

Organizational Alignment: The New Managerial Competency

How can you tell if your organization is out of alignment and what can you do about it?

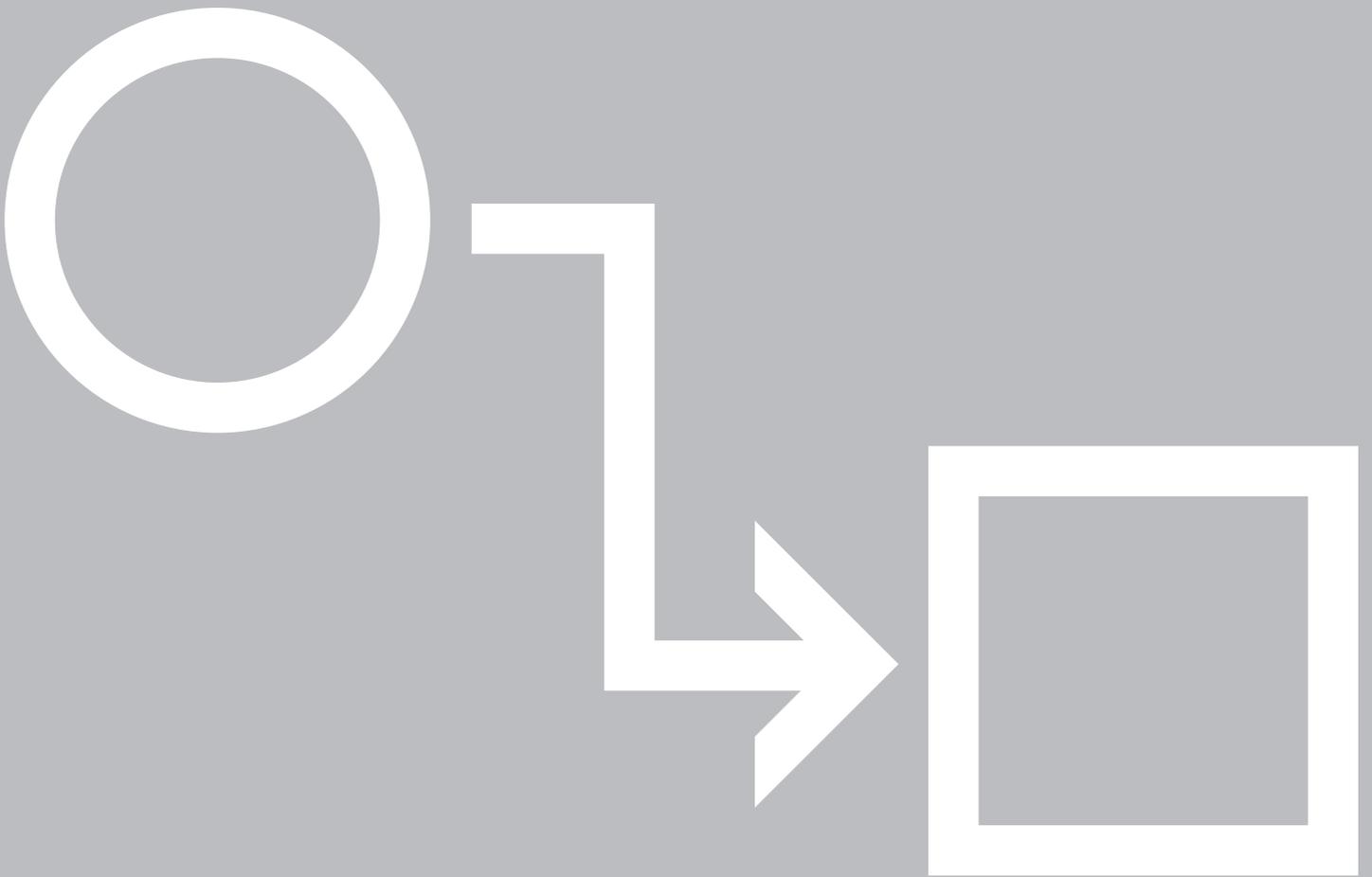
The ability to create organizational alignment is one of the most sought-after characteristics of executives today. How good are you at spotting misalignment in your own organization and what can you do about it?



Nine Symptoms of a Misaligned Organization

1. You hear way too much we vs. them, as if the *them* were competitors and saboteurs rather than others in the organization who should be sharing the same goals.
2. When you ask people two or three tiers down in an organization if they understand “what” the strategic vision of the company is and they answer your question well, but when you ask them “how” it’s being accomplished their responses fall apart.
3. The closest your company has ever come to planning for change is to restructure and communicate a new organizational chart.
4. Departments work in isolation when defining their roles, goals and success metrics.
5. Departmental rewards and performance measures are at odds with each other. Take a peek under the covers of your incentive and performance plan, you may not need to look far to find that your company’s IT department is judged by whether or not they make a deadline which causes them to pad time estimates; while your marketing department is judged by how quickly they deliver value to customers which causes them to move up deadlines.
6. You’ve been asked to contribute to the wording of a value statement, but cannot recall being asked to create mechanisms to ensure that the values are being lived up to. For example, many companies say that innovation is important, but how many companies give their employees budget to spend on it?
7. You have great processes defined within departments, but there are no clearly defined inter-departmental workflows. Your good employees spend more time “not stepping on toes” than getting the work done.
8. There’s a tendency to create “extraorganizational” units to get work done because the existing structure or processes are not working, when in fact, if leveraged correctly, the existing organizational units could and should be getting the work done.
9. Employees believe that senior leadership has gone “back on its word.” Nothing creates greater misalignment in an organization than a breach of trust. If you make a promise, fulfill it, and celebrate it. Integrity in leadership inspires the kind loyalty that moves mountains and market share.

...Many argue that organizational alignment is a leadership issue, but even if you are not part of your company's senior team, you can do something about it.



Gain a few small successes at creating effective alignment then look for the right moment to recommend ways to improve the greater alignment issues in the firm.

So, you recognize some of these misalignments in your company, but what can you do about it? Many argue that organizational alignment is a leadership issue, but even if you are not part of your company's senior team, you can do something about it.

START WITH YOURSELF.

Many corporate employees spend their time wondering about the best way to tell the emperor that he's not wearing any clothes. Well, stop for a moment and consider whether or not you might be the emperor with no clothes to someone on your team. Be honest with yourself. Do you exhibit the behavior you wish to see for your company? Imagine what the one department or person with whom you are always at odds would say about you. What alignment issues would they raise about you or your

department as getting in the way of achieving the company's goals? How could you resolve the issues at hand from a perspective other than your own?

FOCUS YOUR ENERGY ON WHAT YOU CAN CONTROL AND WORK WITHIN THE COMPETENCIES OF YOUR FIRM TO MAKE A DIFFERENCE.

Gain a few small successes at creating effective alignment then look for the right moment to recommend ways to improve the greater alignment issues in the firm. Use success as your proof, not inadequacies.

For example, the analytics team at a large national bank, that was known for upselling customers with every possible product, knew that there were way too many offers extended to customer. However, the sales team was bonused based

on the number of new products sold, not the profitability of products sold. So, instead of trying to change the sales bonus plan over which they had no control, the analytics team developed a series of product bundles which when sold together made sense for the customer and resulted in greater profitability for the bank. The sales people still got credit for each product sold, the customers were happier because they were contacted less and the bank made more money. At the annual budget and planning meeting the head of the analytics department explained this success and showed the incremental revenue it achieved. From that point forward, senior leadership instated a sales compensation plan that focused on profitability, not number of products sold.

Components of Alignment	Hard Drivers	Soft Drivers
Vision	<ul style="list-style-type: none"> • Mission Statement • Documented strategic goals 	<ul style="list-style-type: none"> • Internalized by employees • Shared by leadership • Believed to be feasible and worth people's time and effort
People	<ul style="list-style-type: none"> • Roles • Responsibilities • Skills 	<ul style="list-style-type: none"> • Demeanor • Aptitude • Values
Knowledge Sharing	<ul style="list-style-type: none"> • Training • Knowledge database 	<ul style="list-style-type: none"> • Social networks– individuals to whom others turn for information • Multi-functional working groups
Rewards	<ul style="list-style-type: none"> • Salaries • Bonuses • Performance review ratings 	<ul style="list-style-type: none"> • Face-to-face recognition of individual and group efforts in front of peers
Process	<ul style="list-style-type: none"> • The way work is "supposed" to happen • "Know-what" – results in repetition of tasks 	<ul style="list-style-type: none"> • How work "really gets done" • "Know-why" – results in adaptability and innovation
Structure	<ul style="list-style-type: none"> • Organizational chart • Formal reporting relationships 	<ul style="list-style-type: none"> • Key influences – individuals who may not have formal authority, but exert significant peer influence • Informal peer relationships

USE AN ORGANIZATIONAL ALIGNMENT FRAMEWORK LIKE THE ONE ABOVE TO HELP YOU ASSESS WHAT'S NOT WORKING AT YOUR FIRM. Is it the people? A poorly understood vision? An antiquated reward system? More than likely you'll have more than one thing that needs to be fixed at a time. Avoid taking on too much at once. Pick one or two key organizational components that can be better leveraged. Then be sure to focus on the soft drivers of creating alignment before trying to create change with the hard drivers (which usually cost additional time and money).

For example, instead of forcing compliance for an idea or goal through organizational structure and formal reporting relationships, gain buy-in of your idea with key influencers at your company. Although they may not have formal authority, these influencers can exert much needed peer influence to help you gather momentum around your goal. Perhaps a few wins cultivated this way combined with a few well timed words of recognition in front of their peers for their effort would make a formal re-organization unnecessary, or easier to implement down the road if needed.

GET OUTSIDE HELP. Most individuals clamoring to manage organizational alignment issues entirely within the organization usually have vital interests they are hoping to protect. An unbiased, objective perspective can reveal insights and topple long-held assumptions that would not normally surface if an organization tries to manage key alignments on their own.

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