Performance Alignment: The Key to Organizational Effectiveness

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An organization is simply a group of people working together to accomplish a shared goal. For the goal to be successfully achieved, each workgroup and each individual’s performance must be aligned to the organization’s purpose and strategy. According to Quint Studer, founder of the StuderGroup consulting firm, organizational alignment involves “integrating and connecting the vision, values and goals of the organization into daily decisions, behaviors, and actions” (Studer, 2001, p. 7). To achieve optimum effectiveness, an organization must be properly aligned.

Performance alignment applies to three main areas of focus for execution and accountability: the organization, the small workgroup, and the individual contributor. Each of these areas must be considered within the context of mission, method, and measurement.

Alignment begins in the boardroom. A clearly articulated mission, vision, and values form the foundation for effective alignment and the context from which all organizational strategy is developed and executed. All stakeholders must clearly understand why the organization exist (mission), where it wants to go (vision), and the underlying behavioral parameters (values) that govern how it wants to get there. All activities of the organization must clearly enable the mission and be seen as a viable strategy to move the organization toward its vision.

The first task is to define the mission. Why does the organization exist? What is its purpose? While key questions to consider at the outset, they are by no means easy to answer. In my experience, the process of accurately and thoroughly exploring these questions can be an arduous, painful task. But just as much as it is painful, it is equally valuable and fulfilling. And clearly defining the purpose sets the stage for achieving excellence in all other endeavors.
Blue Ridge HealthCare in Morganton, NC, a conglomerate of acute, long term, retirement, and wellness care for a rural 89,000 member community, states its mission or purpose as “enhancing life by excelling in care” (“Blue Ridge Healthcare”, 2003, p. 1). In its credo, The Ritz-Carlton Corporation pledges “to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience” (“The Ritz-Carlton,” 2000, p. 3). Saddleback Church in California wants to bring people to Jesus, develop them to Christlike maturity, equip them for ministry and mission, to magnify God’s name (Warren, 1995). However stated, the mission should clearly articulate the main reason the organization exists. It should be simple, straightforward, and easy to remember so that all stakeholders can understand it and execute upon it.

The vision is top management’s view of the kind of organization it’s trying to create and can be thought of as a best-case scenario of where they want the organization to be in the future (Jackson & Schuller, 2003). Again, simplicity is best. For Blue Ridge Healthcare (2003, p. 1), it’s “to become the best community healthcare organization in America”. For The Ritz-Carlton (2000, p. 3) it’s “to be the premier worldwide provider of luxury travel and hospitality products and services”. And for Saddleback Church it’s to reach the world for Christ (Warren, 1995). The vision enables all stakeholders to understand the desired destination point for the organization. It provides clarity for management as well in determining the added value of any particular activity or behavior. Does this activity or behavior move the organization forward toward the realization of its vision? For leadership, managers, and employees, the answer to that question provides clarity of focus and just-in-time alignment.

Values are the enduring beliefs and tenets the organization holds dear. They define how employees are expected to behave – toward each other, toward customers, toward suppliers, and toward the community (Jackson et al, 2003). Blue Ridge Healthcare (2003) includes statements
about excellence, integrity, respect, commitment, and service in their values description. The Ritz-Carlton (2000) calls their value statements The Ritz-Carlton Basics and discusses their motto, credo, three steps of service, employee promise, company objectives, and several critical behaviors it holds dear. Saddleback Church uses the Bible as their guide for values in action (Warren, 1995).

To form a meaningful foundation, the mission, vision, and values ideas must be more than words on a page. Leaders must walk the talk, modeling the behaviors and actions they want others in the organization to portray. Otherwise, the effort is futile and may even become destructive, causing stakeholders to balk at the display of apparent hypocrisy (Harvey, 1995).

With a solid foundation in place, leaders must next determine a strategic approach to accomplish the mission. A strategy is a set of integrated and coordinated commitments and actions intended to achieve a stated goal. It reflects a firm’s vision and mission and, like values, serves as a guide for action (Jackson et al, 2003). Blue Ridge Healthcare (2003) builds their strategic approach around five pillars of focus – service, quality, people, growth, and finance. The Ritz-Carlton (2000) employs the strategic approach outlined in the Malcolm-Baldrige National Quality Award Criteria for Performance Excellence, which includes leadership, strategic planning, customer and market focus, information analysis, human resource development, process management, and business results ("Baldrige National", 2004).

Saddleback Church strategically aligns all activity around the five main purposes of the church – worship, ministry, evangelism, fellowship, and discipleship (Warren, 1995).

In each case, the senior leadership team determines S.M.A.R.T. goals within each area each year to direct action and measure progress. This is where the rubber begins to meet the road. S.M.A.R.T. goals are goals that are Specific, Measurable, Agreeable, Realistic, and Time-specific (Studer, 2001). An example of a S.M.A.R.T. goal for Blue Ridge Healthcare (2003)
under the pillar of service is to achieve 95th percentile performance in patient satisfaction by the end of calendar year 2004. The Ritz-Carlton’s (2000) goal of daily reinforcement of the gold standards by the leadership team is a S.M.A.R.T. goal under the leadership strategy. Saddleback’s goal to develop their Life Development Institute enables them to fulfill the strategic purpose of discipleship (Warren, 1995).

With a strategic organizational structure in place, leaders can now begin to determine how the many smaller work groups, or departments, connect to and enable its mission and purpose. Using the corporate strategic plan as a guide and framework for planning, department managers must assess the work of their departments, set S.M.A.R.T. departmental goals to enable the relevant organizational outcomes, and clearly determine how progress toward those goals will be measured (Studer, 2003). Such leader behavior is a learned skill that, in my experience, is not in vast supply. But when leadership accepts its responsibility to train middle managers in this process, hold them accountable for department outcomes, and determine pay adjustments based on their departmental performance, alignment becomes a real possibility. This step is critical.

Lastly, to ensure effective alignment, each individual contributor in the organization must feel connected to the mission and strategy at every level. Leaders and employees must identify specific job role expectations that align with and enable the strategies and mission of both the department and the organization. Typically known as the employee evaluation, this process has frustrated human resource leaders for decades. Perhaps only the elite upper tier of organizations worldwide do it well. One reason may be that it’s certainly not easy. But as noted by the Gallup Organization in the book, First, Break All the Rules, just because it’s hard doesn’t mean we shouldn’t do it (Buckingham & Coffman, 1999).
Are there specific individual behavior outcomes that will drive excellence in individual contribution and ensure fulfillment of the mission, vision and strategy? If so, what are they? The answer is yes, and it’s leadership’s responsibility to discover and employ them (Buckingham et al, 1999).

Blue Ridge Healthcare found the answer by asking another question. What do employees need to do on a daily basis to drive departmental and organizational outcomes as defined within the strategic pillars? By asking that question for each area of strategic focus, eight behavior outcomes were determined (Crouch, 2004). To drive excellence in service, each employee needs to build strong customer relationships and be available for their customers when needed. To drive high quality, each employee must deliver accurate products and services and be perceived by their customer as highly competent (Buckingham et al, 1999). To drive high employee satisfaction and low turnover under the people pillar, each employee must be a strong team player in their small work group or department. To drive growth, each employee must develop resilience and continuously innovate their work. To drive finance, each employee must work efficiently. Relationship, availability, accuracy, competence, teamwork, resilience, innovation, and efficiency became the framework for individual role definition and measurement to drive departmental and organizational outcomes under the service, quality, people, growth, and finance pillars of performance (Crouch, 2004). And the organization became fully aligned.

When each individual stakeholder in an organization knows exactly what is expected of him/her, how those expectations will be measured and rewarded, and how his/her performance enables the team and organization mission and strategy, a passion for excellence is born. Effective performance alignment, from the boardroom to the front line, unleashes the passion and potential of each individual and creates a collective synergy that drives excellence at all levels. Performance alignment is the key!
References


