



# The Leadership Challenge of Flailing Performance

FranklinCovey

It's a sobering moment for anyone in a senior leadership position: Your company's performance craters, and you're left without any immediate solution. You know it's up to you to turn things around. You feel the weight of the world on your shoulders, and the pressure is mounting.

Perhaps the performance problem stemmed from an operational mishap that created an earnings miss, a share price drop, and a wave of layoffs. It may have been self-inflicted or

caused by something external and completely unexpected—such as a cyberattack or a supplier's product failure that damaged your brand's reputation.

After spending decades in the trenches with C-suite leaders facing these exact issues, we know that what matters most now is your response. Indeed, your actions may turn out to be the reason you stay in business—emerging triumphant with the turnaround assured—or the reason you eventually lose it all.

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**Consider the Levels of Impact:  
Concern, Influence, Control**

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**The Space Between Stimulus and  
Response**

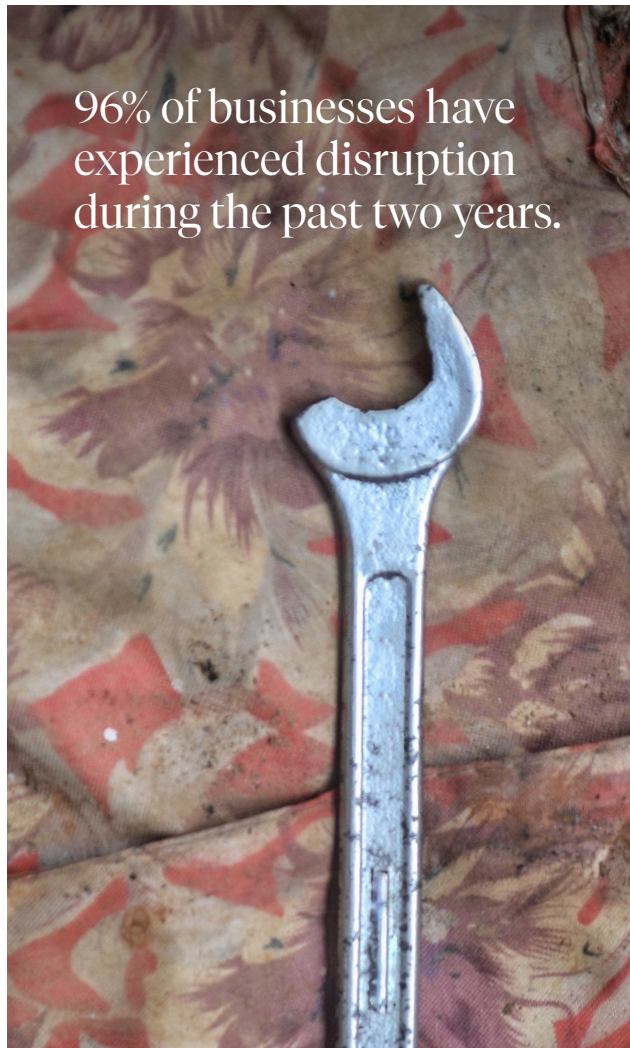
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96% of businesses have experienced disruption during the past two years.

According to management consultant [Bain & Co.](#), before pursuing a solution to a performance issue, it's essential to identify its true cause. Once those root causes are uncovered, remedies usually exist. These remedies could include aligning senior leadership on objectives, clarifying roles and responsibilities, filling major talent gaps, revamping poorly performing systems, or focusing explicitly on areas like performance and cost.

But it's not always easy to pinpoint the catalyst, as today's business leaders are confronting unprecedented challenges. Geopolitical tensions are high, policy changes with the political winds, cyber threats are constant, and building sustainable supply chains is increasingly difficult. Teams are facing burnout and a lack of engagement. Major technology shifts, such as generative AI and automation, create as many questions as they do answers. It's a set of circumstances that accounting and advisory firm [PwC](#) has called a state of "permacrisis" where 96% of businesses say they have experienced disruption in the past two years.

For companies, the challenge is to adapt, evolve, and emerge stronger. For instance, AI—perhaps one of today's most consequential change drivers—raises the stakes. While providing untold opportunities, this disruptive technology also brings risks. According to research by PR firm [Edelman's 2024 Connected Crisis Study](#), eight in 10 executives are concerned that AI could have a negative impact on reputations and business valuations, and more than one-third believe their firm is not adequately prepared for these modern threats.

[McKinsey](#) notes that many of the most difficult challenges facing companies amid transformation are human in nature—for example, the need for greater capabilities to engender change, getting the right people in critical roles, empowering self-aware and inspiring leaders, and investing in the type of benefits that will retain employees.

As a leader facing these struggles, you may feel that the task of motivating colleagues to be more engaged and productive is insurmountable. A team may deliver on the bare minimum while appearing to be detached and uninspired. Teams, often suffering from burnout as leadership needs to change gears, may be able to summon only enough energy to go through the motions, rather than enthusiastically participating in the common effort. After all, a leader can measure and monitor deliverables, but it's impossible to mandate inspiration. The very best efforts of your teams come when they are inspired to go above and beyond.

Below, we outline the most important mindsets that will deliver needed leverage in challenging times:

## Narrowing the focus

**to working on what you can control;**

## Establishing space

**between the stimulus and the response to move from fear to an abundance mindset; and**

## Creating a winnable game

**that will keep team engagement high as you "move the middle" and improve performance.**

# Consider the Levels of Impact: Concern, Influence, Control

During times of crisis, leaders must be proactive and view the world through the prism of the three distinct levels of impact that are available to us. Think of them as concentric circles:

## The Circle of Concern™

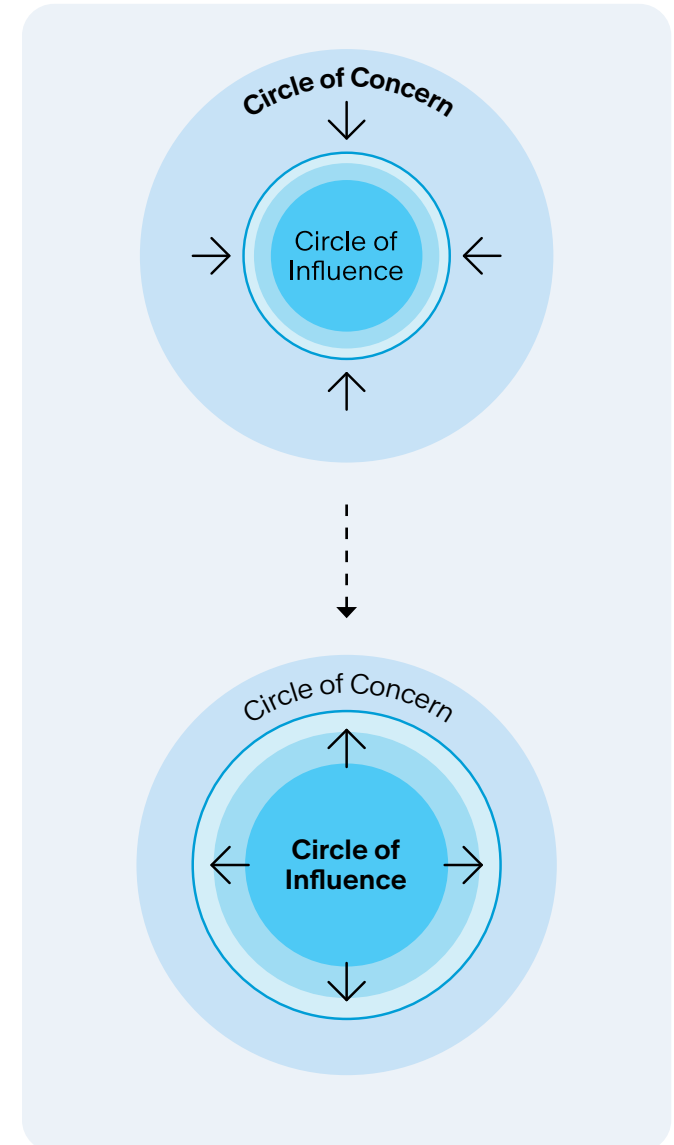
This largest circle reflects the full confluence of factors impacting the company. These can be uncontrollable variables, including monetary policy, overall economic conditions, or the actions of the previous management team. On an individual basis, we should acknowledge that there is very little we can do to change, say, the macroeconomic environment. In other words, these are the areas where we have little influence, so we should not focus our energy here.

## The Circle of Influence®

We each have areas in our work where we have some degree of influence, which is expressed in a narrower circle than the Circle of Concern. These are things we can hope to change, either directly or indirectly, so we should proactively work with colleagues on these issues. We may not have control over changes in interest rates, for example, but there's certainly a financial strategy that can be put in play to steer through changing conditions.

## The Circle of Control

During a crisis, effective leaders should focus most of their effort within this even smaller circle, representing the things where we can have a meaningful impact on outcomes. Given that this is where we can advance the most positive change, this is where our main attention should be. It might be that you make sure to be truly present and productive in your next meeting, or that you provide important feedback that you've been sitting on for months. Maybe you need to adjust your own energy in response to feedback you've been given, or model the right behaviors in the tough times.



When a crisis occurs, it's tempting to think that radical change is what's needed. However, these situations are often best addressed by going back to basics—questions like:

- 1. How can I keep my people focused on the tasks that will create the biggest improvement?**
- 2. How can I keep my team moving forward together, elevating the firm's culture?**

In industries such as technology, which have been hardest hit by [retrenchments and layoffs](#), peeling back attention from the world of problems to the work to be done in the moment can enable teams to sleep better at night. That in itself is no small thing! We know that quality sleep really is a crucial foundation for better performance.)

According to [Harvard Business School Professor Amy C. Edmondson](#), a common reason that businesses struggle to turn around flailing performance is that managers tend to think about failure in the wrong way. Instead of assuming failure is bad, Edmondson contends that it can sometimes be bad, sometimes inevitable, and sometimes even good. What's most important in failure is how we analyze it and use it as a learning opportunity. Edmondson believes part of the problem is that too many of us engage in the blame game, seeking someone to scapegoat when there is a problem or a failure—a dynamic that results in staff not wanting to alert management to a problem for fear of being blamed.



# The Space Between Stimulus and Response

As you seek out the root cause, your team can easily succumb to blame and conflict. They may not have a plan ready for the particular crisis that you find yourself facing. After all, if they did—or if you did—you'd have seen it coming in the first place.

Amid all the finger-pointing, it can feel as if the firm might implode. Panic or toxic behaviors can take hold. This is when it is especially vital to remember Dr. Stephen R. Covey's concept that we should focus on the space between stimulus and response: "Between stimulus and response, there is a space. In that space lies our freedom and power to choose our response. In those choices lie our growth and our happiness."

This works best when managers cultivate a spirit of abundance, instead of the fear-driven mindset of scarcity that will have teams grasping for budget or credit.

A win-win mindset is about constantly seeking mutual benefit in all human interactions—about finding solutions that are truly beneficial and satisfying for everyone involved. To embrace win-win, we must be empathic, confident, considerate, sensitive, and brave—even in a crisis.

A recent [report from Deloitte](#) makes the point that for a business to thrive, its people must thrive. The report highlighted that what really drives value is human connections—between workers and contractors, customers, and community members—but that most companies are instead stuck in a mindset focused on extracting value from people rather than collaborating.

#### Ask yourself:

- What do I need to do to get into the right mindset?
- Do I need to take a walk?

Write down your fears, but then set those aside and write a list of positive efforts that can be put forth. Every person has their own best methods for stepping back from a tough moment to find the path forward. Do you know what routine will best help you create some space between the stimulus and a productive response?



Between stimulus and response, there is a space. In that space lies our freedom and power to choose our response. In those choices lie our growth and our happiness.

– Stephen R. Covey

# Moving the Middle

Overcoming a crisis requires creative collaboration where staff can stop worrying about getting laid off and can instead focus on developing the alternatives that may ultimately turn things around.

Especially during periods of retrenchment, it's worth remembering that every organization has some great performers and many average ones. The challenge is to move the middle 60% (the average performers) closer to the higher performance level of the top 20%. Moving the middle can dramatically improve an organization's overall performance.

Such improvement starts by being proactive—by asking: What are the one or two things we can do as a team and as an organization to move forward? Take a deep breath and ask, where are we wasting our efforts? Get clarity on that process by keeping these four disciplines in mind:

## Focus on the Wildly Important

Exceptional execution starts with narrowing the focus on what must be done to sow the seeds of a turnaround. If you fail to do the most important things, nothing else really matters. We need to focus on less to accomplish more—a concept that feels counterintuitive to many ambitious leaders.

## Act on the Lead Measures

Focus on actions that can create true leverage in reaching goals. Generally, 80% of results come from 20% of our activities, so it's crucial to focus on the right actions. Activities that your teams know will drive the results become the focal point, with each team placing their big bet on how to reach the goal.

## Keep a Compelling Scoreboard

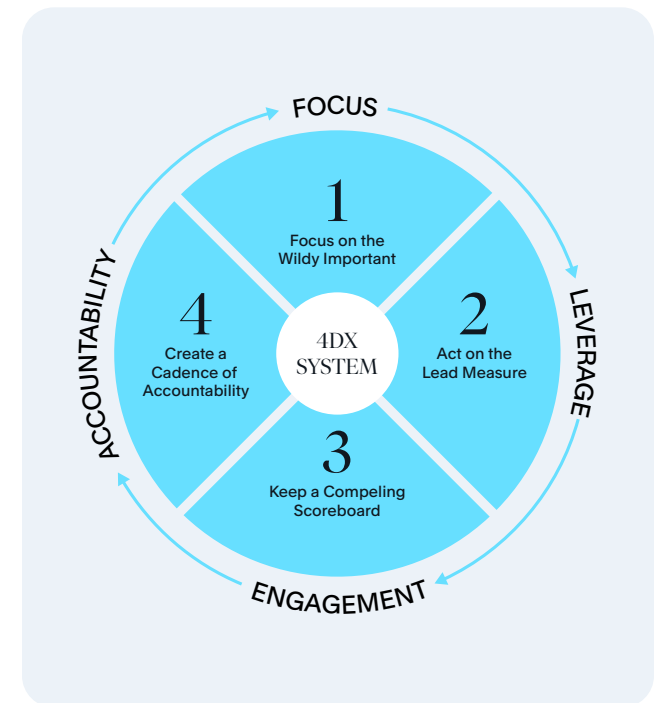
People and teams respond differently when we keep score. Monitor progress on these important lead measures and be mindful that the right kind of scoreboards can motivate teams. This is where your team can feel they are playing a winnable game and that the work matters.

## Create a Cadence of Accountability

Check in weekly with your team, highlighting successes, analyzing failures, and deciding how and when to correct course. An effective performance-management system can act as a roadmap back to high performance.

Our goal as leaders is not simply to react to disruptions but to turn such challenges into opportunities for successfully navigating change—coming out on the other side strengthened by the struggle. The real work of leadership in crisis is a willingness to confront reality, adjust, get input, adjust again, and bring our teams along to a better future.

Imagine moving from that unforgiving moment of failure to new levels of success with a strengthened culture that can handle the next problem that arises. With the right practices, that kind of turnaround is within reach.



# Case Study: A Guest Satisfaction Turnaround at Gaylord Opryland



Nashville's country-music-themed Gaylord Opryland Resort & Convention Center, one of the world's largest hotels, operates like an indoor city with 14 restaurants, its own police department, and even its own power plant. Leading such a complex operation requires innovative strategies, and when the resort's leadership sought breakthrough results, they turned to *The 4 Disciplines of Execution*® (4DX) system to improve guest satisfaction, a critical metric for their business.

## Identifying the Wildly Important Goal® (WIG®)

Gaylord Opryland's leadership team began by identifying their Wildly Important Goal. While metrics like occupancy rates and revenue flow-through were obvious targets, they pinpointed improving guest satisfaction as the WIG with the greatest potential impact. At the outset, only 42% of guests rated their service experience as perfect (five stars). Leadership set an ambitious target of 55%. In a spirit of friendly competition, they were aiming to outpace the resort's two sister properties.

## Breaking Down the Goal

The leadership team narrowed down 20 potential initiatives to three sub-WIGs deemed most impactful:

- 1. Problem Resolution:** Ensuring timely and effective responses to issues in a vast facility where operational challenges are inevitable.
- 2. Arrival Experience:** Recognizing that first impressions strongly influence overall satisfaction.
- 3. Food and Beverage Quality:** Delivering excellent dining experiences, a must for achieving five-star ratings.

Identifying these three sub-WIGs required rigorous deliberation. Chris McChesney, co-author of *The 4 Disciplines of Execution*, noted that the process took nine hours of focused discussion.



## Empowering Teams and Execution

With the three sub-WIGs established, the resort's 75 operating teams devised tactics aligned with these goals. For instance:

- Housekeeping focused on improving room availability.
- The front desk team prioritized faster check-in processes.
- Bell services committed to reducing luggage delivery times.

Weekly accountability meetings tracked progress and maintained momentum.

## Transformative Results

Within nine months, the resort's guest satisfaction score exceeded the original target, reaching 61%—a 50% net improvement. Key operational metrics also saw remarkable improvements, such as luggage delivery time dropping from 106 minutes to just 12 minutes.

## Success Metrics

- Guest Satisfaction: Increased to 61% from 42% (a 19-percentage-point improvement).
- Operational Efficiency: Significantly reduced process times, such as luggage delivery.
- Team Engagement: Saw 75 teams actively contributing to tailored tactics and being accountable to one another for their efforts.

## Key Takeaways

McChesney summarized the success: "When highly engaged teams focus on a few key targets and are accountable to each other, they leverage their combined energy. That's when conceptual strategy translates into simplicity and transparency—the keys to successful execution." This case demonstrates how empowering teams with clarity and focus can yield transformational results, even within complex organizations.

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— Chris McChesney  
co-author, *The 4 Disciplines of Execution*



# Putting It All Together: Turnarounds Are Possible With the Right Skillset

Turning around a business after a performance failure is often not simple or easy. But with the right mindset and methods, many leaders can successfully create a successful outcome. Call it the master class of leadership; both you and your business have an opportunity to emerge stronger than ever.

In our 35+ years of research and development in the areas of leadership, individual effectiveness, culture, and breakthrough results, we understand the pressure that senior leadership teams face when performance falters. The choices you make now have massive implications—so it's essential that you make the right ones.

Whether your organization has recently experienced mass layoffs, you're still reeling after a stock devaluation, or you're unsure of how to unite and engage teams to meet your most essential goals, FranklinCovey provides the solutions for leaders to ignite performance and transform how teams work together.

Our world-class learning solutions—delivered Live-Online, On Demand, or Live In-Person—are designed to build exceptional leadership skills and enrich your culture at every level of your organization.

To learn more, email us at [info@franklincovey.com](mailto:info@franklincovey.com), or visit [franklincovey.com](http://franklincovey.com)

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