

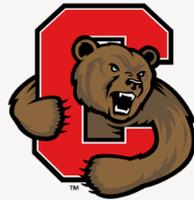
# Building a Culture of Accountability:

Setting Clear Goals and Metrics for Data-driven Success

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WPI



**JUSTIN YU**

Strategy & Operations  
Data, Analytics, & AI





356 fatalities  
\$20 B fines  
\$60 B canceled orders



800 jobs lost  
\$700 MM lost (investors)  
780k faulty blood tests



\$5 B fines  
16 MM accounts defrauded

**> \$125 B**

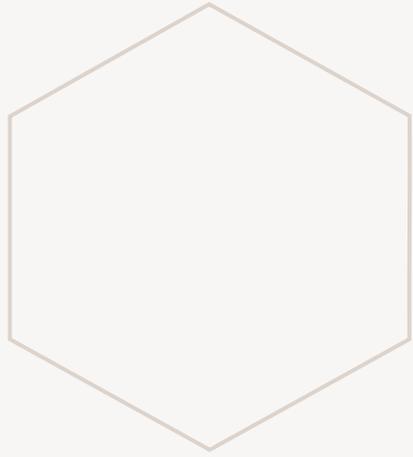


730 jobs lost  
\$27.8 B share value lost  
\$4.3 B fines



\$70 MM fines  
\$10 B lawsuit

**1500+  
jobs  
lost**



# Today's Topics



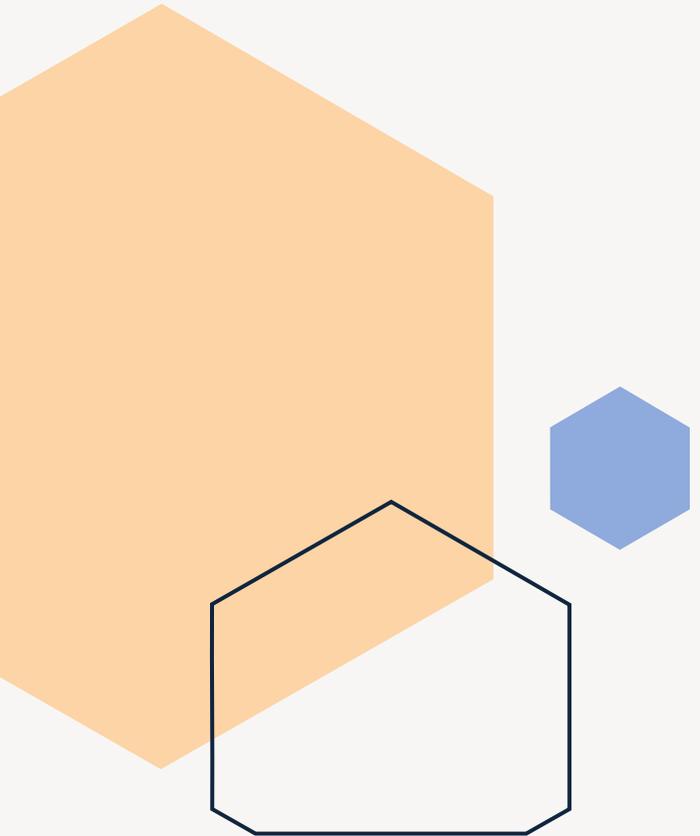


# ac·count·a·bil·i·ty

ə-ˌkaʊn-tə-ˈbi-lə-tē

the fact or condition of being  
required or expected to  
justify actions or decisions

# Benefits of Accountability



## Stay Out of Trouble!

### Financial Performance

- Build trust
- Ensure company is on-track for success
- Enables informed decisions

### Employee Performance

- More productive and creative
- **2.5x** more likely to be engaged<sup>1</sup>
- **40%** of employees feel their manager holds them accountable for their performance goals<sup>2</sup>

<sup>1</sup> <https://www.gallup.com/workplace/231659/performance-measures-motivate-madden-employees.aspx>

<sup>2</sup> <https://news.gallup.com/opinion/gallup/220478/why-performance-development-wins-workplace.aspx>

**How do we build a culture  
of accountability?**



# cul·ture

'kəl-chər

the set of shared norms, attitudes, values, goals, and practices that characterizes an institution or organization

# cul·ture

'kəl-çər

“a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”

**Edgar Schein**

Professor Emeritus, MIT Sloan School of Management



a pattern of **shared basic assumptions** learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

- “Happy employees are more productive”
- “Innovation is valued above all else”
- “Hard work is always rewarded”
- “Open communication is key to success”
- “Customer satisfaction is the top priority”
- “Taking risks is essential for growth”
- “Employees should wear many hats”
- “Individual accountability is more important than team collaboration”
- “Decision-making should be hierarchical”

a pattern of shared basic assumptions **learned by a group as it solved its problems of external** ● **adaptation** and internal integration, which has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

**External Adaption:** How do we cope with and survive in this environment?  
(challenges and pressures from the market, competitors, investors, etc.)

### **Main Challenges:**

- 1) Mission and Strategy
- 2) Goals
- 3) Means (to reach those goals)
- 4) Measurement (of progress)
- 5) Correction (if goals not being met)

a pattern of shared basic assumptions **learned by a group as it solved its problems of** external adaptation and **internal integration**, which has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

**Internal Integration:** How will we coexist and work cohesively together towards our shared mission, strategy, and goals?

### **Main Challenges:**

- 1) Creating a common language
- 2) Defining group boundaries
- 3) Distributing power, authority, and status
- 4) Developing norms of trust, intimacy, friendship, and love
- 5) Defining awards and punishment
- 6) Explaining the unexplainable

a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, **which has worked well enough to be considered valid**, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

**If these assumptions helped us deal with our challenges, then surely they **must be good!****

a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid, **and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems**

**This is why culture is self-perpetuating.**

# Culture is like an iceberg

## Observables

Can see, hear, taste, smell, and touch

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## Values and Social Norms

Right / wrong, how to think / behave

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## Assumptions

Deeply ingrained beliefs



**Culture is a learned way of working that “solves” our internal and external problems**



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ə-ˌkaʊn-tə-ˈbi-lə-tē

the fact or condition of being  
required or expected to  
justify actions or decisions



ac·count·a·bil·i·ty

implies that there will be

**CONSEQUENCES**

...for your actions and decisions

...for failing to meet goals

...for missing deadlines

# Consequences



For **missing** goals



# Rewards



For **meeting** goals

# Good systems of accountability span the full chain of decision-making



**Managers**



**CEO +  
Senior Leaders**



**Board of  
Directors**



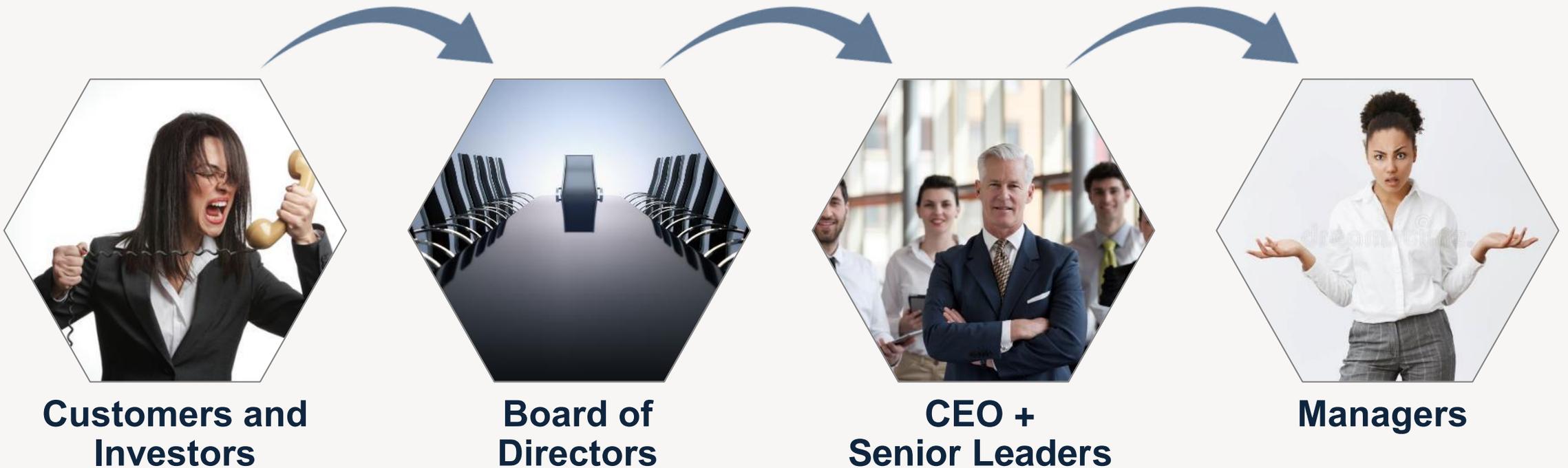
**Customers and  
Investors**

# What are some accountability mechanisms?

- Stock price
- Choice to be a customer
- Shareholder meetings

- Incentive comp.
- Goals
- Monthly reviews

- Defining values
- Goals
- Business reviews
- Performance reviews



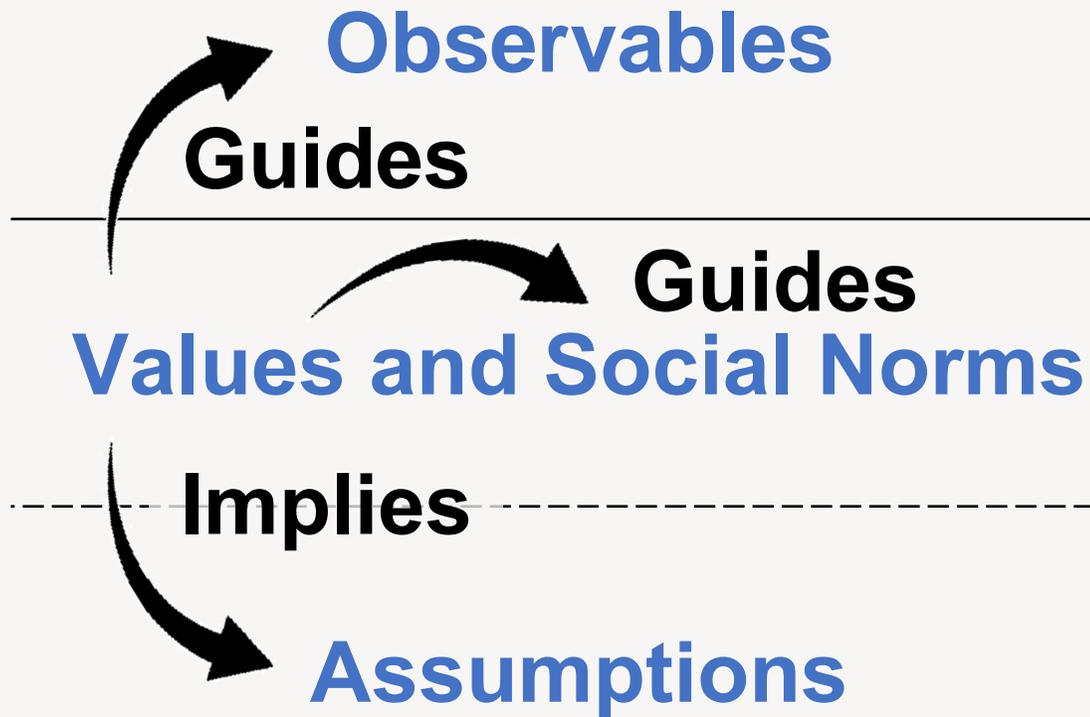
**Culture is typically shaped  
and reinforced top-down**



# Write Down Your Values... ...and **build accountability in**

- Sets the tone for all employees
- Is not foolproof, but it's a start
- How you reinforce it (or not) matters

# Writing Values is a Shortcut



Set **FAST** Goals...  
...not ~~SMART~~ ones



# What are FAST goals?



## Frequently Discussed

Goals embedded in discussion to...

- Review progress
- Allocate resources
- Prioritize initiatives
- Provide feedback



## Ambitious

Goals should be difficult, but not impossible



## Specific

- Concrete metrics
- Clear milestones



## Transparent

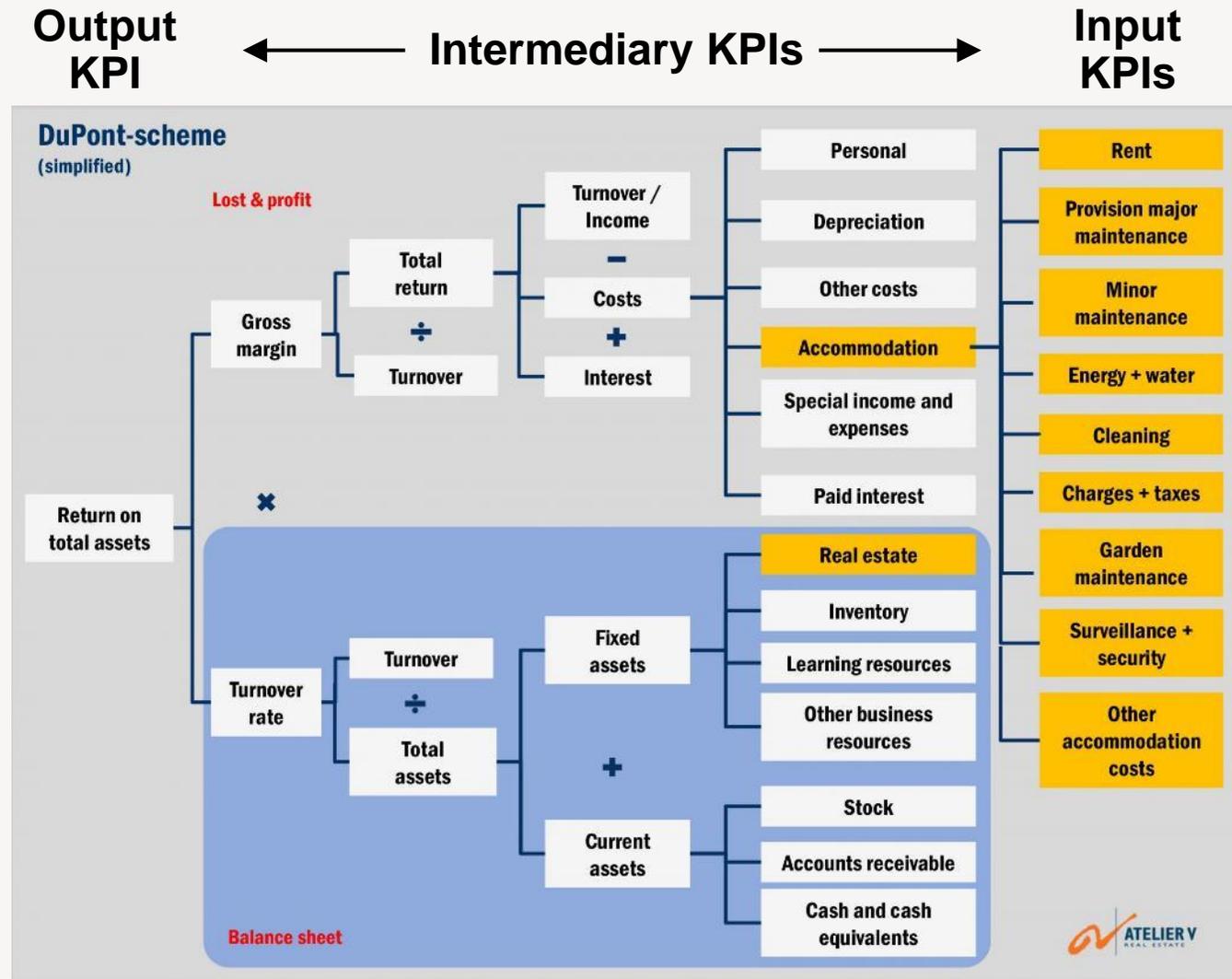
Make goals and current performance public for all employees to see



**POLL**

**Raise your  
hand if you're  
using OKRs**

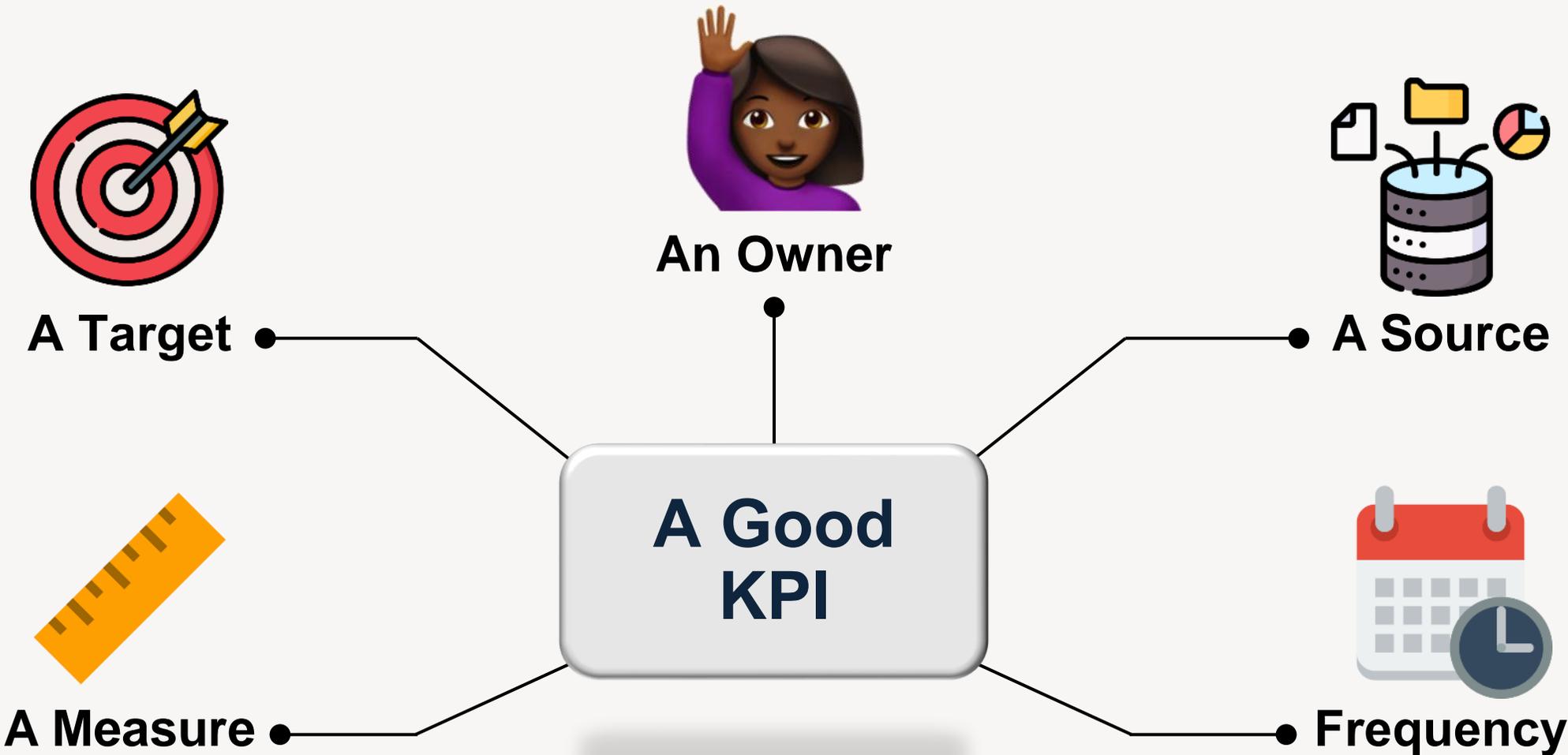
# What KPIs need goals?



## DuPont Analysis:

- Originally for RoE
- Can be applied to decompose any output KPI into its inputs
- Helps you understand your business levers better
- Can identify your input KPIs
- **Enables you to drive accountability** by assigning names to each key input

# Anatomy of a Good KPI



# KPI Pitfalls



## Ignoring External Factors

Industry trends, market conditions, seasonality



## Overemphasis on Short-term Results

Focus on long-term sustainability and growth



## Neglecting Qualitative Measures

CSAT, employee engagement



## Lack of Context

Include benchmarks or historical data



## Incentive Misalignment

Don't encourage gaming



## Infrequent Review or Adjustment

KPI definitions may need to evolve with the business



## Overlooking Interdependencies

KPIs can negatively impact others



## Complexity Bias

Don't underestimate the power of simple metrics

# Holding Individuals and Teams Accountable



Implement regular check-ins and progress reviews



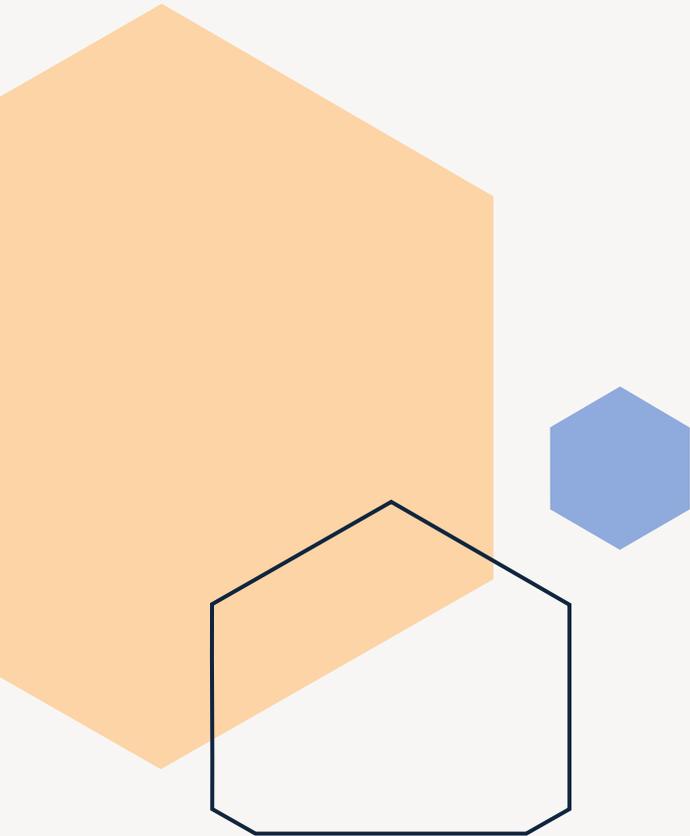
Provide timely and constructive feedback



Recognize and reward achievement of goals



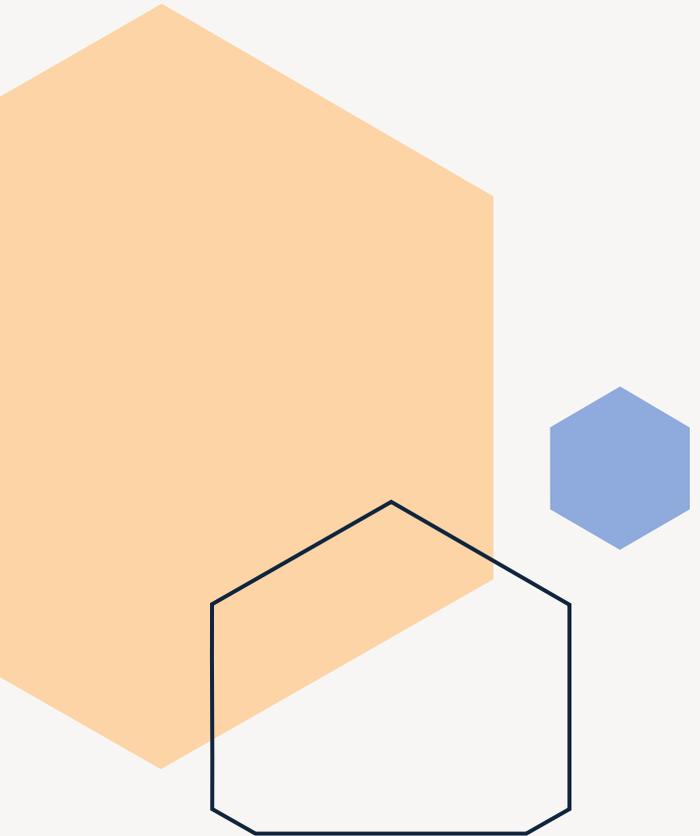
Address underperformance promptly and fairly

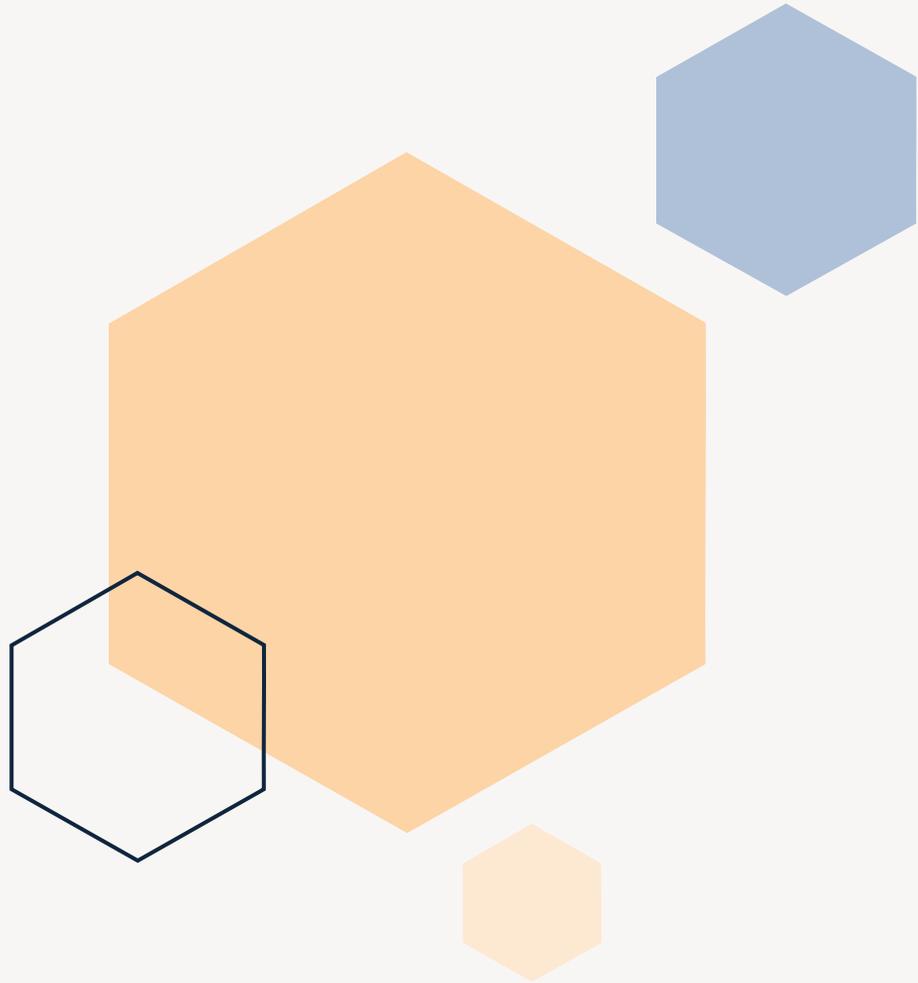


# Holding Individuals and Teams Accountable

- ✓ Implement regular check-ins and progress reviews
- ✓ Provide timely and constructive feedback
- ✓ Recognize and reward achievement of goals
- ✓ Address underperformance promptly and fairly

NOT NEW OR INTERESTING

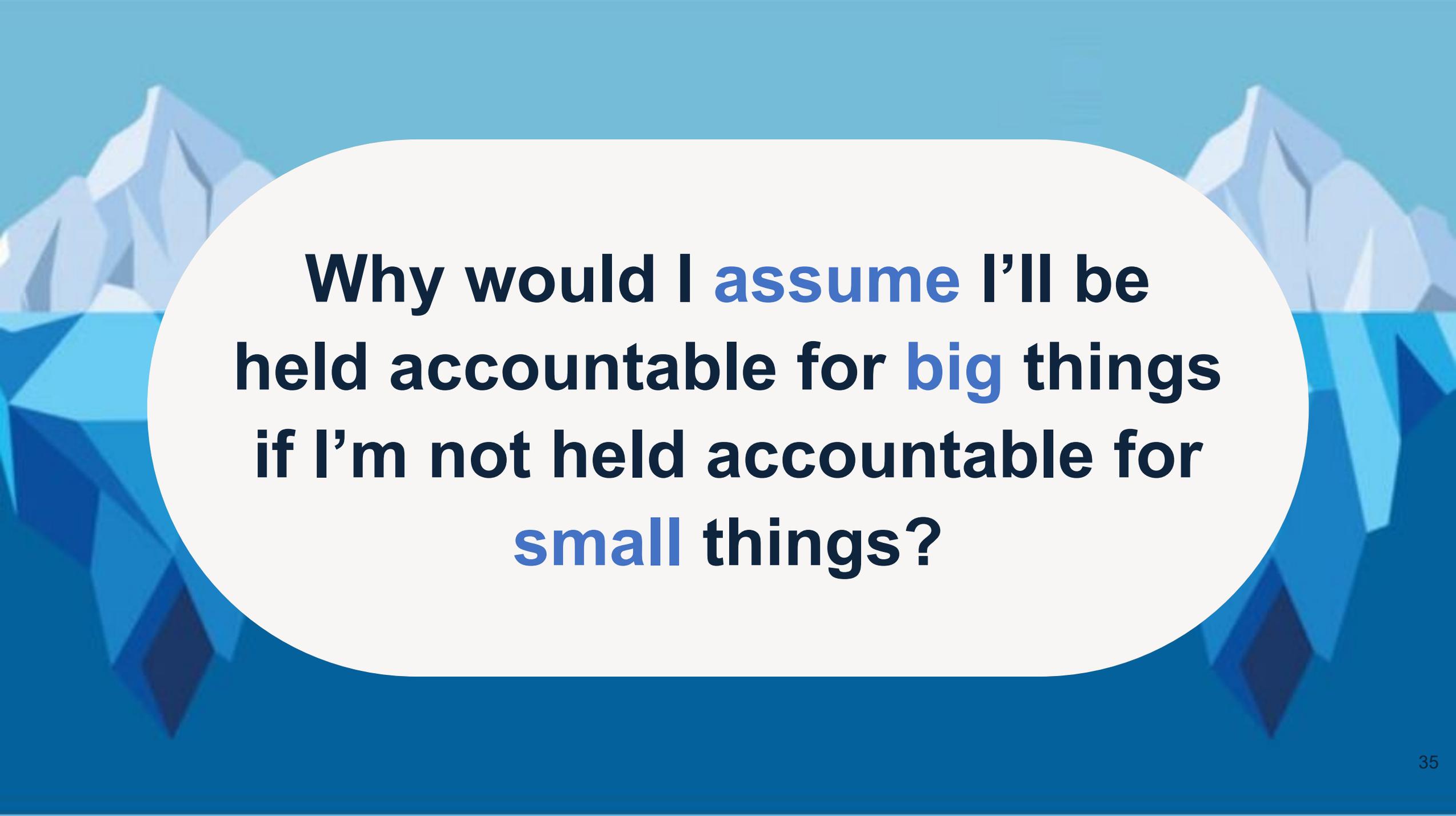




## You can...

- Set all the right goals
- Define all the right KPIs
- Have regular check-ins

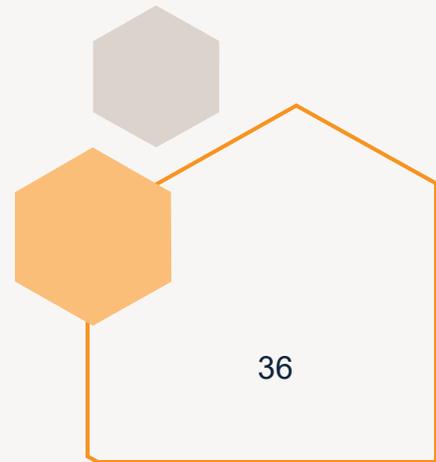
...and *still* not have a  
culture of accountability

The background features a dark blue field with light blue, faceted geometric shapes resembling icebergs or crystals. A large white circle is centered on the page, containing the text.

**Why would I **assume** I'll be held accountable for **big** things if I'm not held accountable for **small** things?**

# What does it signal about your culture if there's no consequences for consistently...

- Showing up late to meetings
- Not circling back on something
- Not sending that email as promised
- Not pre-reading the doc as all agreed
- Not completing action items on time
- Delivering sub-par work



**Accountability  
is a **muscle** that  
gets stronger  
with practice**



**Ask yourself how your  
actions are shaping  
people's assumptions  
about accountability in  
your organization.**

# Recap



- Accountability matters across all levels
- Culture is a pattern of shared assumptions learned through external adaptation and internal integration
- Culture is self-perpetuating, taught by one generation to the next
- Write down your values to shape assumptions and behaviors
- Set FAST goals, not ~~SMART~~ ones
- Design robust KPIs to cover your inputs, mapped to your outputs
- Practice accountability on the small things to build towards the big things



**“The culture of any organization is shaped by the worst behavior the leader is willing to tolerate.”**

**Steve Gruenert and Todd Whitaker**  
Authors of “School Culture Rewired”



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