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Strategic Alignment: A Model for Linking Behaviors to Strategy to Drive Organizational Success

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Abstract: A model linking behavior to strategy to help drive organizational success is described. To effectively implement strategy, all areas of the organization and all employees must be aligned and linked to the strategy. This model takes the linkage one step further and links strategy to specific employee behaviors. This creates line of sight and strategic alignment. This is an important first step in beginning to identify the critical behaviors necessary to achieve the organization's strategies. Creating this line of sight communicates to each employee what their individual role is in helping to achieve the organization's defined strategies. This understanding is crucial. The flow is from the mission or purpose to the accompanying strategies, to the necessary values to the specific employee behaviors. The same process of operationally defining each of the values down to the level of individual employee behaviors is the key to successful attainment of organizational objectives.

INTRODUCTION

While much has been written in the literature about strategy and about individual behavior in organizations, very little has been reported or discussed concerning the relationship between the two. Much has been written about aligning various components of the organization such as management controls, culture, and human resource activities with strategy, but what appears to be missing is the explicit link between specific employee behaviors and organizational strategy. The purpose of this paper is to propose a model of linking behavior to strategy to help drive organizational success. The linkage of an organization's strategy to individual employees' behaviors should be a key component of strategic alignment.

To discuss and explore this proposed relationship, some key assumptions must be made. First is the idea that strategy plays an important role in organizational success. The second is that employee behavior makes a difference in organizational performance. These assumptions lead to some important questions to ask. First, what contributes to successful strategies? And secondly, what drives behavior in organizations?

In the popular book, *Good to Great*, author Jim Collins' discusses the notion of getting the right people on the bus to achieve organizational success. What defines the right person? One way to operationally describe this is the right person displays the right behaviors. These are behaviors that match and are aligned with the culture of the organization. In turn, the organization must define what these right behaviors are and model them. Many organizations have espoused values or tenets, such as teamwork, cooperation, integrity, or communication, to name but a few. The challenge arises because while the values are necessary and helpful to guide employee behavior, they do not specifically operationally define what the value "looks like" in action. Values are unobservables and behavior is a visible expression of the value. The key is come up with a mapping of values to behaviors with clearly defined values and specific . What one employee feels is cooperation may not be the type of cooperation behavior necessary for the success of the organization. What is being proposed is to clearly define the employee behaviors that demonstrate each value and link these behaviors to the strategies.

To discuss this proposed linkage of behaviors to strategy, this paper will first discuss the concept of strategic alignment. Then the idea of behaviors in organization will briefly be described, leading to the construct of linking strategy and behaviors and some thoughts on how to create this linkage.

STRATEGIC ALIGNMENT

Kaplan and Norton (2001) state to effectively implement strategy, all areas of the organization and all employees must be aligned and linked to the strategy. While this alignment is desirable, Verweire and Van den Berghe (2003) state there is little agreement in the research as to what constitutes strategic alignment. According to the researchers, the concept of strategic alignment has mainly been concerned with the link between management control and strategy. The definition of strategic alignment needs clarification.

One helpful definition comes from Semler (1997) who states, "Organizational alignment is a descriptive concept referring to the extent to which the strategy, structure, and culture of the organization combine to create a synergistic whole that makes it possible to achieve the goals laid out in the organizational strategy." (p.27). This definition moves closer to the role of behaviors by addressing the dimension of culture and structure. According to Senge (1990), structure influences behavior and culture requires certain behaviors and other human resource components.

Research has addressed aligning compensation with strategy (Balkin and Gomez-Mejia, 2000; Heneman, 2001) and examined the alignment between human resource activities and strategy in terms of developing matching organizational cultures to support the strategy (Tyson, 1997). Both the dimensions of compensation and culture linked to strategy are in some ways precursors to the role of employee behaviors. Linking compensation and culture to strategy brings in the concept of "line of sight".

Boswell (2000) defined "line of sight" as employee understanding of the organization's objectives and how to contribute. The effectiveness of two groups of employees, those with customer contact and those with an unclear link between their actions and results, were found in the empirical study to depend upon this idea of line of sight in order to successfully contribute to the organization's objectives.

By creating this line of sight, strategic alignment is achieved whereby employees have a direct view of how what they do relates to the organization's strategies. This direct view links employee's tasks to higher, broader, organizational strategies. While the focus is on tasks and individual goals, this can be an important first step in beginning to help to identify the critical behaviors necessary to achieve the organization's strategies. Creating this line of sight communicates to each employee what their individual role is in helping to achieve the organization's defined strategies.

Kittredge (2003) discussed how organizations can renew their strategic focus by identifying how employees understand their work in relation to strategy. The author proposes a four step process that focuses on communicating organizational performance and managing it in relation to key processes and systems. This links the employee's role in these key processes and systems to organizational performance. The critical focus here is on communication. Once an employee and the organization understand this relationship, then the accompanying behaviors can be identified, articulated, and agreed upon.

In a similar manner, strategic alignment is often viewed as a precursor to successful performance management (Verweire and Van den Berghe, 2003). The researchers propose a model of integrating performance management linked to the strategy of the organization. Again, this is a critical step in getting to the behavioral level of employee performance.

Sung and Todd (2004) report that while many companies have linked employee goals to business strategy, there is still a disconnect occurring because a lack of training and lack of communication. The authors propose that pay, line of sight, and empowerment combined, will lead to employee engagement which in turn will drive achievement of organizational strategies. These are all components of organizational culture. Semler (1997) discussed the cultural aspect of alignment and describes how cultural values and norms have an effect on actual employee behaviors. What is therefore needed is the

next step, identifying the desired behaviors that specifically reflect the organization's desired culture and values.

BEHAVIORS

From these various models of strategic alignment, what is being proposed is the added component of employee behavior. To discuss the notion of behaviors, it is helpful to start with a definition of behavior as it applies to organizations. Robbins (2005) defines organization behavior "as a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness." (p. 9). This infers that various components of an organization impact behavior, ranging from individuals, groups and the organizational structure, and likewise, that the resultant behavior may have some relation to the improvement of that organization's effectiveness.

One example of this can be seen in the various ethical meltdowns witnessed over the past few years, ranging from Worldcom to Enron. Many of these organizations no doubt had statements that they valued integrity and ethical conduct. But in terms of their stated values, what was most likely missing was a clear understanding of what these values actually looked like in terms of specific employee behaviors, especially in terms of what would be expected and would not be tolerated. The concept of a value again is not observable and the organization must rely on the behaviors that accompany the value. Ethical decision making can be a slippery slope especially in the context of the pressure of competition and striving for organizational success. Coupled with this challenge is the fact that ethical behavior guidelines are often vague.

Robbins (2005) points out that "what constitutes good ethical behavior has never been clearly defined". (p. 25). While organizations as a whole would say they expect ethical behavior from their employees, this lack of a clear definition hinders achieving the attainment of ethical behavior by employees. The key is to operationally define the desired attributes. For instance, an organization may espouse that it values "teamwork" but what does this really mean to each employee? What is needed is for the organization to clearly articulate what behaviors (both to pursue and to avoid) constitute teamwork. This same process of operationally defining each of the values down to the level of individual employee behaviors is the key to successful attainment of organizational objectives. For the organization to really live its values, the values must be translated into specific employee behaviors. Likewise, the leadership must model the behavior.

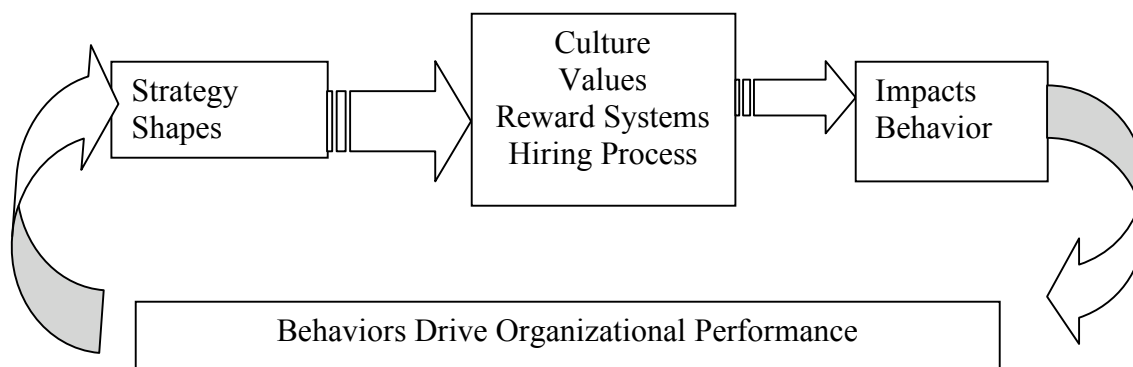
One example of this process was conducted by Edwards (1990). Edwards conducted research in which 12 behaviors of CEO's were identified as crucial for implementing strategic change. This research demonstrated that for an organization to achieve its intended strategies, specific behaviors are required.

Gratton, Hope-Hailey, Stiles, and Truss (1999) developed the "people process model" to link individual performance to business strategy. The focus was on linking procedures, policies and processes to strategy. This linkage, according to the authors "creates and supports the individual behavior and competencies that have the potential to be a source of competitive advantage." (p. 21).

LINKING STRATEGY AND BEHAVIORS

While the literature supports linking strategy with management controls, organizational culture, compensation and even organizational culture, what is proposed here is taking the linkage one step further and linking strategy to specific employee behaviors.

FIGURE 1
LINKING STRATEGY AND BEHAVIORS



The flow is from the mission or purpose to the accompanying strategies, to the necessary values to the necessary specific employee behaviors. Another way to describe this relationship is the behaviors visibly demonstrate the values. The values are how the strategy is carried out and the strategy is how the mission and purpose of the organization are lived.

Perhaps it is implied for many organizations that this linkage is present due to the linkage of performance appraisal processes and compensation systems. However, what is often lacking is the clear identification of specific behaviors that the organization wishes from its employees.

It appears that few performance appraisal systems and/or compensation systems measure employee behaviors. The focus is mostly on tasks, activities from job descriptions, and projects completed as well as other subjective assessments. This may be due to our goal-oriented culture.

To create the linkage, what is necessary is for specific values to be identified that are necessary for the successful achievement of each strategy and then for the organization to operationally define each value with the clear communication of what behaviors constitute exhibiting each value. This needs to be in terms of both what the employee will do as well as what the employee will not do. The organization must 'spell out' what behavior will be clearly avoided and what behaviors will be pursued. This requires much time and energy to debate, discuss, and clearly identify the specific behaviors needed. One challenge arises when the behaviors that begin to be identified are clearly contrary to current organizational practices. This uncomfortable occurrence can be a real growth opportunity, especially for the leadership to begin to move towards changing the behaviors, to clearly match the espoused values.

This is very challenging for the organization to accomplish. This alignment must be complete throughout the whole process. The alignment must include each component: Mission, Strategies, Culture, Structure, Values, and Behaviors. The process must not end before the strategy meets the road...employee behaviors. Once the alignment is in place, there needs to be mechanisms to keep it going and ensure that the appropriate behaviors continue.

SUMMARY

The proposed linkage of employee behaviors to organization strategies needs to be further explored and empirically examined. One possibility is to begin with a survey to identify the relationship of strategy achievement and specific behaviors in organizational settings. A key challenge is the lack of clearly defined behaviors desired. Another key factor, not addressed here, is the question of if the behaviors can be actually adopted by each employee and can the behaviors be learned? Furthermore, how

are the specific values and behaviors identified? Will they be truly lived or will they just become a nice list of do's and don'ts.

Research needs to be conducted to determine if this linkage exists or if it does not could it drive organizational performance? At the forefront of the race for organizational performance continues to be the contributions of employees and it is intuitive that their behaviors within the organization will have an impact, positive or negative, on organizational success. If the organization has identified the "right" strategies for it to succeed, then it is necessary to identify the "right" behaviors to carry out these strategies.

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