

White paper:

# Alignment and Engagement framework

**Insync Surveys Pty Ltd**

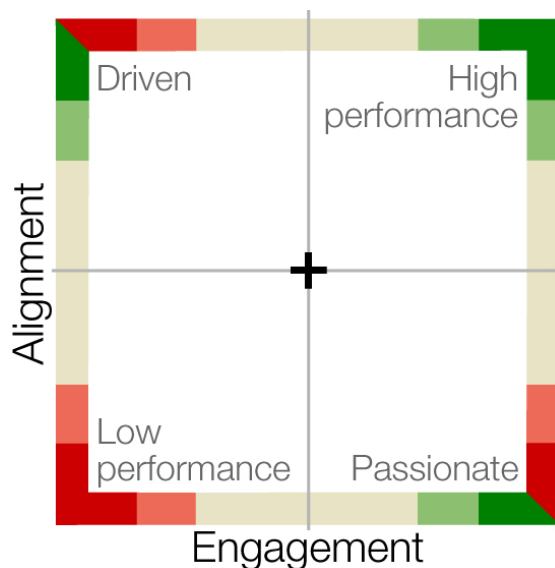
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# 1. About the Alignment and Engagement Survey

The Alignment and Engagement Survey (AES) is one of the world's newest benchmarked employee surveys. It was designed to establish whether the day-to-day operations of an organisation are aligned with its strategic goals, and whether employees are engaged. It identifies those organisations that have both high alignment and high engagement, which we believe are more likely to achieve sustainable high performance (see figure below).



Research reveals that a high performing organisation will:

- **Energise** – employees will be energised and inspired by the organisation and its senior leadership team. The organisation will have a clear and engaging long term direction and purpose and the senior leadership team will be good role models and motivate employees to achieve the organisation's goals.
- **Execute** – the organisation will align its plans and activities to the achievement of its long term goals. Its line managers will set a good example and build effective collaborative teams with a strong accountability and performance culture. It will invest in the development of its people and systems and be appropriately externally focused on meeting its customer and stakeholder needs.
- **Engage** – employees will be highly engaged and proud to work for their organisation. They will understand why their success is important for the organisation and they will recommend the organisation as a good place to work.

Within these three framework areas are a total of 10 high performance factors which are important for the achievement of sustainable high performance. Each factor measures the extent to which employees perceive that the organisation is achieving best practice in the relevant area. All factors include an

important alignment thread which measures the extent to which action, behaviours and outcomes are linked to the organisation's long term goals.

The 10 high performance factors are explained in detail below.

### Energise

- **Long term direction** – are the organisation's overall strategies clearly articulated and can employees easily access this information? Are significant changes and important developments advised to employees and is there clarity as to how the organisation's goals will be achieved?
- **Senior leadership** – does the senior leadership team exemplify best practices in leadership and inspire employees to work hard to achieve the organisation's goals? Are senior leaders open to feedback and do they encourage innovation, acknowledge contributions and get the maximum from people's individual talent and knowledge?

### Execute

- **Team leadership** – do managers set a good example and are they trustworthy? Do they build teamwork, communicate well and value the opinions of those that report to them? Are they good coaches and mentors and are they interested in the job satisfaction of their employees?
- **Team effectiveness** – to what extent are work groups committed to increasing productivity, using challenging goals and celebrating achievements? Do the work groups cope well with change and have a strong customer service culture? Do they regularly compare their actions against their plans and act decisively when their plans are not achieved?
- **Accountability culture** – how well does the organisation and its employees deliver on commitments? Are employees required to uphold ethical standards and do a clear set of organisational values guide everyday actions? Is confidential and sensitive information respected and are unauthorised actions prevented? Is the organisation committed to high levels of OH&S?
- **Performance culture** – is the organisation committed to high standards of performance and best practice in its industry? Does it continually improve its systems and ensure its systems work well together? Does the organisation ensure that its employees don't "bend the rules" to get results?
- **Investment in people** – do employees get the training and development they need and are their skills and talents used to their full potential? Are there effective programs for recognising and rewarding achievements and are performance appraisals used to enhance employee effectiveness? Does the organisation care about its people, including ensuring they have an appropriate work-life balance?

- **Investment in systems** – do the organisation's systems enhance employees' ability to do their job well? Are employee concerns with IT and telecommunication systems appropriately addressed? Do departments provide good customer service to each other?
- **External focus** – does the organisation effectively look outward to the market, clients, environment and community? Is it committed to long term customer loyalty and asking customers how it can do better? Does it compare its performance with its competitors or peers and does it differentiate its products and services?

### Engage

- **Engagement** – how committed are employees to the organisation and do they promote and act in its best interests? Are they engaged with the organisation and what it is trying to achieve? The engagement factor actually measures engagement of the heart, the head and the hand. Engaging employees' hearts refers to their positive emotional connection with the organisation; engagement of the head refers to positive thoughts about the organisation; and engagement of the hand refers to the discretionary efforts made by employees.

By assessing how well the organisation is performing on all of these factors, the AES can identify what kind of issues are potentially acting as barriers to achieving an organisation's goals, where those problems are and what actions can be taken.

## 2. Insync Surveys' model of High Performing Organisations

### Energise

Organisations spend considerable time, effort, money and resources every year planning and developing their strategic plan (Colletti, 1998). They do this in the belief that strategic planning is a key driver of organisational effectiveness. Yet despite this effort, these plans can sometimes lose their effectiveness as they are cascaded down the organisation. This can be due to poor alignment of organisational systems, processes and people with the strategy. Alternatively, employees may simply not be engaging with the organisation (Gonring, 2008).

As organisations increasingly depend on employees to work expressly towards the strategic goals, it becomes even more important to ensure that every employee understands and conducts themselves in alignment with the organisation's strategic direction (Boswell, 2000). Furthermore, organisations need to ensure that employees are engaged in their jobs, so that they remain committed to the organisation.

The Insync Surveys model for high performing organisations proposes that when an organisation creates a set of goals or a mission, it also inspires a destination. The strategic plan provides the pathway and direction for the organisation to reach the destination, and a timeline to reach it. **Critical to this process**

is the alignment of organisational functions to the strategic plan and goals. Just as important is whether employees are engaged with the organisation and are acting in its best interests.

When an organisation has high alignment and high engagement, it is much more likely to achieve sustainable high performance.

## Execute

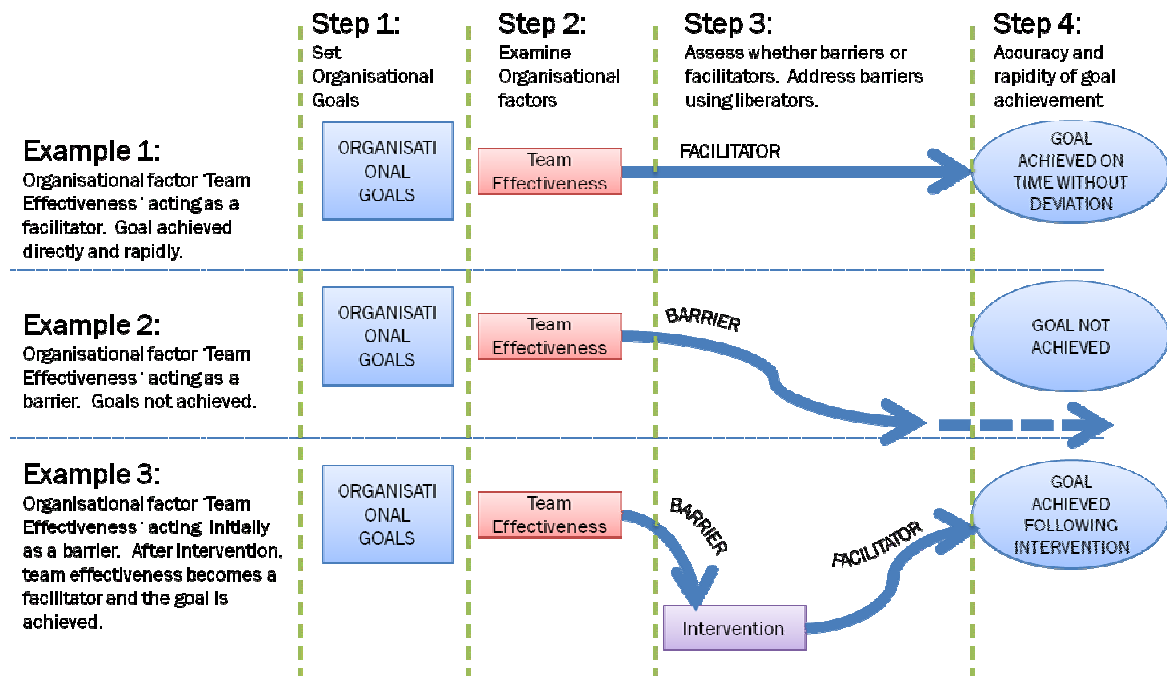
We believe that in every organisation there are a set of high performance factors that must be executed well for successful implementation of the strategic plan and for engaging their employees. These factors represent functions that are present in all organisations, such as team leadership, investment in people and senior leadership. The factors need to be aligned with the goals and supported by the strategic plan. When that is the case, the organisation can meet its goals rapidly and directly. **The AES can determine whether organisational factors are working for the benefit of an organisation.**

Where these factors are working in a positive way in the organisation, they are aligned with the goals and act as facilitators to achieving them. Conversely, where they are working in a negative way, they act as barriers and are an impediment. Barriers can be removed by addressing the issues through various appropriate interventions. Following the successful intervention, this barrier can then become a facilitator.

In a perfect world, the “high performing organisation” would travel rapidly and directly towards its goal, meeting very few barriers to throw it off course, or slow it down. When organisational factors are fully aligned with the requirements of the mission, the systems, processes, people and environment all act as facilitators to reaching the destination exactly on schedule. **The AES can assess whether an organisation is aligned for success.**

Alignment is not fixed; rather it changes according to circumstances and the environment (Boddy and Paton, 2005). In real world organisations, many factors can act as barriers to the organisation reaching its destination. These barriers can slow down the journey and throw the organisation off-course. If the barriers are not removed, then the goal may not be ultimately reached, it may take much longer than intended, or it might cost more. **The AES can recognise these barriers and identify where appropriate interventions should occur.** See the figure below for an example of how organisational factors act as facilitators and barriers to achieving organisational goals.

## How Organisational Factors act as facilitators and barriers to achieving organisational goal. Example of 'Team Effectiveness'



This model is similar to Armitage, et al's (2006) model of good senior leadership. They proposed that the main purpose of organisational leaders is to enable their organisation to achieve its mission and strategic vision. They do this initially by "envision[ing] a clear path from the organisation's current position to its desired destination". They then need to establish what should be done to reach the destination, rally all of the organisation's resources, then "continually navigate and manoeuvre these resources, redirecting as necessary until the objectives and the end goals have been realised."

The organisation as a whole has a pathway towards its destination, but within this, each and every department, team, individual, and even every individual project that is being worked on, also has a pathway. Each of these pathways is also limited by barriers and enhanced by facilitators and interventions that remove barriers. In a high performing organisation, these pathways are aligned with the overall organisational direction. **The AES can identify where smaller groups within the organisation are not going in the same direction and at the same pace as the rest.**

## Engage

Successful organisations have employees who are engaged with the organisation. Their beliefs, feelings and actions are such that they believe and promote the very best in the organisation. They are satisfied and attached to their jobs, work hard to achieve good results and promote the company to their friends and family. **The AES determines how engaged a workforce is and establishes whether organisations are maintaining the key drivers for employee engagement.**

Once we know how aligned the organisation is and how engaged the employees are, we can then bring together alignment and engagement to determine how well the organisation is doing overall.

## The AES - alignment and engagement model

The AES assesses alignment through the first nine high performance factors, with the Engagement factor representing engagement. Each of the individual high performance factors have been identified in the management research literature as contributing to high organisational performance, alignment, engagement and a range of other organisational outcomes.

The Insync Surveys model brings together the latest research in these areas:

Organisational high performance	What are we inspired to achieve?
Organisational alignment	Is everyone in the organisation inspired to do what needs to be done and why, and how to execute it?
Employee engagement	Are people engaged with the organisation?
Organisational factors that contribute to high performance	What needs to be executed to ensure that they can?

These concepts are explained in greater detail in the following sections.

## 3. High performing organisations – what are we inspired to achieve?

### Introduction

For all organisations, being good at what they do is both a matter of pride and of necessity. However, some organisations strive even higher, aiming to be the best in their industry, the biggest in their market, the employer of choice, and give their shareholders the best financial returns. These are known as high performance organisations. But how can high performance be achieved?

A high performing organisation is defined as *“an organisation that achieves financial and non-financial results that are better than those of its peer group over a longer period of time by adapting well to changes and reacting quickly, by managing for the long term, by setting up an integrated and aligned management structure, by continuously improving its core capabilities and by truly treating the employees as its main asset”* (De Waal, 2007).

Identifying what makes a high performing organisation has been subject to considerable focus in the past few decades. Several research reviews on the topic are summarised below.

## Approaches to high performing organisations

### De Waal

De Waal (2007) conducted a systematic review of research identifying the characteristics of high performance organisations (post 1990). He defined high performance organisations as having the following qualities:

- Sustained financial growth and better financial performance than peer organisations
- Ability to quickly adapt to change
- Long-term orientation
- Alignment of strategy, structure, processes and people
- Integrated management processes
- Focus on continual improvement and reinvention of core business
- Considerable effort in workforce development (De Waal, 2007)

His later research found that high performing organisations had significantly better financial and non-financial performance than non high performing organisations (De Waal, 2008). For example, high performing organisations had 23% higher shareholder return, 29% better profitability and 10% revenue growth.

After collating the results of 91 studies of the characteristics of high performance organisations, he identified eight key elements that are important for becoming a high performing organisation (de Waal, 2007). These are summarised in Table 1 below.

Table 1: Summary of De Waal's (2007) characteristics of high performance organisations.

1. Organisational design	<ul style="list-style-type: none"> <li>■ Stimulates cross-functional and cross-organisational collaboration</li> <li>■ Simplifies and flattens the organisation</li> <li>■ Fosters organisation-wide sharing of information, knowledge and best practices</li> <li>■ Immediately realigns the business with changing internal and external circumstances</li> </ul>
2. Strategy	<ul style="list-style-type: none"> <li>■ Defines a strong vision that excites and challenges</li> <li>■ Balances long-term and short-term focus</li> <li>■ Sets clear, ambitious, measurable and achievable goals; creates clarity and a common understanding of the organisation's direction and strategy</li> <li>■ Aligns strategy, goals, and objectives with the demands of the external environment</li> <li>■ Adopts the strategy that will set the company apart</li> </ul>

<p>3. Process management</p>	<ul style="list-style-type: none"> <li>■ Designs a good and fair reward and incentive structure</li> <li>■ Continuously simplifies and improves all the organisations' processes</li> <li>■ Measures what matters</li> <li>■ Reports to everyone financial and non-financial information needed to drive improvement</li> <li>■ Continuously innovates products, processes and services</li> <li>■ Strives to be a best-practice organisation</li> <li>■ Creates highly interactive internal communication</li> <li>■ Deploys resources effectively</li> <li>■ Strives for continuous process optimisation</li> </ul>
<p>4. Technology</p>	<ul style="list-style-type: none"> <li>■ Implements flexible ICT systems throughout the organisation; and</li> <li>■ Applies user-friendly ICT tools to increase usage.</li> </ul>
<p>5. Leadership</p>	<ul style="list-style-type: none"> <li>■ People on all levels of the organisation maintain a trust relationship with others on all levels</li> <li>■ Leaders live with integrity and lead by example</li> <li>■ Leaders apply decisive, action-focused decision-making</li> <li>■ Leaders coach and facilitate employees</li> <li>■ Leaders stretch themselves and their people</li> <li>■ Leaders develop an effective, focused and strong management style</li> <li>■ Leaders allow experiments and mistakes</li> <li>■ Leaders inspire people to accomplish extraordinary results</li> <li>■ Leaders grow leaders from within</li> <li>■ Leaders stimulate change and improvement</li> <li>■ Leaders assemble a diverse and complementary management team and workforce</li> <li>■ Leaders are committed for the long haul</li> <li>■ Leaders are confidently humble</li> <li>■ Leaders hold people responsible for results and are decisive about non-performers</li> </ul>
<p>6. Individuals and roles</p>	<ul style="list-style-type: none"> <li>■ Creates a learning organisation</li> <li>■ Attracts exceptional people with a can-do attitude who fit the culture</li> <li>■ Engages and involves the workforce</li> <li>■ Creates a safe and secure workplace</li> <li>■ Masters the core competencies and is an innovator in them</li> <li>■ Develops people to be resilient and flexible</li> <li>■ Aligns employee behaviour and values with company values and direction</li> </ul>
<p>7. Culture</p>	<ul style="list-style-type: none"> <li>■ Empowers people and gives them freedom to decide and act</li> <li>■ Establishes clear, strong and meaningful core values</li> </ul>

	<ul style="list-style-type: none"> <li>■ Develops and maintains a performance-driven culture</li> <li>■ Creates a culture of transparency, openness and trust</li> <li>■ Creates a shared identity and a sense of community</li> </ul>
8. External orientation	<ul style="list-style-type: none"> <li>■ Continuously strives to enhance customer value creation</li> <li>■ Maintains good and long-term relationships with all stakeholders</li> <li>■ Monitors the environment consequently and responds adequately</li> <li>■ Chooses to compete and compare with the best in the marketplace</li> <li>■ Grows through partnerships</li> <li>■ Only enters new businesses that complement the company's strengths</li> </ul>

## Collins and Porras

Based on an analysis of 18 international leading companies with an average age of 90 years, Collins and Porras (1996) found that a strong vision was the key to success. They identified a series of enduring management principles that have distinguished “visionary” companies time after time. Their findings are summarised below.

Visionary organisations:

- lead the way, rather than follow others in their fields
- develop and retain a set of core values that have been integral from the outset
- create a core ideology, which stimulates the company over time, and which can be modified to encourage organisational evolution
- have clear-cut, compelling, cutting edge goals the company sets to progress forward
- have a culture that pervades and unites the company, and encourages everyone to be committed to the organisation
- are open to evolution by anticipating and keeping abreast of changes in tastes, preferences, and technology
- have good management development processes and succession plans in place to insure smooth transitions and direction as the company ages
- constantly innovate to avoid becoming obsolete and keeping ahead of the competition, and
- align the core ideology and values with reality.

## Pfeffer and colleagues

Pfeffer (1998) conducted research to identify “sustained levels of outstanding performance”. He linked changes in people management practices with significant increases in economic performance. He

analysed a range of measures that indicated how effectively firms employed their capital and what they earned on their equity. He concluded that the real source of competitive leverage is the culture and capabilities that derive from how an organisation manages its people.

Pfeffer (1998) identified seven practices of high performance organisations that “put people first”:

1. Employment security
2. Selective hiring of new personnel
3. Self-managed teams and decentralisation of decision making as the basic principles of organisational design
4. Comparatively high compensation contingent on organisational performance
5. Extensive training
6. Reduced status distinction and barriers
7. Extensive sharing of financial and performance information throughout the organisation

Pfeffer also identified three principles that appear common to most of the successful transformations to high performance work practices:

1. Build trust
2. Encourage change
3. Measure the right things and align incentive systems with new practices

Pfeffer and O'Reilly (2000) further conducted research on “Eight Great Companies” (e.g. SouthWest Airlines; Cisco Systems; Cypress Semi-Conductors). They found that “People Centred Companies” have certain key characteristics:

- They have a well-articulated set of values that are widely shared and act as the foundation for the management practices that build the core capabilities; these then provide a basis for company's competitive success
- Great companies have a remarkable degree of alignment and consistency in people-centred practices that express core values
- The senior managers in these firms are leaders whose primary role is to ensure that the values are constantly made real to all people who work in the organisation

Based on their research, Pfeffer and O'Reilly (2000) challenged the approach that encourages organisations to chase and acquire top talent to remain successful. They stressed that it is more important how an organisation creates and uses talent than how it attracts talent. Their research focused on developing organisations to capture the talent of “ordinary people”, making the following recommendations to achieve “People Centred Companies”:

- Values and culture first
- Making the values real: alignment and consistency

- Having a strong culture
- Hiring for fit
- Investing in people
- Widespread information sharing
- Team-based systems
- Recognition and rewards
- Leading not managing

## 4. Alignment – how do we execute it?

### Introduction

Successful organisations have all of their systems, processes, departments, employees and customers aligned to the organisational strategic plan. That is, employees know and understand the strategic plan, why it exists, and how each of their individual roles contribute towards the organisation achieving its goals. All of the various departments, levels and functions in the organisation are also working together to the benefit of the organisation.

There are many different conceptualisations of organisational alignment in the literature, with no agreed definition or approach to date. The next section outlines some of the various ways that alignment has been viewed in the research literature and in the business world. This is followed by a discussion of how alignment is achieved in organisations.

### Approaches to Alignment

#### 1. Alignment as the “synergistic whole”

Many approaches to alignment view it as a kind of “organisational adhesive” – the glue that makes all of the organisational parts, processes and people work together for a common goal. That is, alignment is an indication of how well the organisational strategy, culture and systems bolster the combined contribution to organisational high performance (Semmler, 1997).

Semmler (1996) discussed alignment in terms of the “synergistic whole”, defining it as:

*“A descriptive concept referring to the extent to which the strategy, structure and culture of the organisation combine to create a synergistic whole that makes it possible to achieve the goals laid out in the organisation’s strategy. It is a measure*

*of degree, expressed as a correlation ranging from complete opposition to perfect harmony and synergy.”*

He goes on to describe how strategic business alignment is demonstrated by how the organisation brings together all of its elements to achieve its strategic objectives. It does this through a shared vision, common understanding and ownership by all stakeholders of the purpose and direction of the organisational goals.

Fardink (2001) held a similar view: *“Alignment refers to the degree of congruence or consistency within an agency’s culture: how well the various systems, structures, messages (both spoken and unspoken) and styles support and reinforce each other on an everyday basis.”*

The Conference Board Washington (2002) discussed creating alignment in a similar way: *“Companies forge alignment in various ways – by breaking down silos, integrating systems, co-ordinating business unit activities to achieve objectives. Strongly aligned companies have a shared vision of what they want to achieve and why. Getting there requires the unwavering support of top management and the sustained commitment of every stakeholder to the change effort.”*

## 2. Alignment of goals – cascading goals

Much of the research examines the extent to which high-level, strategic goals are cascaded through the organisation to all employees, such that all employees are aware of and working towards the organisational goals. For example, Porth, et al (1998) examined the priorities of managers at different levels, to gauge whether these were aligned with business objectives. Boswell and Boudreau (2001) took a more in-depth approach, arguing that alignment is based on a depth and accuracy understanding of the organisational strategy and the shared vision. Employees need to understand both the organisational strategy and the actions that are aligned with the strategy. They called this understanding “line of sight”. The approach by Gagnon et al (2008) emphasised the role of “strategic supportive behaviours” in achieving alignment and they provide a useful illustration of their approach.

Some definitions that reflect this approach include the following:

- *“Strategic alignment creates a directional beacon that defines which domains to explore and which ones to avoid.” (Meyer, 1998)*
- *“Individuals are strategically aligned when their behaviours correspond with their organisation’s strategy. For example, an organisation may require its members to support an intensive customer service strategy by engaging in what we term ‘strategic supportive behaviours’. In this instance, an employee who is strategically aligned will engage in behaviours that proactively reach out to customers (e.g. courtesy calling, promptly responding to requests, detecting/preventing future problems.” (Gagnon et al, 2008)*
- *“Alignment refers to consistency of processes, actions, information and decisions among a company’s units in support of key company-wide goals.” (DuPont, 1997)*

- *“Alignment as congruence between the day-to-day operations of various organisational levels and the organisation’s goals.” (Beehr et al, 2009)*

### 3. Alignment of specific organisational functions

There is a considerable body of literature researching the process of aligning specific organisational functions with the organisational goals, in particular the relationship between organisational goals and human resource processes, for example training (Montesino, 2002) and implementing a rewards program (White, 2005). Similarly many researchers have examined aligning IT departments, systems and projects, including: introducing new technology (Boddy and Paton, 2005; Ho, Wu and Tai, 2004), aligning IT spending with business priorities (Schpilberg et al, 2007; Gutierrez et al, 2009), identifying IT project success factors (Lesca and Caron-Fasan, 2008) and alignment of the more specific IT mission with the organisational goals (Campbell, et al, 2005).

### 4. Vertical and horizontal alignment

Organisations can be assessed as being horizontally and vertically aligned (Kathuria, et al, 2007; Burchman and Jones, 2005). Organisations need to have a system in place to ensure that the procedures and strategies developed and used by one group are aligned vertically with management above, and horizontally with other groups across the organisation (Colletti, 1998). Horizontal and vertical alignment will also help organisations to:

- avoid duplicating effort, where two groups or individuals are working on the same project independently and unaware of each other
- increase leverage of expertise and creativity across the organisation – by knowing what is going on elsewhere in the organisation, people with particular expertise or insights can offer support or assistance
- avoid conflicting efforts, where two groups are working independently on projects which will conflict with each other
- improve the capacity of the leadership group to manage resources; and
- improve responsibility and accountability for actions and delivery (Colletti, 1998).

### 5. Market alignment

Some researchers have examined the alignment of market and external factors with organisational strategy. For example, McDonough et al (2008) discussed the need to align the product and market with organisational knowledge and innovation to achieve organisational success, and to avoid failure. Clapp (2005) discussed the need to align customer value proposition to organisational goals to improve customer retention.

## 6. Alignment of specific projects with organisational goals

The better an organisation can align its projects with its objectives the more efficiently it can focus on and allocate its resources. Organisations that can maintain a focus on their long-term, strategic objectives are generally better able to make consistent decisions and to maintain momentum in desired directions than those that are based solely on short-term or operational perspectives (Gagnon, et al, 2008).

## 7. Values alignment

Aligning organisational values with the strategic plan and with individual values is another common way to conceptualise alignment. Branson (2007) reviewed a wide range of literature on factors affecting organisational change. Based on his findings, he proposed that organisational change can only be successful if the individuals involved can commit to a new set of values which are aligned with the proposed new outcomes.

*“Until organisations are able to authentically clarify their strategic organisational values and then engender alignment between those strategic values and the personal values of their employees, organisations will be unable to sufficiently change and adapt in order to continue to be successful in the twenty-first century.”* (Branson, 2007, p377)

## 8. Similar constructs

The concept of strategic alignment is based on several well-developed theories in the organisational psychology literature (Boswell, 2000), including:

- Person-organisational fit – aligning the employees values and attributes with the organisation’s values and culture
- Person-job fit – aligning the employees’ values, skills, interests and attributes with a specific job-type, profession or career
- Goal congruence – agreement between the employee and employer on the creation and achievement of goals, more generally
- Task significance and role clarity – ensuring that employees understand their role and how it contributes to the overall success of the organisation

## 9. Alignment as engagement

Engagement is another term that has multiple conceptualisations in the literature. It has some overlap with definitions of alignment. Indeed, several of the senior managers interviewed in Hockey and Ley’s (2010) research used the term engagement to refer to concepts usually described as alignment. The

Insync Surveys AES was designed on the basis that while there is some relation, these are separate and distinct concepts. Engagement is elaborated on later in this document, as is a discussion of how alignment and engagement can work together to improve organisational performance.

## 10. Inter-organisational alignment to reach a common goal

Lastly, some studies have examined the need to create strategic alignment across organisations to reach a common goal. For example, Cameron, et al (2009) described the successful alignment of government agencies and other organisations to meet a common purpose, in this instance, the Canadian Cancer Society's goal of reducing the incidence of cancer. Another very interesting piece of research by Koppell (2001), examined how government, regulatory bodies and banks were able to align themselves to create two semi-privatised lending agencies in the USA, Fannie Mae and Freddie Mac. However, following the collapse of these two entities (and the resulting global financial crisis) this may not be a good example of where alignment achieves a positive outcome!

## The Insync Surveys approach to alignment

The Insync Surveys approach to alignment incorporates elements of the first seven approaches discussed here. The view of alignment as a synergistic whole is compelling and, to a large extent, underpins the Insync Surveys approach. However the main difficulty with this approach is that it is difficult to measure and therefore difficult to assess, compare and improve. The other approaches are more tangible. Therefore, using the AES, we can measure, assess, compare and improve:

- the extent to which the organisational goals are cascaded throughout the organisation
- whether the HR, IT and other functions are working to support the strategic plan
- whether all levels of each department and all branches and satellite businesses are aligned
- if the organisation is looking externally to the market, and whether this is aligned with the organisational strategy
- whether change projects are moving the organisation towards its larger goals
- the extent to which the values of the organisation are pervasive, and whether people subscribe to them, and
- employee engagement as a separate entity that works in tandem with alignment.

## Measuring alignment

Assessing and measuring alignment is a challenging task, and this has been achieved using a variety of methods in the past.

The most prominent methodology for measuring strategic alignment is The Balanced Scorecard by Kaplan and Norton (2006). The balanced scorecard was designed to facilitate the alignment between organisational strategy and people and processes. It does this by working across functional areas such that all business units create complementary strategies that work towards the same mission and objectives.

Other methods used to determine whether an organisation is aligned include the following:

- Surveying employees' agreement with individual mission statements (Beehr, et al, 2009)
- Assess whether the day-to-day actions, operations and procedures of various organisational levels are consistent with the organisation's goals (Beehr, et al, 2009)
- Comparing day-to-day priorities of manager-subordinate pairs (Kathuria, et al, 2007)
- Assessing "Strategic Supporting Behaviours" (Gagnon, et al, 2008)
- Boswell and Boudreau's (2001) line-of-sight action scale
- Asking customers directly if products and services are aligned with their expectations (Schiemann, 2007)
- Management investigation, as suggested by Collins (2006), "identifying misalignments means looking around, talking to people, getting input, and asking 'If these are our core values and this is why we exist, what obstacles get in our way?'"
- "Create new alignments" (Collins, 2009)
- Look for symptoms of misalignment (Schiemann, 2007)
- Identifying the precursors to alignment

A range of precursors to alignment have been identified. For example, we know from the research that alignment is dynamic and changes according to circumstances (Boddy and Paton, 2005). We also know that good communication, use of employee enhancement programs and managerial effectiveness are all significantly related to achieving organisational alignment (Beehr et al, 2009).

## Benefits of alignment

Alignment has significant benefits to organisations, including:

- Provides leaders with greater ability to control and predict organisational behaviour and performance (Semmler, 2006)
- Due to the alignment of systems, more constant performance over time, irrespective of competitive conditions and leadership (Pfeffer 1998)
- Aligning two or more core elements of an organisation enhances performance (Boddy and Paton, 2005)

- Increased morale/satisfaction, employee engagement and commitment, improved retention, financial and marketplace success (Boswell and Boudreau, 2001)

## Misalignment

Much of the alignment literature refers to the concept of misalignment, which is more than simply the opposite of alignment. The Insync Surveys model proposes that identifying those areas of the organisation that are acting as barriers to achieving the organisational goals is similar to identifying misalignment.

In some instances, misalignment is easier to identify than alignment. Some indicators of misalignment include the following:

- High profits but poor efficiency (ASTD, 1996) and high costs due to low efficiency (Schiemann, 2007)
- Where an informal process which runs parallel to the formal process (ASTD, 1996)
- No changes in reward and compensation systems to support new structures such as teams (ASTD, 1996)
- Conflict across interdependent functional groups (Schiemann, 2007) such as poor agreement among senior managers about the main organisational objectives of the organisation (ASTD, 1996)
- Frustrated customers due to slow product and project delivery (Schiemann, 2007)

Schiemann (2007) identified several key reasons why misalignment can occur:

1. Unclear strategy
2. Poor senior management commitment
3. Not connecting strategy to customer expectations
4. Unclear targets
5. Imprecise measurement
6. A difference in goals at the organisational level and those at the department and team levels
7. Not making individuals accountable for team goals
8. Not rewarding people for meeting their accountabilities

## 5. Engagement

### Introduction

Successful organisations have employees who are engaged with the organisation. Their beliefs, feelings and actions are such that they believe and promote the very best in the organisation. They are satisfied and attached to their jobs, work hard to achieve good results and promote the company to their friends and family. The Engagement factor measures the extent to which employees are attached to the organisation and promote and act in its best interests. The Insync Surveys model of employee engagement has items which derive from three engagement components:

- Heart – the extent to which an employee is emotionally engaged with the organisation, comprising job satisfaction, pride in and commitment to the organisation
- Head – the extent to which an employee carries a positive frame of mind at work, comprising enthusiasm for work, belief in the importance of contributing to the success of the organisation and resilience when facing challenges at work
- Hand – the extent to which the employee exerts discretionary effort towards the benefit of the organisation, comprising the intention to go above and beyond basic role requirements, altruism towards colleagues, and willingness to share knowledge and experience

Essentially, the components represent three aspects of employee engagement that are commonly thought of in the academic literature as *affective* (the Heart), *cognitive* (the Head), and *behavioural* (the Hand). The three components interrelate, such that:

- **The three components are positively correlated.** This means that an engaged employee should possess an emotional commitment to the organisation (the Heart), enthusiasm for work (the Head) and engage in positive discretionary behaviour for the benefit of the organisation (the Hand). Conversely, a disengaged employee is not expected to possess or display any of the above affective, cognitive, or behavioural attributes.
- **The Heart + The Head → The Hand.** This means that without an emotional commitment to the organisation and enthusiasm for work, it is unlikely that the employee would go above and beyond their basic role requirements for the organisation's benefit.

The above two basic assumptions are made based on findings from numerous academic (see Rhoades and Eisenberger, 2002) and business research studies, which have used different measures and contexts, and are premises to be tested with results specific to the current model.

This model is based on an amalgamation of a range of conceptualisations of employee engagement used in the literature and in businesses. This wide variety of conceptualisations of employee

engagement has complicated and confused the definition and purpose of employee engagement, resulting in businesses worldwide measuring employee engagement in many different ways.

A summary of the main approaches to employee engagement that have informed the Insync Surveys model is contained in the following section.

## Theoretical approaches

### Kahn's three dimensions of engagement

Kahn (1990) was among the first to investigate employee engagement. He identified three dimensions of employee engagement:

- Meaningfulness – “Sense of return on investments of self in role performance”
- Safety – “Sense of being able to show and employ self without fear of negative consequences to self-image, status or career”
- Availability - “Sense of possessing the physical, emotional, and psychological resources necessary for investing self in role performances”

### Schaufeli's three dimensions based on burnout research

Schaufeli and colleagues (2002; Gonzalez-Roma et al, 2005) have built on the Maslach burnout model (Maslach and Jackson, 1981), defining engagement as the conceptual opposite of burnout:

- Vigour – *“characterised by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence even in the face of difficulties”*
- Dedication – *“characterised by a sense of significance, enthusiasm, inspiration, pride and challenge”*
- Absorption – *“characterised by fully concentrating on and being deeply engrossed in one’s work, where time passes quickly and one has difficulty detaching oneself from work”*

Gonzalez-Roma et al (2005) tested the theory that engagement was the opposite of burnout, by comparing items on the exhaustion–vigour and cynicism–dedication dimensions. They found that these were the opposites of each other in dimensions they called “energy” and “identification”.

## Similar constructs

The various definitions of engagement have often built on existing constructs identified in the organisational psychology and management literature. However, as Hockey and Ley (2010) point out, *“While engagement does overlap with other constructs.... comparison of these concepts highlights*

*issues that engagement is a distinct concept, and when combined with an understanding of the theory behind it, engagement can be viewed as an undoubtedly differentiated concept.” (p72).*

With this in mind, the following is a list of the constructs that are most often identified as overlapping conceptually with employee engagement.

## **Job satisfaction**

Job satisfaction is a well-known and well-researched construct that describes how happy and contented an employee is with their job. There are varying approaches to job satisfaction, however the main theoretical distinctions are around the following issues:

- Global versus facet satisfaction (Waneous, et al, 1997)
- Affective versus attitude – affective feeling about the job, i.e. broad positive emotional reactions, or as an attitude towards the job based on a cognitive appraisal (Judge and Locke, 1993)
- A comparison between actual and desired or anticipated outcomes (Locke, 1976; Oshagbemi, 1999)
- A two-dimensional construct consisting of a 'satisfaction-lack of satisfaction' dimension and a 'dissatisfaction-lack of dissatisfaction' dimension (Winefield, Tiggemann and Goldney, 1988)
- “Intrinsic satisfaction” and “extrinsic satisfaction” dimensions (Warr, Cook and Wall, 1979)

## **Organisational commitment**

Organisational commitment is the strength of an individual's identification with and involvement in a particular organisation (Porter et al, 1974). It represents a strong affective attachment to the goals and values of an organisation based on an unconscious or conscious self-assessment of personal roles, goals and values. This is in addition to an attachment to the organisation for its own sake, and for its instrumental worth. Organisational commitment has typically been seen as having several components, or facets to it.

The most accepted conceptualisation of organisational commitment was offered by Allen and Meyer (1985; 1990), who proposed three facets of commitment:

1. Continuance (membership attachment based on the costs that the employee associates with leaving the organisation)
2. Affective (emotional attachment to, identification with and involvement in the organisation)

3. Normative (an employee's feelings of obligation to remain with the organisation)

## Organisational citizenship behaviours and pro-role behaviours

Organisational citizenship behaviours (OCB) are work behaviours that are considered discretionary and additional to the day-to-day job description (Coyle-Shapiro, 2002). Employees perform these behaviours when they want to go above and beyond their normal duties. Organisational citizenship behaviours include: helping others, working harder when needed (i.e. going the “extra mile”), recommending the organisation to others, both as a supplier of goods or services and as an employer and generating new ideas or ways of working.

*“OCB has been defined as contextual performance because the behaviours are beneficial, discretionary, and not included in an employee’s formal job description. Because such behaviours are not explicitly required by the job, there are no formal sanctions for not engaging in them. As such, OCB can be considered a behavioural gauge of workers reactions to their employment relationship. That is, employees are less likely to engage in OCB when they perceive a negative relationship with their employer.” (Zhao, et al 2007)*

In their meta-analysis, Zhao et al found that psychological contract breach was significantly related to a decrease in organisational citizenship behaviours.

In an effort to understand the underlying constructs within organisational citizenship behaviour, Coyle-Shapiro (2002) factor-analysed 25 OCB items based on Katz (1964) and identified five factors:

1. Advocacy participation – includes items around sharing ideas and encouraging and suggesting creative ideas to others
2. Helping behaviour – includes “goes out of the way to help colleagues with job-related problems”
3. Functional participation – includes “goes the extra mile for the organisation”
4. Loyalty – includes “tells outsiders that the organisation is a good place to work”
5. Obedience – includes items around quality of work and dedication to work

Role behaviours are behaviours that are performed by employees based on their evaluation of the expectations of their employer. They have been defined as voluntary contributions of employees not explicitly recognised by the formal reward system operating in the organisation, but that, ultimately, are critical for sustaining organisational effectiveness. These behaviours are extra-role in nature because they are not formally required from employees (e.g. in job descriptions) (Bentein et al, 2002).

## Engagement drivers

There has been an increasing volume of research that has examined the drivers of employee engagement. Unfortunately due to the range in conceptualisations of engagement, as well as other

differences in the research, the results of individual analyses of the main drivers of engagement vary across research papers (Kahn, 1990; Weiss and Molinaro, 2005; Harter et al, 2002; Parkes and Langford, 2008). Some engagement driver themes identified across studies include the following organisational characteristics:

- Having good quality line manager-employee relationships that are based on trusting relationships. Employees should be able to voice their opinions and managers should value what they say
- Role clarity and fit – whereby employees have a clear understanding of their role and how it fits in with the bigger organisational picture
- Clear linkages between organisational values and day-to-day work life
- Opportunities for employees to develop, including job enrichment, creating learning environments and developing existing talent and skills
- A feeling that the organisation values and supports employees
- Good recognition and reward systems that reward superior performance

These issues are all reflected in the engagement drivers used in the Insync Surveys engagement drivers model.

Accenture (anonymous, 2005) identified five activities that impact on employee engagement based on a survey of 2400 employees and 240 HR executives in 26 organisations:

- *“Recognise and reward superior performance. Organisations can foster a culture of belonging by rewarding and recognising employees based on both individual and business performance.”*
- *“Establish a learning environment. Organisations with the most engaged workforces provide a significant amount of learning opportunities for employees to excel.”*
- *“Create knowledge-sharing communities. Engaged employees feel supported by a culture in which knowledge, information and resources are easily shared.”*
- *“Manage the culture of change. Workforces committed to an organisation’s goals must understand both what the goals are and how they are being affected or executed through changes such as mergers, acquisitions, or the outsourcing of key business processes.”*
- *“Provide opportunities to grow and develop. Few employees feel committed if they are not given opportunities for career development.”*

## 6. Integrating alignment and engagement for high performance

### Alignment and engagement

The Insync Surveys approach to achieving sustainable high performance in organisations is based on the contribution of organisational alignment and employee engagement to the achievement of organisational goals. The AES identifies those organisations that have both high alignment and high engagement which we believe is more likely to achieve sustainable high performance. We use alignment and engagement to achieve high performance by:

- ensuring that organisational reality is aligned with organisational goals
- ensuring that organisational systems and processes reflect evidence-based good practice
- ensuring that employees are engaged with the organisation; and
- achieving organisational high performance.

The relationship between alignment and engagement has not been widely researched. Our approach is based on the model proposed by Weiss and Molinaro (2005), who integrated alignment and engagement in a grid-based model. Their model is described below, followed by a summary of some of the other models that link alignment to engagement.

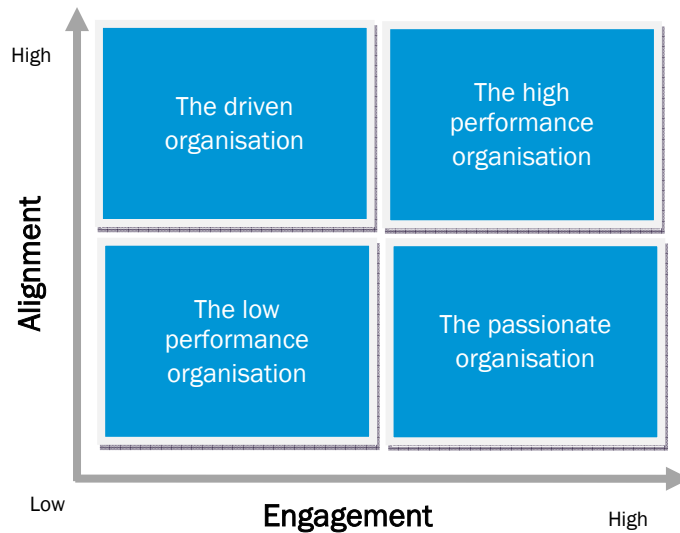
### Weiss and Molinaro

Weiss and Molinaro (2005) have integrated the concepts of alignment and engagement into a model of organisational high performance.

They define alignment as *“the degree to which business units, departments and teams in an organisation are able to work together efficiently to implement the business strategy and drive customer leadership. When an organisation is aligned, its processes, design and performance measures are in accord with one another. Everyone in the organisation is moving in the same direction.”* (p130)

Engagement is *“the degree to which everyone in the organisation is deeply committed and personally invested in the success of the entire enterprise.”* (p131)

They proposed that leaders should integrate the alignment and engagement of employees to achieve good results. The figure below shows the four kinds of organisations that Weiss and Molinaro identified based on both successful and unsuccessful incorporation of alignment and engagement in organisations.



### The low performance organisation

The low performance organisation has low engagement and alignment. It is characterised by the following:

- Employees lack direction and motivation, have low organisational commitment and a poor understanding of their bearing on organisational outcomes
- Different parts of the organisation do not work in tandem, resulting in duplication of effort and working obstructively
- Can be large bureaucracies with inflexible and deep-rooted systems
- Is resistant to change

### The passionate organisation

The passionate organisation has high engagement but low alignment. Weiss and Molinaro identify two types of passionate organisations:

1. The whole organisation is passionate and engaged but lacks direction and alignment
2. The work unit is passionate and engaged, but not aligned with the overall organisational direction

Passionate organisations are characterised by the following:

- People-focused cultures with high levels of investment in employees

- High level of participation in work social activities
- High level of cohesiveness within and across departments/teams
- Lack of clear goals to which employees can align themselves
- Need to incorporate a clear direction and achievable goals
- Positive workplaces with excited employees

Passionate work units are characterised by the following:

- Highly cohesive work groups that overcome challenges together
- Are involved in rivalries with other work groups to the detriment of good communication and market focus
- Are not aligned with overall business objectives
- Do not share information and resources with other groups

### **The driven organisation**

Driven organisations have high alignment but low engagement. They are characterised by the following:

- Successful at achieving bottom line results
- Focus on “numbers” with pressure to perform
- Vertically focused with clear organisation divisions and formal processes to exert power
- Poor morale and retention

### **The high performance organisation**

High performance organisations have high alignment and engagement. They are characterised by the following:

- Balance alignment and engagement, focusing on both business results and people
- Good understanding of who the customer is with a business strategy that promotes this
- Efficient internal processes
- Employees are engaged with the organisational values and the organisational culture
- Employees have a good understanding of how their work contributes to organisational outcomes
- Performance reviews, reward and recognition processes are aligned to the strategic plan (and are engaging)

## Other models of engagement and alignment

### Gagnon et al

Gagnon et al, (2008) also united alignment and engagement in their paper. Their focus was on ensuring that employees are engaging in specific behaviours that are aligned with the specific strategy, which they called “strategic supportive behaviours”. These behaviours are similar to “pro-role” and “organisational citizenship behaviours” which were discussed in detail earlier.

Some key elements of their paper are as follows:

- Lack of strategic commitment leads to strategic misalignment and employees failing to perform strategic supportive behaviours
- Employees can be considered to be strategically aligned when their day-to-day behaviours are consistent with the organisational strategy
- Gagnon and colleagues’ approach also includes references to a “*sub-component of generalised commitment, namely commitment to a particular strategic initiative*”
- Their research found support for their model, finding that strategic knowledge and perceived company trust both contribute to strategic commitment, which in turn leads to alignment as measured by strategic supportive behaviour

### Hockey and Ley

While not an actual model integrating engagement and alignment, Hockey and Ley’s (2010) interviews of 20 senior managers in UK Best Employer companies highlighted a diverse understanding of the concept of employee engagement and a tendency for some executives to describe employee engagement in terms of organisational alignment. For example (individual sources removed):

- “So to me, employee engagement is about communicating a very clear vision of what we are trying to do as an organisation...making sure everybody knows what to do, that we resolve any difficulties, differences of opinion etc, and that we’re all pointing in the same direction”
- “To me, employee engagement really is about making sure everybody understands what role they have to play in the organisation and having a clear vision and how they help to deliver that vision”
- “...we do very much think of employee engagement in terms of our mission...So I guess what it means for us is people’s drive and passion to contribute to the achievement of the mission”
- “...really getting everybody living and breathing the dream. We have a vision and share that with everybody and we ask them to let us know how we’re doing”

## Taleo Research

One model proposed by the consulting company Taleo Research (2009), suggests that the relationship between alignment and engagement is based on alignment creating engagement. They wrote:

*“According to research from Bersin and Associates, only 29 percent of organisations create employee goals which are aligned to the organisation. This lack of alignment not only impinges on business outcomes, but it also negatively effects employee engagement and motivation. Employees feel valued when they see the link between what they do and the success of the department and the organisation.” (Taleo Research, 2009)*

## BeyeNETWORK

Another consulting company to relate engagement to alignment is BeyeNETWORK (Armitage, 2005). They viewed strategic alignment and strategic engagement as the two necessary conditions for organisational success. They separated business functions into strategic alignment functions and strategic engagement functions. These two functions work in partnership, such that each strategic alignment function pairs with a strategic engagement function, and so on.

Strategy clarification		
Alignment functions	Cost/operational excellence	Engagement functions
Planning	↔	Goal setting
Measurement	↔	Feedback
Accountability	↔	Coaching/mentoring
Evaluation	↔	Development
Pay	↔	Recognition

## 7. Conclusion

The Insync Surveys Alignment and Engagement model is based on a wealth of current and classic academic literature in the areas of alignment, engagement and organisational high performance. The model pulls together this knowledge into an integrated model for achieving high performance in organisations.