

Business Skills and Performance Management

Lecture Title:
Strategic Aims, Objectives and Performance Alignment



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Human Resources Management

Learning Objectives

- **Communicate strategic aims and objectives to diverse stakeholders**
- **Critically evaluate frameworks for linking strategy to performance**
- **Apply strategy mapping to align performance priorities with organisational goals**



Strategy and Stakeholder Communication



Group Discussion

What is the most common reason strategies fail in organisations ?



Key Reasons for Strategy Failure

1. Poor Communication

- **Strategy unclear or overly complex**
- **Employees don't understand their role**

2. Lack of Alignment

- **Conflicting departmental priorities**
- **Metrics not linked to strategic goals**

3. Weak Leadership & Commitment

- **Leaders fail to champion change**
- **Resistance to change unaddressed**

4. Unrealistic or Vague Goals

- **Ambitious, unmeasurable objectives**
- **Lack of SMART targets**



Additional Reasons for Strategy Failure

5. Inadequate Resources

- Insufficient funding, skills, or time

6. Poor Monitoring & Adaptation

- No KPIs or feedback loops
- Strategy treated as static

7. Organizational Culture Issues

- Resistance to change or low engagement
- Informal norms contradict strategy

8. External Factors

- Market disruption, regulation, competitors
- Economic or technological change



Communication Strategies — Clear Vs. Strategic Aims

Clarity Matters

- Vague aims sound inspiring but don't provide direction.
- Clear aims translate strategy into measurable action.
- Without clarity, stakeholders interpret strategy differently leading to possible misalignment.

2. Example Contrast

- **Vague:** *“Be greener and more sustainable.”*
 - Broad, open to interpretation.
 - Different stakeholders may focus on recycling, reducing costs, or energy use — no consistent priority.
- **Clear:** *“Reduce carbon emissions by 30% by 2030.”*
 - Measurable, time-bound, and concrete.
 - Easier to communicate progress and accountability.

Communication Strategies – SMART Objectives Vs. Strategic Intent

- **Set SMART Objectives:**
Specific, Measurable, Achievable, Relevant, Time-bound.
 - e.g., *“Launch 3 new digital services within 12 months that generate €5M in new revenue.”*
- **Strategic Intent:** Aspirational, directional, long-term stretch goal.
 - e.g., *“Become the leading provider of digital services in our sector.”*

Both are useful: intent inspires, SMART drives execution.



Communication Strategies – Mission, Vision, Value, Objectives

Set a clear Mission, Vision, Values & Objectives

- **Mission (Why we exist):** Purpose and core function
 - *“To provide affordable healthcare for underserved communities”*
- **Vision (Where we want to go):** Desired future state
 - *“To be the most trusted healthcare provider in the region by 2030”*
- **Values (How we behave):** Guiding principles and culture
 - *“Compassion, integrity, innovation”*
- **Objectives (Measurable steps):** Concrete goals aligned with mission/vision
 - *“Open 5 new clinics in rural areas within 3 years”*



Group Discussion

**Who are the main stakeholders
within organisations ?**



Communication Strategies – Challenges in Communicating to Stakeholders

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Stakeholder Group	Primary Concerns	Communication Style Needed
Board / Investors	ROI, market share, risk, long-term growth	Data-driven, concise, financial focus
Employees	Job security, purpose, workload, opportunities	Clear, practical, motivational, transparent
Customers / Community	Value, trust, affordability, social/environmental impact	Simple, relatable, jargon-free, values-driven

Communication Strategies – Challenges in Communicating to Stakeholders

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1. Knowledge Gaps & Asymmetry

- Stakeholders have different levels of strategic literacy
- Risk of misinterpretation if language is too technical or too simplistic
- Example: “*Driving EBITDA growth through vertical integration*” is clear to investors, meaningless to employees/customers
(EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization)

2. Cognitive Overload & Jargon

- Strategies often overloaded with buzzwords and multiple priorities
- Abstract or vague language makes aims feel irrelevant
- Consequence: disengagement, confusion, or inconsistent interpretation

Strategy must be simplified, tailored, and free of jargon to ensure clarity and alignment across diverse stakeholders.



Who is this message for? **(Investors, Employees, Customers / Community)**

Statement	Your Answer (Stakeholder)
1. “This expansion will generate a projected 12% return on investment within the next two years.”	<hr/>
2. “Our priority is to create new opportunities for career development as we open five new clinics.”	<hr/>
3. “We are committed to providing affordable healthcare so every family can access high-quality treatment.”	<hr/>
4. “Our strategy reduces financial risk by diversifying into two new markets.”	<hr/>
5. “Your daily work contributes directly to improving patient care in underserved areas.”	<hr/>



Tools for Effective Communication

Strategic Narratives

Create a way of communicating strategy as a story rather than a list of initiatives.

•Structure:

- **Past** → Where we've come from (our history, achievements, context).
- **Present** → Where we are now (challenges, opportunities).
- **Future** → Where we are going (vision, goals, desired change).

•**Why it works:** Humans remember stories better than data. A narrative creates meaning and emotional connection.

•**Example:** *“Over the past decade, we’ve grown from a local clinic to a regional provider. Today, we face rising demand but limited resources. To meet this challenge, we will adopt digital healthcare tools to expand affordable access.”*



Tools for Effective Communication

Storytelling Techniques

- Use **relatable examples**: Connect strategy to everyday experiences of employees, customers, or partners.
- Use **metaphors/analogies**: *“This strategy is our roadmap”* or *“We are building bridges to new markets.”*
- Use **human-centered framing**: Explain not just *what* will change, but *who benefits* and *how it impacts lives*.



Tools for Effective Communication

Stakeholder Mapping

- **Definition:** A tool for identifying stakeholders and tailoring communication to their influence and interest.
- **The Stakeholder Influence—Interest Matrix:**
 - **High Power, High Interest (Key Players):** Engage closely, tailor detailed strategy updates.
 - **High Power, Low Interest:** Keep satisfied, focus on big-picture impacts.
 - **Low Power, High Interest:** Keep informed, simplify language, focus on relevance.
 - **Low Power, Low Interest:** Minimal communication, but don't ignore.



Stakeholder Influence- Interest Matrix

Case Scenario – Health Connect Expansion

Background

- **HealthConnect: start-up providing affordable telemedicine via mobile app**
- **Successful pilot → now expanding into 3 new regions**

Strategic Aim

- ***“Provide accessible, affordable digital healthcare to underserved populations.”***

Key Challenges

- **Building trust with patients & local communities**
- **Recruiting/training clinicians**
- **Securing regulatory approvals**
- **Meeting investor growth expectations**
- **Integrating tech into local health systems**

Task for Students

- **Identify key stakeholders**
- **Place them in the Influence–Interest Matrix**
- **Suggest how communication should differ for each group**



Stakeholder Influence- Interest Matrix

	High Interest	Low Interest
High Power	Key Players	Keep Satisfied
Low Power	Keep Informed	Minimal Effort

Stakeholder Influence- Interest Matrix

	High Interest	Low Interest
High Power	Key Players – Manage Closely - Investors/Board (ROI, growth) - Regulators/Health Authorities (licensing, compliance) - Senior Leadership Team (execution, resources)	Keep Satisfied - National Government/Policy Makers (health policy context) - Large Corporate Partners (infrastructure, funding)
Low Power	Keep Informed - Frontline Clinicians (roles, workload, training) - Patients/Service Users (access, affordability) - Local Communities/NGOs (trust, outreach)	Minimal Effort - Media/General Public (interest peaks during crises/launches) - Competitors (observing but not directly engaged)



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Frameworks For Linking Strategy To Practice



Approach	Key Features
Management by Objectives (MBO) <i>(Traditional)</i>	Aligns individual goals with organisational objectives
Balanced Scorecard (BSC) <i>(Traditional)</i>	Four perspectives: Financial, Customer, Processes, Learning & Growth
Objectives & Key Results (OKRs) <i>(Contemporary)</i>	Ambitious, measurable goals with transparent results
Performance Prism <i>(Contemporary)</i>	Considers all stakeholder needs (investors, customers, employees, regulators, community)
Value Creation Frameworks (e.g., EVA, Triple Bottom Line) <i>(Contemporary)</i>	Focus on financial or sustainability outcomes

Objectives & Key Results (OKRs)

- **Definition:** Goal-setting framework combining **ambitious objectives** with **measurable key results**.
This framework was made popular by Intel and Google.
- **Features:**
 - **Objectives** = qualitative, inspirational
Example - Improve customer experience
 - **Key Results** = quantitative, track progress
Example – Increase Net Promoter Score by 15%, reduce average support response time to less than 2 hrs, launch 3 new self-service features.
 - **Transparent across teams**
- **Strengths:** Agile, focus, alignment, innovation
- **Weaknesses:** Risk of chasing numbers; neglects softer goals.



Performance Prism

- **Definition:** Multi-stakeholder performance measurement framework based on 5 focus areas.

Facet	Key Question	Focus in Practice
Stakeholder Satisfaction	Who are our stakeholders, and what do they want/need?	Deliver value to investors, customers, employees, regulators, communities
Stakeholder Contribution	What do we want/need from stakeholders?	Employees contribute skills, regulators provide legitimacy, customers provide revenue
Strategies	What strategies must we put in place?	Align organisational plans with internal and external demands
Processes	What processes must we operate/improve?	Service delivery, innovation, compliance, efficiency
Capabilities	What capabilities do we need?	People, culture, technology, infrastructure to support strategies

- **Strengths:** Broader perspective; aligns strategy with diverse stakeholder needs
- **Weaknesses:** Complex; resource-intensive; slower to adapt

Economic Value Added (EVA)

- **Definition:** Financial performance measure = *Net Operating Profit After Taxes (NOPAT) – Cost of Capital.*
- **Purpose:** Captures value creation for shareholders
- **Features:**
 - Focus on economic profit, not just accounting profit
 - Strong link to shareholder wealth
- **Strengths:** Sharp financial discipline; investor confidence.
- **Weaknesses:** Overly financial; ignores non-financial value drivers (innovation, culture, sustainability)



Triple Bottom Line

- **Definition:** Framework created by John Elkington in 1994 assessing performance across 3 dimensions:
 - **People** (social impact)
 - **Planet** (environmental impact)
 - **Profit** (financial performance)
- **Purpose:** Encourages sustainable, responsible business
- **Strengths:** Holistic; balances financial and non-financial goals; strong ethical stance
- **Weaknesses:** Hard to measure consistently; risk of “greenwashing” if not genuine



Strategy Mapping and Performance Alignment



Group Discussion

**What do you understand by
“Strategy Mapping” ?**



A strategy map is a visual representation of an organization's strategic objectives that illustrates the cause-and-effect relationships among them, typically across multiple perspectives (e.g., financial, customer, internal processes, learning & growth), to communicate, align, and manage strategy effectively.

(Kaplan & Norton, 2004)



Key Principles of Strategy Mapping

Principle	Description	Example
Cause-and-Effect Logic	Objectives are linked in a chain showing how one drives the next.	Training employees → Better processes → Higher customer satisfaction → Increased revenue
Perspectives	Strategy is organized across four main lenses: Financial, Customer, Internal Processes, Learning & Growth.	Financial: Revenue growth; Customer: Satisfaction; Internal: Innovation; Learning: Skills development
Clarity & Alignment	Makes strategy understandable and aligns daily actions with long-term goals.	Everyone knows how their work contributes to overall business objectives

Importance of Strategy Mapping

1. Creates a Visual Story of Strategy

- Transforms abstract goals into a clear, visual roadmap.
- Shows the **cause-and-effect** links that connect today's actions to long-term success.
- Makes strategy more accessible and memorable than long documents.

💡 *Think of it as “storytelling with arrows and boxes.”*

2. Better Communication Across Stakeholders

- Creates a **common language** for executives, managers, and employees.
- Reduces misinterpretation — everyone can “see” the same strategy.
- Engages non-financial stakeholders (e.g., frontline staff, customers, partners) who may not connect with traditional metrics.

💬 *Instead of “just numbers,” people see how their role drives outcomes.*



Importance of Strategy Mapping

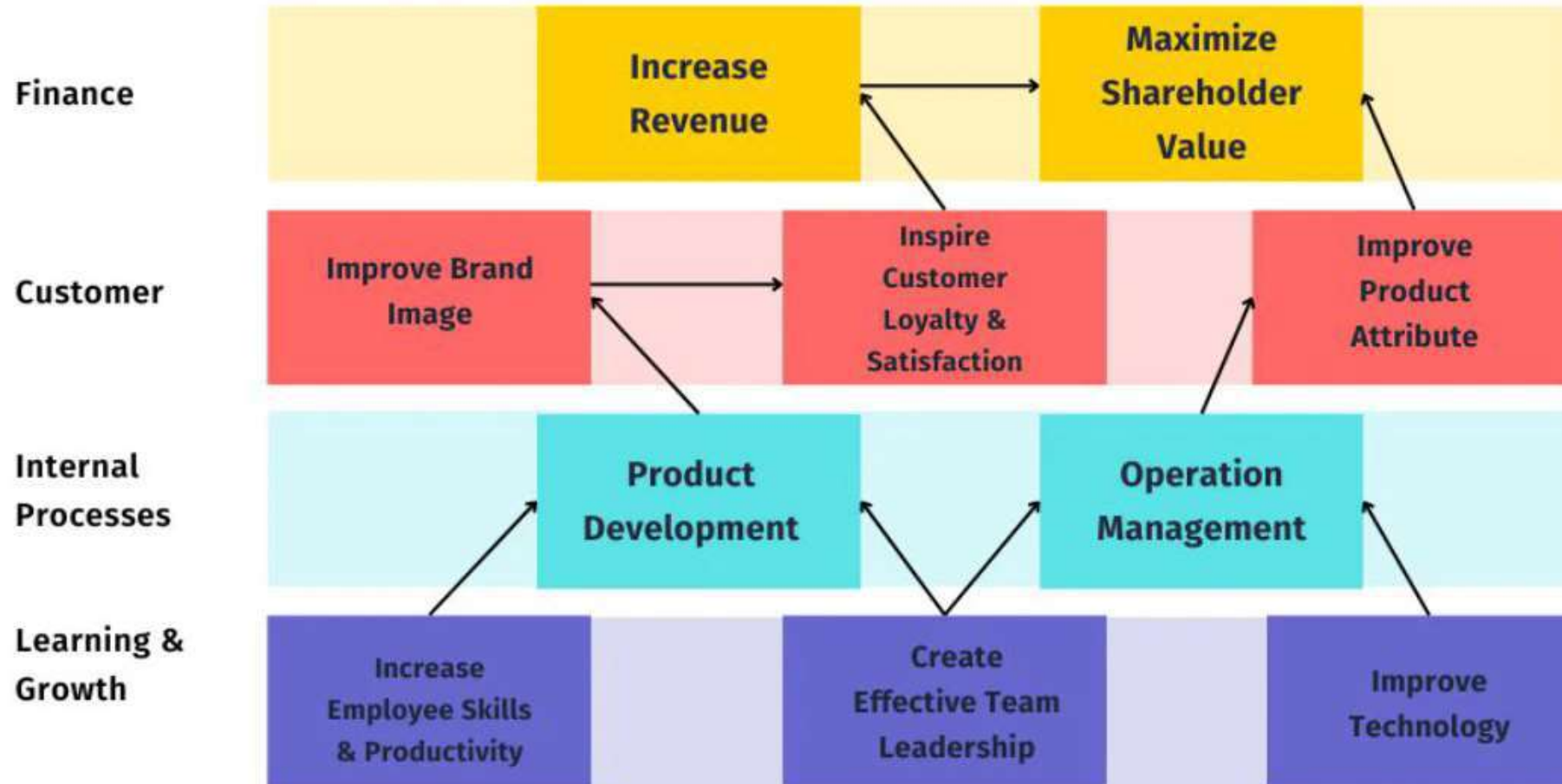
3. Focus on Meaningful Measures

- Moves attention away from easy-to-track but irrelevant KPIs (e.g., counting activities).
- Encourages organizations to measure what truly drives performance.
- Supports balanced performance measurement: short-term vs. long-term, financial vs. non-financial.

 *Example: Measuring employee engagement (a driver), not just quarterly sales (an outcome).*



Strategy Mapping Example



Group Exercise

Refer to your assigned case study.

- 1. Read the scenario carefully.**
- 2. Identify at least one or two objectives for each of the four perspectives:**
 - 1. Learning & Growth**
 - 2. Internal Processes**
 - 3. Customer**
 - 4. Financial**
- 3. Show the cause-and-effect flow by drawing arrows between objectives.**
- 4. Be prepared to share and explain your group's map.**





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