The Elements of Performance
© Saville Consulting Service 2004

Purpose of this series of articles:
The articles in this series are all related to PERFORMANCE. We will address one or more of the elements of performance and stake out a position in the space of each article.

Topic: Alignment

What is *Alignment*?
Alignment. . .   That's something the garage does to my car when the front end is out of whack, right? Well, yes, but within the context of a company it is not exactly the same thing.

Within the context of a company or other organization, alignment is the degree to which everyone is working together toward the accomplishment of the same goals and objectives.

This very simple definition has two parts. The first part is that everyone has the *same goals and objectives*. The second is that everyone is *working together* toward the accomplishment of those goals and objectives. Even when the goals and objectives have been established and are quite thoroughly understood, there can be multiple paths toward accomplishment. Having everyone pursuing their own course of action to accomplish the company's goals and objectives is not alignment. It may well be chaos and at the very least it is extremely inefficient and most likely ineffective.

Therefore, *working together* means that everyone knows, and appreciates the need for, the specific strategies formulated by the company to accomplish its goals and objectives. It also means that everyone is aware of, and is actively engaged in, their own part in pursuing this particular set of strategies and action plans toward the accomplishment of the company's goals and objectives.

What needs to be aligned?
So far we have talked about the need for *everyone* in the company to be in alignment. Certainly that is true, but "everyone" is a very general term. Specifically, what elements within the company must be aligned?

True alignment includes more than everyone; it includes *everyone* and *everything* within the company or organization. There are at least five different facets that need to be aligned: (1) Purpose, (2) Resources, (3) Functional systems, (4) Structures, and (5) Style.

Purpose: Sometimes stating the obvious is useful. Purpose is that to which everything else must be aligned. Purpose (which includes vision, mission, goals, objectives and strategies) sets the direction for the alignment of all other aspects of the company. [There is another article in this series devoted to *Purpose*. Check it out if you have not read it already.]

Resources: Every company possesses a different collection of resources. These are the basic building blocks that are available to achieve its goals. They can be grouped into the following categories: intellectual assets, capital, information, physical resources (raw materials, equipment, space etc.), methodologies, labor, time, products and services, organization, and markets. To achieve success a company must ensure that it has all the resources needed, and marshal that unique collection of resources toward the accomplishment of its particular purpose - this is alignment.

Functional Systems, Processes and Procedures: Functions are the vehicles through which resources are applied to a purpose. The functional systems present within most companies can be divided among the following generic categories: direction setting, planning and budgeting, information management and monitoring, resource administration, marketing, sales and fulfillment, production, production support and client relationship management. Processes and procedures within those systems vary widely from company to
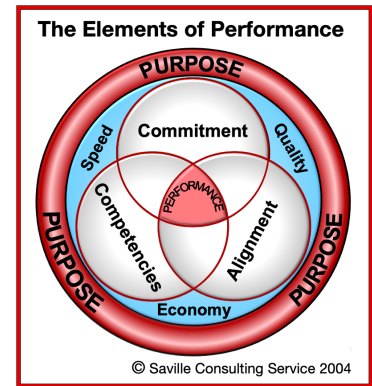
company. In some cases those processes and procedures are what set one company apart from another in the same industry in terms of quality, efficiency, market share, etc.

For real alignment within a company all that occurs within each of these functional systems must support the accomplishment of the company's goals and objectives. For example, there should be specific measures in place that are tracked in the monitoring system that will indicate company progress toward achieving goals. This progress must be reported to leaders, managers (and ultimately everyone) via the information management system. And, individual and team performance should be evaluated in terms of goal accomplishment as one of the functions of the human resources sub-system within the resource administration system.

Structures: The various structural aspects of a company or organization must also facilitate (not impede) goal accomplishment. The structure of a company is determined by both the formal and informal reporting relationships. Perhaps the best evidence of this structure is the manner in which business units are organized and report to and through the top level executives of the company. Sometimes this is accurately reflected in a company organization chart. More often the manner in which the top level executives obtain information and cause things to happen departs from the structure depicted in the organization chart (if one exists).

Both the formal and informal structures should be arranged in a conscious and purposeful manner so that they better enable senior executives, managers and the work force to communicate and cooperate toward the accomplishment of company goals.

Style: Certainly one of the most critical facets in terms of mobilizing and realizing a company's potential for achieving goals is found in the *softer* characteristics. Such things as operational philosophy, company culture, organizational behavior, and management style reflect the *style* of the company. Taken together these elements of style determine the tenor and quality of the interaction within and among all levels within the company.

These style elements equate to *how people are treated* within the company and, here again, this facet of the company must be aligned with all other facets toward the accomplishment of company goals. A quick example is useful. If a company has implemented a strategy of innovation and intends to leverage the creativity of its work force, it better have a culture that supports free expression of ideas rather than one in which self expression is inhibited.

How to go about alignment:

There are a number of *key levers* for accomplishing alignment. Key levers are things that you push or pull to make things happen – in this case to align all of the different facets of the company toward the accomplishment of company goals and objectives.

Organizational analysis and design is the first of the key levers. This includes the identification and analysis of critical facets of the company to determine whether or not those facets support the company goals and objectives. Organizational design is used as a tool to redesign facets of the company not aligned with purpose. It is also used to create new events, programs, policies, etc., where none existed, to help accelerate the accomplishment of company goals.

Most of the other key levers are vehicles that connect people at all levels with the changes happening in the company that are necessary for the achievement of company goals. These vehicles include: communication; training, education and development; performance management; reward and remuneration; a host of policies, procedures, and processes; and a large measure of old fashion management attention. Properly designed programs in these areas can directly impact organizational behavior, management style, and company culture and that, in turn, affects the manner in which everyone works together to accomplish company goals.

Conclusion:

Aligning all facets of a company is not easy, it takes time, and in times of major change there is usually a lot of alignment work that needs to be accomplished. Rarely can all the work needed be accomplish in one bold stroke. Begin with the very top leadership and invest early in opportunities to demonstrate *symbolic modeling behavior*. That is, having leaders engage in activities that will be noticed by the work force that model the new values, behaviors and culture that are required to accomplish company goals.

Another very important feature of any alignment effort is *consistency over time*. The behavior exhibited by leadership and management must be consistent with the new message. Also, the behaviors that are encouraged and rewarded among the work force at all levels must be those consistent with the new alignment. Behaviors formerly rewarded and/or encouraged that do not support the new company purpose must be confronted honestly and actively discouraged.

Organizational alignment is complex. There are a very large number of extremely interrelated elements and factors that must be identified and evaluated. When engaging in alignment activities the phrase "everything relates to everything" is really true. Enlist experience and knowledge, and cultivate a holistic, company-wide frame of reference.