



# The Influence of Implementation of the Four Disciplines of Execution on the Achievement of Commercial Credit Targets at PT Bank Sumut

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**Abstract.** Every corporate entity certainly wants to maximize the achievement of its targets to obtain maximum revenue and profits. This study aims to determine the effect of implementing the 4 Disciplines of Execution (4DX) on achieving commercial credit objectives in the Credit Division. This research is interesting because it uses a mixed method. This study used primary data sources and secondary data sources. The 4DX consists of 1 focusing on the most important goals (focusing on the most important goals), 2 acting on Lead Measure (acting on the things that move the goal), 3 Creating a scoreboard (note the achievement on the scoreboard), and 4 Making sustainable rhythms (creating sustainable rhythms). The population used in this study were all employees who handle commercial loans or are called Relationship Managers (RM) under the credit division and then taken a sample of 43 employees. After conducting quantitative analysis, the results show that every discipline in the 4DX has a positive effect on the effort in achieving the target. To support quantitative analysis, a qualitative analysis was then carried out to find out other effects arising from the implementation of the 4DX. After conducting qualitative analysis, the results show that 1 Implementation of the 4DX can change employee behavior to be more responsible and consistent, 2 Implementation of the 4DX can be a solution to overcome problems related to employee habits, and 3 Every 4DX discipline is interrelated one and another.

**Keywords:** Commercial Credit · Credit Division · the 4 Disciplines of Execution

## 1 Introduction

In achieving the targets set by the company, reliable human resources are needed. As the most valuable assets, human resources have an important role in their interaction with capital factors, materials, methods, and machines, as Agung [1] stated. Anshori and Indrasari [2] stated that human resources are the most important factors that cannot even be separated from an organization. Along with the development of the era, the role of employees in the company is limited to completing the work assigned to them and all the demands of the company effectively and efficiently. In McChesney et al. [3] explained that when a team focuses on 2 or even 3 goals outside of their whirlwind, the team usually succeeds in achieving them. However, if they set 4 to 10 goals, experience

shows that they can only achieve 1 or 2 goals. This statement explains that the more goals assigned to a person or team, which causes the focus to be divided, then only 1 or 2 goals will be achieved.

PT. Bank Sumut is a Regional Development Bank of North Sumatra located at Jl. Imambonjol No. 18 Medan. The division that handles commercial loans is the Credit Division which has 43 special employees called Relationship Managers (RM), who are placed in all branches of PT. Bank of North Sumatra.

## 1.1 The 4 Disciplines of Execution

There are only a few models for implementing strategies. The four Disciplines of Execution (4DX) is one of a few highly effective implementation models. According to McChesney [3], there are two kinds of initiatives: those who can be corrected with a pen stroke and those that require behavioral change. The latter would be clearly the more challenging.

McChesney et al. [3] discovered that people didn't realise what the goals were, weren't really engaged to them, did not understanding what's been expected of them, and were not held responsible for it. However, the most primary reason for execution failure are daily norms and activities.

### 1.1.1 The Whirlwind

The inventors of the 4DX model refer to daily routines and tasks, such as those required to keep day-to-day operations running, as the whirlwind. Leaders frequently struggle to distinguish between the whirlwind and new strategic goals because both are necessary for the organization. They both compete for the same amount of time, energy, and attention, and regretfully, the more pressing whirlwind of daily tasks usually wins. Being aware of the conflict between important new change initiatives and urgent daily tasks allows you to differentiate and be more effective [3].

Once urgency and importance clash, urgency almost always wins the battle. It is difficult to execute while distracted by the whirlwind and the prevalent rules and traditions of the workplace. Regardless of how distracting the whirlwind is, it is still necessary for the organization. The challenge is to strike a balance between the importance of today and the significance of tomorrow [3].

Essentially, leaders need to do everything possible to alleviate the daily whirlwind that their workers experience in order to give strategic initiatives a fighting chance of survival. The following 4DX will provide a simple model of fighting the whirlwind and implementing change in its path [3].

### 1.1.2 Discipline 1: Focus on the Wildly Important

Focus precedes execution. The first discipline forces you to reduce the number of goals you have to one or two that you believe makes a difference at the end of the day. A group that concentrates on a couple of goals can achieve both, whereas a team that attempts to achieve ten goals may only achieve one. This means that smaller goals usually result in better outcomes because humans can devote their full attention to 2–3 goals rather than a mediocre effort to ten goals [3].

The core principle of Discipline 1 is that people are genetically designed to do one thing well at a time. Multitasking can be useful in many situations where the outcome does not have to be perfect. However, when working on extremely important targets, it is advisable to give it your all [3].

The first common trap is avoided once a leader recognizes the value of saying no. The second common pitfall is to make everything in the whirlwind into a vital goal (WIG). The Apple iPhone is an excellent example of success achieved by focusing on a single goal. Apple only offers one phone model, whereas most competitors offer dozens. Apple has focused all of its efforts on creating one exceptional phone rather than a dozen mediocre phones, which has been the key to its success [3].

So, how should you go about selecting WIGs? It must be something that will have the greatest possible impact on the future. For example, if a company has several product lines, one or two of them will have the greatest future growth potential, taking into account mega trends, technological development, and so on. Whether the WIG originates within the whirlwind or outside of it, the ultimate goal is to achieve the goal and incorporate it into day-to-day tasks or practices. It is critical to remember that the whirlwind will continue to consume 80 percent of the working time, while the remaining 20 percent can be spent on the WIGs. Lastly, as once WIGs have been determined, the four rules will aid in focusing the entire organization on them [3].

1. No team focuses on more than two WIGs at a time
2. The chosen battles must help to win the war
3. Senior leaders can veto but not dictate

All WIGs must have a clear starting point, finish line and deadline [3].

### **1.1.3 Discipline 2: Act on the Lead Measured**

This is the discipline of leverage that also indicates that it is critical to identify the actions that will have the greatest impact when achieving a goal. Whatever the objectives, progress and accomplishment will be determined by whether the emphasis is on lag or lead measures [3].

Lag measures are those that track previous performance. Good lead measures have two key components: they anticipate goal achievement and can be influenced by group members. In the case of losing weight, the kilograms lost are lag measures. Lead measures include a daily calorie limit as well as a certain bit of exercise per week [3].

Starting to act on the lead measures is the execution secret that most leaders are unaware of and ignore. Because lead measures appear counterintuitive, even the most experienced leaders can easily fall into the trap of focusing solely on lag measures. Lag measures are, of course, the most important in the end, but focusing on lead measures is critical to achieving desired lag measures [3].

### **1.1.4 Discipline 3: Keep a Compelling Scoreboard**

When the score is kept, people play with a different level of intensity. This allegation can apply to any activity and is usually true. Who keeps score has an impact on behavior as well. People who are emotionally engaged perform best, and the best engagement is

achieved by keeping score. As a result, the third discipline is concerned with engaging people in change [3].

The most compelling scoreboard must be designed solely for the teammates whose actions are being monitored, which frequently means that the scoreboard must also be designed by the team. The keyword is “simple.” Team members must be able to tell whether they are winning or losing with a blink of an eye; otherwise, the scoreboard will be abandoned in the midst of the storm. If the scoreboard is unclear and the team is unsure whether they are winning or losing, they are most likely losing. When designing the scoreboard, keep the following features in mind, Is it simple?, Is it easy to see?, Is the lead- and lag measures showed? Is it easy to read? [3]).

**1.1.5 Discipline 4: Create a Cadence of Accountability**

The final discipline is execution, because if teammates do not hold each other accountable, the goal will vanish in the whirlwind. The accountability cadence entails regular follow-up on progress toward a common WIG. The follow-up meeting should ideally be held once a week and should last no more than twenty minutes. A brief meeting is all that is required for team members to hold each other accountable for producing results in the midst of the chaos. Every member reports on their efforts to achieve the common goal.

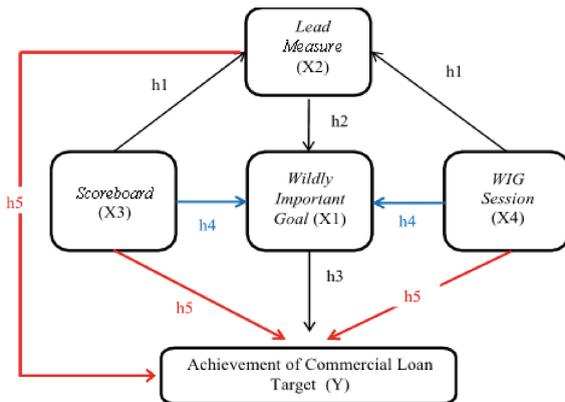
The most important aspect of discipline 4 is that teammates create their commitments, which allows them to take ownership of and be more committed to the agenda. When a team’s commitment is at its peak, the results begin to pile up, and the group can see that they are winning, which motivates them to perform even better [3].

The framework of thinking in this research is as shown in Fig. 1.

From the framework above, the researcher can make several hypotheses. The hypotheses are as follows:

H1 = Allegedly Scoreboard (X3) and WIG Session (X4) have an effect on Lead Measure (X2).

H2 = Suspected Lead Measure (X2) has an effect on WIG (X1)



**Fig. 1.** Research Framework

H3 = Allegedly Wildly Important Goal (X1) affects the achievement of commercial loan target (Y)

H4 = Allegedly WIG Session (X4) and Scoreboard (X3) simultaneously affect Wildly Important Goal (X1)

H5 = Allegedly WIG Session (X4), Scoreboard (X3), and Lead Measure (X2) simultaneously affect the achievement of commercial loan target (Y)

## 2 Research Methods

The study was conducted at Universitas Sumatera. This study aims to determine the effects that arise after implementing 4DX on the achievement of targets in the Credit Division of the Commercial Credit Division. The 4DX applied is to increase the achievement of commercial credit targets. The type of this research is a descriptive qualitative approach.

The criteria that are used as guidelines in sampling are as follows:

1. The selected sample was permanent employees or RM at PT Bank Sumut.
2. The sample has attended special training on the 4DX.
3. The sample has applied the 4DX for at least two semesters.
4. The sample has implemented the 4DX.

The samples in this study were all 43 Relationship Managers (RM) in the Credit Division of PT. Bank Sumut. The primary data used in this study were obtained from questionnaires, interviews, company data, and observations. Secondary data from existing books and documents were used to support the validity of primary data.

There are rules and procedures for assessing and implementing the 4DX. Several indicators were used as the basis for assessing whether the 4DX concept was made and the procedures for its implementation. The indicators for the assessment of each variable in this study are as shown in Table 1.

**Table 1.** Research Indicator Variables

Variable	Indicator	Definition
X1 Wildly Important Goal	Alignment	The application of WIG can affect the target to be achieved
	Measurable	WIG's achievement of the target can be measured
	Own	The created lead measures are predictable and affect WIG
	Team	The team carries out the WIG process to achieve the target

*(continued)*

**Table 1.** (continued)

Variable	Indicator	Definition
X2 Lead Measure	Predictive	The created lead measures are predictable and affect WIG
	Measurable	Lead measure achievement against target can be measured
	Own	Ownership Implementation Lead Measure in achieving the target at least 80%
	Process	Lead measure is a repeated process
	Team	The team does lead measure implementation in achieving the target
X3 Score board	Simple	Simple scoreboard creation
	Strategic	Strategic Scoreboard Placement and easy to see
	Easy to understand	Scoreboard can be understood
X4 WIG Session	Place	Held in the same place
	Time	Held at the same time every week
Y Commercial Credit Targets	Credit growth	Achievement of Commercial Credit Growth Target of PT. Bank of North Sumatra

### 3 Results and Discussion

The 4DX in the Credit Division specifically for RM has been implemented for more than 4 periods, where each period lasts for 6 months. A special trainer guides each section, starting from manufacturing to implementation. One of the problems that have been solved using the 4DX method was the problem of achieving commercial credit targets.

After the 4DX implementation process is complete, new phenomena emerge as follows: The creation of a new SOP that aims to maintain consistency in achieving credit targets. The level of employee awareness of existing and applicable regulations and SOPs increases. With the implementation of the 4DX, the responsibility of each team member increases, due to each individual was assessed during the implementation of the 4DX. The achievement of the team's WIG is always directly proportional to the achievement of the target. This is because the team's WIG directly affects the achievement of the target. Lead measure is a step or how team members can affect the results obtained from the team's WIG. The results of the Lead Measure are not always directly proportional to the results of the team's WIG.

The scoreboard serves as a medium for collecting information regarding the results of the 4DX implementation; besides that, the scoreboard has a role in motivating team members to continue to compete. WIG session is a medium to gather and discuss what has happened during the 4DX implementation in a certain period. WIG session serves to maintain employee consistency in implementing 4DX.

## 4 Conclusion

Based on the results of the research analysis and discussion, it can be concluded that: Implementation of the 4DX can increase the achievement of commercial credit targets in the Credit Division of PT. Bank of North Sumatra. The first discipline, namely Wildly Important Goal (WIG) has an effect of 64.9% on the success of achieving the target. The second discipline, namely Lead Measure, plays a role in influencing the first discipline, namely Wildly Important Goal (WIG), by 45.4%. The third discipline (Scoreboard) and the fourth discipline (WIG Session) can only affect the second discipline, namely Lead Measure, by 20%.

A new SOP needs to be created to maintain the consistency of achieving targets every year. The level of employee awareness of existing and applicable regulations and SOPs increases. With the implementation of 4DX, the responsibility of each team member increases; this is because each individual was assessed during the implementation of the 4DX. The team's WIG achievement is always directly proportional to the results of achieving the target.

Lead measure is a step or how team members can affect the results obtained from the team's WIG. The results of the Lead Measure are not always directly proportional to the results of the team's WIG. The scoreboard serves as a medium for collecting information regarding the results of the 4DX implementation; besides that, the scoreboard has a role in motivating team members to continue to compete. WIG session is a medium to gather and discuss what has happened in implementing 4DX for a certain period. WIG session serves to maintain employee consistency in implementing 4DX.

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