

Total Rewards versus Total Commitment or Scores vs Statistics

There are many uncertainties in business. However, one thing is certain. Your employees have **much more they could offer – if.** If what? If they were focused on a unified scoreboard of overall performance and were engaged to be your “partners” in the business.

A large edition of an Organizational Development journal came in my mail recently, with the cover announcing their annual “Total Rewards Conference”. Hundreds of vendors will be hawking thousands of ways to reward people for something. All in an attempt to achieve a higher level of some corporate metric(s)... I think. Or maybe it’s just an attempt to make people happy.

In my career, I have asked hundreds of presidents, CFO’s, and VP’s, “what are the corporate metrics to which you are personally held accountable”? Answers come quickly, and typically include one or more of the following: net profit, ebit, editda, cash flow (or some variation), return on assets, earnings per share, etc.

Having identified the corporate metrics, I leave the room and wander the office, cubes, and factory, and ask employees if they know the answer to the same question. They almost never do. If I tell them the answer, and then ask if they can define the metric, they cannot. By its very nature **this creates and nurtures a culture of disconnected and mis-aligned employees ...** managers and associates.

Contrast this observation of business to the experience of watching an NFL football game. Whether the camera pans the players, the coaches, the owner in the sky box, the trainers, and others ... everyone is looking at exactly the same thing. A single, overall, comprehensive representation of performance — the scoreboard. That’s universal focus and alignment, top to bottom.

Like football, why isn’t there a single, valid, robust, real time, comprehensive scoreboard that accurately represents the performance of your business, daily – weekly - monthly? It’s not the financial statement, which is too complicated, too noisy, and typically not tactical. It is definitely NOT the 50 metric “dashboard” that distracts more than it illuminates with its statistics. Rather the “scoreboard” should be the “drivers of profitability” – tactical, visible, and understandable to all, top to bottom. Providing intense organizational focus on what really matters... every day.

A reporter on National TV once pointed out to a head coach that the opposing team had outplayed him in every statistic of the game. His terse response was “We won”. There is an important distinction between Scores and Statistics. Yes, statistics are interesting and useful, but subordinate to the score of the game. As a generalization, employees and managers have their heads down chasing statistics but never look up to see the end zone or scoreboard.

Managers, associates ... all need to participate in the game of business. Sensitive to operating statistics as they strive for the financial end-zone and score. Rather than “Total Rewards”, I would suggest we need *Total Alignment and Total Commitment*. This is possible through a structured strategy of defining, measuring, pursuing, and rewarding performance. I didn’t say it was complicated, I didn’t say it was easy, but it is intentional and structured.