

Alignment in relationships, teams and organisations – a point of view

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Let's start this point of view with looking at what we mean by alignment in the context of the ongoing purposeful organisation in which you have a leadership role. First, the time-honoured dictionary definition – this one taken from the Merriam Webster Dictionary:

alignment – noun – align·ment | \a- lin-mant \

- 1: the act of aligning or state of being aligned *especially*: the proper positioning or state of adjustment of parts (as of a mechanical or electronic device) in relation to each other
- 2 a: a forming in line
b: the line thus formed
- 3: the ground plan (as of a railroad or highway) in distinction from the profile
- 4: an arrangement of groups or forces in relation to one another: '*new alignments within the political party*'

On the Leadership Programme we propose a further definition of alignment that we believe can be very useful for teams and organisations, in that it distinguishes it from agreement:

'The state of being one with... a state beyond agreement in which people embrace team decisions and organisational actions as though they are their own. Agreement is to consent to or go along with.'

We will get further into how this definition can be applied later in this paper.

There is an extensive body of academic and business research evidencing the high correlation of alignment with superior performance in organisations, and an increasing body of management texts focusing on alignment as a key skill of successful leaders.

'Most executives today know their enterprises should be aligned. They know their strategies, organizational capabilities, resources, and management systems should all be arranged to support the enterprise's purpose. The challenge is that executives tend to focus on one of these areas to the exclusion of the others, but what really matters for performance is how they all fit together.' (Trevor & Varcoe, 2017).

'Building alignment is the next logical stage after crafting your vision. Building alignment is the act of gaining buy-in for your vision and it's critical in moving from imagination to reality. Alignment is highly people centric, so it is work that can only be done with leadership. Building alignment means ensuring that every person understands their role in making the vision happen. ' (Straw, Scullard, Kukkonen & Davis, 2013).

In their five-year study of performance in businesses this group of Inscape consultants determined that the work of leaders in aligning people was one of three key determinants of high performance that leaders need to focus on, alongside vision and execution.

'Once set the purpose, vision, mission and values become the rallying cry of the organisation, and the strategy its high-level plan. They give its existence both a meaning and a mandate. They become the broad aims to which other people can subscribe: the reason to join, stay with or leave an organisation. The process of building commitment to an organisation's aims is what we have called Creating Alignment. Alignment is the shared basis of engagement with the organisation: specifically, the act of lining up together behind a common purpose or goal. It is based on rational communication and logical persuasion on the one hand and on passion on the other: a matter of hearts and minds. It is aided by imagination and excitement about what could be. Creating interpersonal alignment is a matter of involvement, influence and persuasion and once achieved, liberates the energies and enthusiasm of the entire working group in addition to that of the leaders... ' (Pendleton & Furnham, 2016)

'No matter how much strategic foresight you might have and how compelling your ideas, if no one else buys in not much happens. Nor do people buy in for abstract theoretical reasons; they buy in because you have somehow connected with them personally... the quality of a leader's idea is not the only thing they consider when making up their minds about whether to engage with the leader. Naïve leaders act as if the idea itself is the ultimate selling point. Experienced leaders on the other hand, understand that the process is just as important, if not more so. How they develop and implement their ideas, and how leaders interact with others in this process determine whether people become engaged in the leader's efforts' (Ibarra, 2016).

In 2011, McKinsey's research into organisation performance concluded that across the board, correlation coefficients indicate that roughly 50% of performance variation between companies is accounted for by differences in organisational health. They define organisational health as *'the ability of an organisation to align, execute and renew itself faster than the competition so that it can sustain exceptional performance over time'* (Keller & Price, 2011).

Recognition of the power of alignment is based on a view of human motivation that people are mostly self-motivated, can bring creativity to solving problems and will be self-directive if they are committed to outcomes. Where the outcome for the team or organisation is significant then it is going to take everyone's energy to make it happen.

Alignment is very much about head and heart. Just think about times when you have been at your most productive, when you have achieved your greatest outcomes, or when you have seen friends, family or colleagues do this. We are willing to bet that you or they had a big slice of both head and heart in the achievement. The leader's work on alignment has four readily identifiable benefits for any level of organisation or team:

- *Provides a forum for questions, concerns and contribution*
- *Improves quality and reliability of execution*
- *Excites and unites people around a vision, improving creativity and ownership*
- *Conserves time and energy*

Let's look at a brief story concerning one team's focus on alignment, the commitment of leadership and the results they achieved.

The Venture Markets Story

Part of the leading drinks company Diageo, Venture Markets were 16 businesses spread across the world and considered to be the markets with the lowest prospects for growth and least profitability, therefore strategically the least important. Some of these were huge potential markets but there was little prospect of developing a decent market share without off-the-scale investment. The markets were:

Belgium, Netherlands, Switzerland, Italy, Germany, China, India, Indonesia, Argentina, Chile, Australia, Philippines, Russia, Jamaica, Dominican Republic and Peru.

As part of its strategic plan Diageo's resources were minimised for these markets, with no allocation of long-term investment or central expertise for them beyond about eight people in the Venture Centre. The markets and the people in them were also hugely distant geographically.

In many ways this was arguably the least interesting part of Diageo, with the lowest levels of investment and minimum resources. What to do? The Venture President decided two *key things*:

First, that these markets would be treated as being full of possibility for the organisation and any limiting mindset would have to be challenged. It was a question of tapping into the creativity of the people who worked in these markets to seek out and to realise as much potential as could be found.

Second, with the limited resources available these diverse markets would, as far as possible, work together to share resources and creative ideas, and have an overall shared sense of purpose, identity and commitment.

All the work across the business focused on these two things – challenging the current thinking on what was possible for the businesses and, more importantly, the people in them, to achieve, and bringing about alignment at every possible level and with every opportunity across Venture, with the rest of Diageo, within each market and with customers.

Quite a task!

Work started with the top team – the president, FD, HRD, CMO and all the market GMs – working together to define themselves as a high-performing team, setting very ambitious goals for the business and overcoming the challenges presented by significant geographic spread, time zones, different cultures and so on. This took a bit of time. The president was very committed to creating the right mood and environment for this initial work to be done. He achieved this by devoting time to this important component and by role modelling – sharing his own passions and concerns, his purpose and his vision for the future in a very open and straightforward way. In doing this he created a safe and creative environment for all the team to do the same, ensuring everyone fully participated, taking the time to have one-on-ones where individuals struggled and encouraging team members to build their relationships with each other.

The team created a bold purpose: to be the most celebrated business in every market. This aligned with Diageo's goal of 'celebrating life, every day, everywhere'. What constituted being the most celebrated business was defined by the leaders – including the usual things like growth rates, market shares and new product launches, and in addition best-place-to-work recognition, positive employee survey results, impact on the community, customer feedback, and relationships with governments, suppliers and consumers. The work included finding and building alignment throughout the business in every aspect – from reward systems and how communication happens in the organisation, to processes and IT systems, to ways of working between departments and with customers.

Later a wider team of around 100 staff, comprised of the leadership teams in each of the 16 businesses, also came together and set detailed and bold outcomes to be achieved in three to five years to deliver the most celebrated business in every market. This group was also tasked with always seeking alignment and at the same time building further profound relationships across the business.

This sounds easy in some respects on paper, however the leader's passion to achieve this and his ability to inspire many others to carry on this leadership work were critical. Also critical was ensuring the leader supported himself with people who were themselves totally aligned to the outcomes. This was not a one-off activity and had to be done all the time, repeatedly over a long period, with alignment and realignment being the leader's most important work. One crucial cultural component was an acknowledgement of and in fact embracing of failure in the business. The CEO and leadership team made failure something safe and expected.

If people were to really give of their most creative ideas and take the risks to achieve them then they needed to be free of the constraints of 'play safe' and fear of failure.

Let's just take a moment to recount one perhaps apocryphal story that was shared about risk and failure... *John Curry was British Figure Skating Champion in 1971 but had not broken into world class despite his obvious natural and balletic talent. He moved to America to seek coaching from world-renowned coach Carlo Fassi, who had already coached four World and Olympic figure skating champions. Fassi asked Curry to demonstrate his technique before deciding if he would take him on. It is said that after watching Curry doing his best routines for 10 minutes or so, Fassi agreed to accept him on one condition: that Curry worked to skate to fall over, rather than work to stay upright – in other words, to find his edge and develop himself to become world leading, he would need to embrace the prospect of failure in his practice. Curry became European, World and Olympic ice skating gold medallist in 1976.*

What were the results for the Venture business? Well, after one year the business had achieved profit growth of 18% versus a business plan of low single-digit growth, and after two years a further 14% profit growth again versus a plan of low single-digit growth. An unprecedented number of product launches in a very short period of time was achieved through people from diverse markets working together across the 16 businesses and ensuring a consistent and highly cost-effective approach. Almost all of these were recognised as the most effective and successful launches across Diageo. Twelve of the companies were recognised as great places to work by The Great Place to Work Institute. Relationships with key customers moved to a completely new level, enabling many creative joint working opportunities that would have previously been impossible. People leading and working in the Venture business experienced extraordinary personal growth and many went on to achieve very significant further careers in and outside Diageo. Other leaders in the Diageo group sought to understand how the Venture approach could be applied to their business. The phrase 'Venture rocks!' became widely used in the business... and of course there was some envy too...

Alignment across the organisation

In their book *The Power of Alignment*, Labovitz and Rosansky advocate that 'the main thing for leaders to focus on is to have the main thing be the main thing' ... and the main thing is alignment.

The authors lay out the fundamentals of alignment, how it's created and maintained, and creating a self-aligning organisation. They discuss two principal directions of alignment:

Vertical alignment – this brings together the strategy of the organisation and its people, allowing them to take effective action. How many times have we heard about a wonderful strategy that failed because it was never effectively deployed? The authors believe, *'When strategy is created with the involvement of employees and customers and deployed rapidly and well, it releases the untapped energy of employees and aligns activities and intentions.'*

Horizontal alignment – this is about the connection between customers and the organisation’s processes. To be a successful market-driven company, it is critical to understand customer needs and expectations and align processes accordingly. The authors state, *‘...horizontal alignment infuses the concerns of customers into everything the organization does. Horizontal alignment links the company’s actions with customer needs in ways that delight and create loyalty.’*

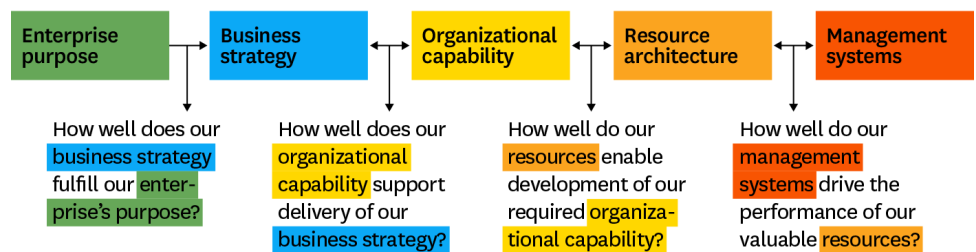
Jonathan Trevor and Barry Varcoe propose that leaders of strategically aligned enterprises are focused on;

...winning through a tightly managed enterprise value chain that connects an enterprise’s purpose (what we do and why we do it) to its business strategy (what we are trying to win at to fulfill our purpose), organizational capability (what we need to be good at to win), resource architecture (what makes us good), and, finally, management systems (what delivers the winning performance we need).

Diagrammatically it looks like this:

The Interdependent Components That Make Up a Strategically Aligned Enterprise

The value chain is only as strong as its weakest link.



SOURCE JONATHAN TREVOR AND BARRY VARCOE

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Trevor and Varcoe suggest that leaders seeking high performance through alignment should carefully and systematically consider the key questions regarding links in their value chain. The questions can be about the enterprise overall, or about a single strategically important business line, activity, team or function.

They also propose what it is that gets in the way of alignment in organisations, particularly given it is so desirable. There are four main reasons for misaligned enterprises:

- *Enterprise leaders are unaware of the risks of misalignment. Many senior executives we talk to do not think of their enterprises as connected and coherent value chains. Their primary focus is all too often on their enterprise’s structure as articulated by the org chart. The main operating units described there are seen as being the primary components of ‘value.’ Alignment thinking requires all decision makers to view their enterprise as a value chain, not merely a set of valuable boxes and wires on an easy-to-forget, ever-changing chart.*

*What are the typical alignment debates in your enterprise?
How often you have them, and with whom, relates to our second
reason for misaligned enterprise.*

- *Nobody 'owns' enterprise alignment. Generally, no individual or group is functionally responsible for overseeing the arrangement of the enterprise from end to end. Multiple individuals and groups are responsible for different components of the enterprise value chain, and usually they are not as joined up as they should be. All too often individual leaders seek to protect and optimize their own domains and components, rather than align and improve across the entire enterprise. Who is responsible for ensuring your enterprise is as strategically aligned as it should be? The answer cannot be 'nobody' or 'I don't know.' Neither can the answer be 'the CEO' (or equivalent). Modern enterprises are too complex for their design and management to be left to chance or to rely solely on the wisdom of one individual.*
- *Complexity makes enterprise alignment that much harder. Achieving and sustaining high enterprise alignment is hard, especially in a rapidly changing operating environment. Complexity usually arises as the result of four primary factors: number of employees, variety of business lines, variety and expectations of differing customer groups, and geographical dispersal. Large, diversified, and geographically dispersed enterprises, in whichever sectors they compete, require the greatest amount of strategic effort by their leadership to be aligned. How complex is your enterprise, and how well-equipped is your leadership team to beat the alignment challenge?*
- *Activity is mistaken for progress. The killer questions outlined in the previous section require sound judgment, courage, time, and energy to answer. The frantic activity of business as usual can get in the way of the in-depth discussions and tough choices that need to take place regularly to lead a strategically aligned enterprise (and maintain it). Ensuring that the whole of the enterprise is as aligned as possible should be business as usual for enterprise leaders. Without an idealized vision and understanding of their best selves, many enterprises lack the direction, scale of ambition, or impetus required to fulfill their potential. (Trevor & Varcoe, 2017).*

A very useful summary article on Trevor and Varcoe's work can be found online at <https://hbr.org/2017/02/how-aligned-is-your-organization>

Inscape business consultants and researchers Julie Straw and her colleagues provide a template for leaders to follow if they want to align their people to deliver extraordinary outcomes:

First, consistently deliver **clarity** through **explaining rationale**:

- Identify three reasons why you want to go from point A to point B, aiming for as much transparency as possible
- Look at the situation from your listeners' point of view and make the effort to understand the concerns of your group
- Monitor people's reactions for comprehension; slow down where necessary; don't cause confusion; look at the reactions of the group to test whether you are being clear enough

...and **structuring messages**:

- Find your 'headline' – no more than eight words – after testing it out on a couple of people
- Identify two/three points you want everyone to walk away with and make these stand out
- Refer to your message repeatedly and consistently – familiarity does not breed contempt

Second, create an ongoing **dialogue** by **exchanging perspectives**:

- Give people a safe place to open up by creating the right environment
- Sometimes exchange perspectives one-to-one to remove the 'audience effect'
- Practice reflective listening and summarise what others have said back to them using your own words

...and through **being receptive**:

- Verify your receptiveness to others through voice and body language
- Don't counter what others say – instead, you could say, 'Tell me more about that...'

Third, deliver **inspiration** by **being expressive**:

- Try writing things down, choosing the words carefully so you are clear in your own mind about your passion and connect with your emotions
- Choose three things that will speak to people's hearts, rather than their heads: be authentic
- Others perceive their organisation through their leaders, so ensure you are a good mirror for them

...and by **being encouraging**:

- Give people a common aspiration (it could be a common enemy (competitor) or a noble cause)
- Find a rallying cry – an internal marketing slogan
- Know what it is that will speak meaningfully to your audience and not just, 'We can make a lot of money...'

Working with an aligned team

A question for you: Have you ever worked in a truly aligned team?

Many of us have – whether we have worked together to deliver a fabulous wedding or family celebration, played in a winning team at sport, climbed our own ultimate mountain, participated in an exceptional conference, played a great piece of music with a band, danced flawlessly with our partner or worked with a successful lobby group in the community.

For many of us these will also be memories that we cherish. It is life affirming when these things are a success. In their own way they are about achieving the extraordinary as a team of people – everything works, all the things we planned to do work, and isn't it interesting that some other good things we hadn't anticipated often happen too?

And you can bet that the level of alignment across the teams that have achieved these things will be extraordinary too.

So what do we mean by a truly aligned team? Here are some characteristics:

- The team has a clear and expressed purpose together with one or more specific measurable outcomes – so they will know exactly when they have (or haven't) achieved it
- That purpose is critically important to everyone in the team and has profound meaning to them personally
- The relationships between the team members are powerful and remarkable for their personal commitment to each other's success. The success of every individual is viewed as critical to achieving the overall team goal: everyone at their best
- Openness prevails. New ideas, new solutions, preparedness to try things and support each other in the trying. And importantly preparedness to offer up – and invite – constructive criticism, review what has gone wrong, share mistakes made, as well as understand what went right and why. Leaders across the team are willing to take responsibility, direct others and be directed themselves
- A leader who skilfully and proactively creates the environment in which all these things are possible; standing unshakeably for the purpose and outcome; folding in the ideas and contributions of all the team; being a role model for the quality of relationships; ensuring team connections are always in place; checking for ongoing alignment as the key to team success

The goal is to achieve the extraordinary rather than the ordinary.

We met someone recently who played a small part in the Olympic opening ceremony at London 2012 – widely acknowledged as a remarkable and audacious theatrical display, arguably the best opening ceremony in the history of the Olympics. She talked about it still with great excitement as a wonderful experience. What struck us most of all was how much she and the thousands of others owned the whole outcome and what a remarkable job of alignment the director Danny Boyle and his team had done.

Thinking about leaders in your sphere – they could be social, captains of sports teams, or in your workplace – as well as in the public eye, which ones are remarkable as leaders in alignment? Can they be role models for us in our own leadership development? What do they do that is different? What do they focus their attention on?

About the Author



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Simon Lenton is a visiting tutor and Executive Fellow at Henley Business School, and is a member of the core Leadership Programme team.

Simon has operated at board level in major UK companies, with a very significant international remit, and has an over-35-year career in business. Most recently he has been Global Human Resources Director, Jaguar Land Rover. Previously he held senior HR roles at Diageo, Nabisco and Reedpack. He started his career as a graduate with Scottish and Newcastle Breweries and has experience too as a social worker and as an owner of a consulting practice.

As well as tutoring at Henley, Simon is an investor and adviser to two innovation companies, one focusing on retirement transition and the other on highly innovative communications technology. He is a Director of Rangers Survivalcraft – an organisation concerned with wildlife conservation in Africa. Simon is also a business consultant and coach with a personal interest in SMEs and not-for-profit.

He has a BSc Hons in Management and Administrative Studies from the University of Aston and is a Chartered Fellow of the Chartered Institute of Personnel and Development.

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