WHAT IS ALIGNMENT?

- The extent to which employees are similarly connected to or have a consistent line of sight to the vision and direction of the organizations and its customers, often encapsulated within its current strategy.
THE IMPORTANCE OF ALIGNMENT

• Both small and large corporation executives from a variety of industries view alignment as important.

• Research and case studies strongly support the connection of alignment to important business and personal outcomes.
LOW ALIGNMENT IMPACT ON BUSINESS

- Confusing brand promise
- Talent loss
- Low customer satisfaction/loyalty
- Burnout
SEVEN DRIVERS OF HIGH ALIGNMENT

- A clear agreed on vision and strategy
- Translation of the vision and strategy into clear understandable goals and measures
- Acceptance or passion for the vision, strategy, and goals among those who are implementing them
- Clarity regarding individual roles and requirements in supporting the strategic goals
SEVEN DRIVERS OF HIGH ALIGNMENT CONT.

- Sufficient capabilities to deliver the behaviors needed to reach the goals
- Clear, timely feedback on goal attainment and the drivers of those goals
- Meaningful incentive to encourage employees to develop or display sufficient capabilities to achieve goals
• *Clear, Agreed-On Strategy*: identifying several strategic assumptions or pillars that, if executed well, would allow the company to outmaneuver long-established rivals, resulting in greater profitability.

• *Translating Strategy to Measures*: translating strategies into a critical few areas that must be managed well. Ex: developing scorecard maps that capture the value proposition of the business
FROM STRATEGY TO RESULTS (CONT’D)

• *Cascading the Goals*: making goals relevant (understandable and meaningful) to functional roles. This helps middle managers and functional people to quickly understand what the scorecard means to the organization and to them.

• *Competencies to Support the Strategy*: having certain competencies that are related to those roles, especially the most important tasks in those roles.
IMPACT OF CULTURE

• A foundational driver of alignment and performance
• When Henry S. Givray, chairman & CEO of SmithBucklin thinks about alignment, he thinks first about the alignment of people with values.
FROM STRATEGY TO RESULTS (CONT’D)

• *Rewards Are Critical:* securing understanding and motivation required to support those goals. Demonstrating that clear goals and frequent, specific feedback connected with rewards drive change.
PERFORMANCE MANAGEMENT SYSTEMS: WHY DO THEY FAIL?

- *Performance Management Versus Performance Appraisal*: Performance management should be viewed broadly as a collection of the values, systems, initiatives, and behaviors that help to create peak performance. The performance appraisal process is more frequently the target of criticisms in philosophy, execution, or both.
PERFORMANCE MANAGEMENT SYSTEMS: WHY DO THEY FAIL? (CONT’D)

• *Discipline Gap*: an apparent lack of effective implementation and a poor execution or a lack of authentic management commitment.

• *Accountability*: Accountability and execution often are intertwined and confused. While execution typically refers to implementing a well-designed performance management process effectively, accountability typically focuses on individual or team goal attainment and its consequences.
PERFORMANCE MANAGEMENT SYSTEMS: WHY DO THEY FAIL? (CONT’D)

• *Measurement Scarcity or Overload*: One of the frequently debated issues is how “measured” the performance management process should be. At the individual level, research has shown that too many simultaneous goals can reduce performance, but most studies show that multiple goals pursued with enough lead time can actually enhance performance.
PERFORMANCE MANAGEMENT SYSTEMS: WHY DO THEY FAIL? (CONT’D)

- **Lack of Balance:** The issue here is not simply the volume of goals but the tradeoffs across those areas of focus to ensure that the organization is not optimizing one area at the expense of another.

- **Failure to Assess Impact:** A final area of challenge is assessing the impact of the performance management system in helping an organization to execute its strategy.
PUTTING IT ALL TOGETHER

• Holism: highly integrated into the philosophy, values, and systems of the organization.

• Role Modeling: The performance management (and appraisal) process is driven by the top team’s example.

• Don’t Over Complicate: While their processes are not simple, successful organizations avoid unnecessary complexity.