



CHAPTER 8

BUILD EXECUTION INTO STRATEGY

The sixth principle of blue ocean strategy:



To build people's trust and commitment deep in the ranks and inspire their voluntary cooperation, companies need to build execution into strategy from the start.

The Three E Principles of Fair Process:



Engagement



Explanation



Clarity of expectation

How Fair Process Affects People's Attitudes and Behavior

Strategy
Formulation
Process



Fair Process
Engagement
Explanation
Expectation clarity

Attitudes



Trust and
Commitment
"I feel my
opinion counts."

Behavior



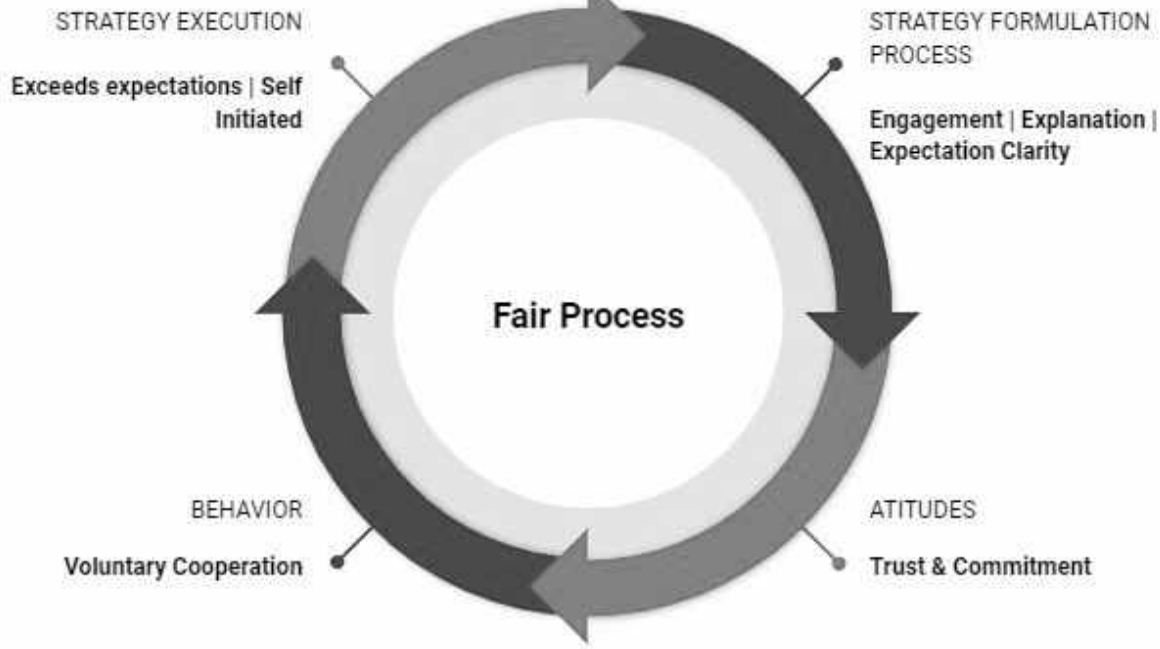
Voluntary
Cooperation
"I'll go beyond
the call of duty."

Strategy
Execution



Exceeds
Expectations
Self-initiated





THE POWER OF FAIR PROCESS

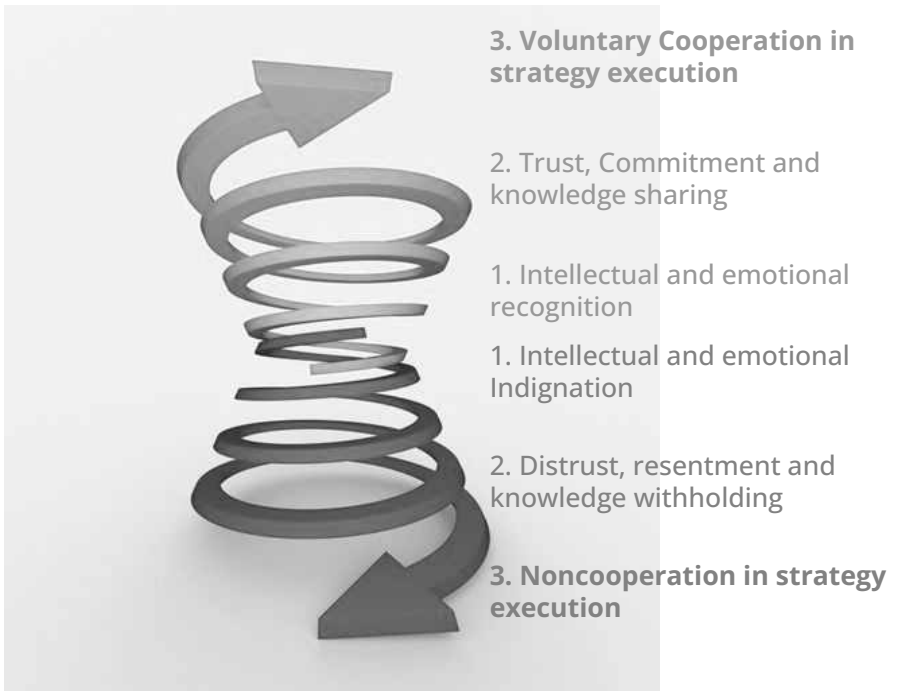
- When fair process is exercised in the strategy-making process, people trust that a level playing field exists, *inspiring them to cooperate voluntarily in executing the resulting strategic decisions*
- The 3 Principles of Fair Process:

- **Engagement:** involving individuals in the strategic decisions that *affect them*.
- **Explanation:** allows employees to *trust managers* intentions even if their own ideas have been rejected
- **Expectation Clarity:** there is no *frustration* if *expectations* are aligned

Fair Process

VS

Violation Fair Process



DO WE CARE ABOUT FAIRNESS?

<https://www.youtube.com/watch?v=meiU6TxysCg>



Chester

- No explanation why the strategic shift was needed,
- No clarification of advantages and working process generally,
- No interaction with employees

High park

- Clear explanation of the operation of the new system
- Engagement of employees into a changing process
- Goals and expectations were made clear to employees.