This is fine as long as the leader explains as precisely as possible, and preferably with examples, what behaviour they expect from the employee and what they doesn't want to see. And, of course, the leader should do what they can to help the employee succeed with the behavioural change. An extra little trick (which we have used with success) to ensure that the employee has actually understood the leader is to ask them to repeat what they heard. This allows the employee to articulate the expectations in their own words and gives the leader a chance to correct or add something if needed. This also makes it easier for the leader to assess whether the third pitfall ('Understood is not accepted') has been overcome. While the employee may understand the goal and the leader's expectations, there is no guarantee that the employee agrees that they are relevant or realistic. There can be many reasons why the employee has no desire to become engaged in the work as the leader expects. Initially, what matters most is that this stance comes to light, so the leader has a chance to address the issue – regardless of whether the solution is to adjust the goals, define new goals or convince the employee that they are exactly what is needed. It is, of course, important that the leader listens and prioritises these discussions. Otherwise, they risk having a disengaged employee with the ensuing negative impact this can have on the employee's deliverables.

The key to aligning expectations is clarity and precision in the leader's communication.

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During the coronavirus pandemic, many leaders have had to replace face-to-face meetings with virtual meetings via Zoom or Teams, which does not make the process of aligning expectations (and communication in general) any easier. The physical separation (or distance leadership) places new demands on the thoroughness, clarity and precision of the leadership – and these are the keywords for this chapter. To get any workflow (whether it is communicating face-to-face or via Zoom) off to a good start, the leader must be properly prepared and know exactly what they want to say. She should assume responsibility and ownership, and take care not to fall prey to trendy notions that direction, goals and strategies should come from the bottom up. As Jørgen Vig Knudstorp put it so well earlier in this chapter, this is the leader's job in a nutshell. A leader is expected to have a clear ambition of what they want to achieve with the company or the team they are spearheading. From here, it is 'simply' a matter of clearly communicating the goals (down through the organisation), thereby ensuring that the employees get started on their assignments. And this is a job that never ends. Organisations, competitors and customers change, as do priorities. The leader must ensure that there is a strategy to match the current challenges and ambitions, but must also ensure that the employees always know how they can best contribute to fulfilling those ambitions. An annual performance evaluation is not enough. It must be done on a more regular basis. During our time at DC, the leaders were required to revisit goal setting and goal realisation on a monthly basis, and then to assess whether the goals were still relevant and realistic. For instance, an employee who had fulfilled expectations by completing the implementation of an IT system ahead of schedule might meet with their leader to review their current goals and set new ones – possibly in relation to a different project. Meanwhile, a sales team which proved incapable of achieving a financial target due to significant changes in market conditions might have that particular target adjusted downwards to a more realistic level (under the circumstances). For the system to work, it is important that the goals the employee is striving to meet are realistic, and this requires ongoing assessments and a willingness to make adjustments if the key prerequisites have changed. At the same time, it gives the leader a chance to follow up on whether work to realise the goals is progressing as agreed. Communicating expectations to the employee at the beginning of a project or workflow is only the first step. You also need to follow-up, provide support and change course along the way. If this is done systematically and regularly, the leader can be fairly certain of seeing a successful result. But like the process of aligning expectations, this ongoing follow-up is a challenging discipline for many leaders, and some 'forget' to do it. But don't despair. In the next chapter, we will be taking a closer look at what we consider to be the most appropriate way to prioritise and execute the job of leadership.

Summary

- The primary message of this chapter is that a leader needs to communicate their expectations to the employee clearly to ensure that they are properly prepared to carry out the assignment.
- Studies show that clear expectations are the most important driver for an employee's engagement and performance. Especially young people (Millennials) are influenced positively by clear expectations from their managers (and, correspondingly, influenced negatively when they are lacking).
- Studies show that only 50% off employees know exactly what is expected of them at work.
- A brief, precise and focused strategy containing clear goals that can trickle down through the organisation is a good starting point for aligning expectations between leaders and employees.
- Studies show that up to 60% of all strategies fail because the employees do not know what the strategy is or do not know how they can or should support it.
- Strategic planning is the leader's job; it cannot be delegated and should be implemented from the top down.
- The SMART criteria can be used to ensure that the employee's goals are specific, objectively quantifiable, achievable and relevant, and that they come with a deadline.
- Aligning expectations is a communication task, and leaders should avoid the most common pitfalls: 1) Said is not heard. 2) Heard is not understood. 3) Understood is not accepted.
- The leader can help get the employee off to a good start on their assignment or project by being precise and clear in communicating the associated expectations.

Tools in the appendix

#1 Strategic planning

#2 Aligning expectations