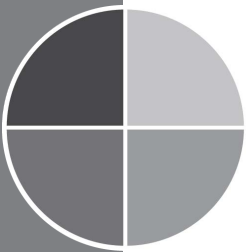


WHITE PAPER

Alignment for Top Performance: What It Is and How to Achieve It

by Howard M. Guttman



Alignment for Top Performance

AT A GLANCE

WHAT IT IS:

WHAT IS ORGANIZATIONAL ALIGNMENT?

ALIGNING WITH THE BUSINESS STRATEGY

ALIGNING BUSINESS DELIVERABLES

ALIGNING ROLES AND RESPONSIBILITIES

ALIGNING PROTOCOLS

ALIGNING BUSINESS RELATIONSHIPS

HIGH PERFORMANCE: THE END RESULT

TESTING FOR TEAM ALIGNMENT

HOW TO ACHIEVE IT:

ALIGNMENT: FROM CONCEPT TO ACTION

1. Take Stock
2. Engage the Team
3. Get the Facts
4. Give the Leader a Heads-Up
5. Hold the Alignment Workout
6. Assess on an Ongoing Basis

BECOMING A HIGH-PERFORMANCE ORGANIZATION

This White Paper is based on articles by Howard M. Guttman that originally appeared in *Executive Excellence* magazine. It is part of a continuing series from Guttman Development Strategies, Inc. dealing with key business challenges and solutions.

by Robert Gamgort,
President,
Masterfoods U.S.A.,
a division of Mars, Inc.

When the history of contemporary management is written, alignment will surely emerge as more important for defining business success than any other concept in the alphabet soup between ABC Accounting and Zen Management. The modern enterprise, after all, is global, decentralized, outsourced, hyperactive, team based, and built for speed. Managing all these forces to create value for shareholders and other stakeholders has become a daunting challenge, especially when resource constraints, savage competitive pressure, and an unforgiving marketplace are added to the equation.

Alignment is ultimately about focus. As president of Masterfoods U.S.A., with more than 7,000 associates; a broad range of products in the food, snack, and pet care categories; a complex distribution and vendor network; and a diverse group of customers, I know the importance of having everyone in the corporation—from the management team to production-floor associates—riveted on meeting the same business objectives. Otherwise, we dilute scarce resources, shift our line of sight from customers to internal issues, and fall victim to all the forces that blunt competitive effectiveness.

Given the significance of alignment as a core business issue, Howard Guttman's White Paper on the subject is an important contribution that should be read carefully by every business leader. He writes from the perspective not of an armchair theoretician, but of a thoughtful management practitioner. Guttman Development Strategies' approach to alignment has evolved from its work with many companies, Masterfoods U.S.A. included.

Alignment does not mean slavish acceptance of top management's latest pronouncements, nor does it mean the lack of debate, diverse viewpoints, or challenges to the *status quo*. The world has become too complex for any one Solomon—or team of Solomons—to provide all the answers. Everyone's brainpower must be engaged. Yet, businesses are not debating societies. Brainpower must not only be engaged; it must also be harnessed.

The Guttman Development Strategies model of organization development, with its five areas of alignment, creates a unified field of vision and operating coherence, beginning with the top team and moving through the organization. But within an aligned organization there is great elbowroom for confrontation and idea exchange, as

FOREWORD

is evident from Howard's discussion of the "how to" of alignment. There has been considerable discussion over the past 10-or-so years about high-performance teams and organizations, but I have not seen a discussion as clear and crisp as Howard's, which treats alignment as the critical driver of high performance.

For readers who are impatient with high-altitude discussions, you'll find in "Alignment for Top Performance: What It Is and How to Achieve It" not only the "what" and "why" of alignment, but plenty of the "how."

As you read through the succinct text, think about your team—whether it is the top executive team or a business unit, divisional, or staff team—and ask yourself these two questions: How effective are we as decision makers? And, how confident am I that, once we make a decision, those outside the team who are responsible for implementation will "get it" and work full throttle to achieve success?

If you have doubts, I urge you to read on.

Alignment for Top Performance: What It Is and How to Achieve It

What Is Organizational Alignment?

Alignment is one of those words that come loaded with baggage. To some it conjures up a mechanistic world: Alignment is what mechanics do to an automobile when the steering is out of whack. But alignment also evokes images of living organisms, as when a chiropractor aligns the body, readjusting the skeletal system to restore it to better balance and integration.

Organizational alignment has more to do with the human side of the term than with its mechanistic counterpart. Organizations, after all, are collective enterprises created by human beings to achieve results. When an organization is properly aligned, its parts move in sync to achieve results. There is a straight line of sight that goes from the organization's strategy to its customers. Scarce human, financial, and capital resources are deployed along that line of sight, so value gets created and added quickly, consistently, and cost effectively. This makes the aligned organization fiercely competitive and an ultimate high-performance entity.

For an organization to achieve high performance, every team, on every level, must be a high-performance one. That is to say, it must be aligned, or in sync, in **five key areas**:

- Business strategy
- Business deliverables coming from the strategy
- Roles and responsibilities at individual and department levels
- Decision-making ground rules and other relevant protocols
- Business relationships

Aligning with the Business Strategy

Strategic alignment entails fundamental agreement on the future direction of the business—the organization's competitive advantage, the products and markets the organization will offer and serve, as well as those that fall outside the boundary—the capabilities needed now and going forward, and the longer-term growth and financial targets.

A number of years ago, the North American and European senior teams of a global player in consumer goods met to set worldwide strategy. The North Americans championed the new strategy that emerged, while their European counterparts nodded in silent agreement but never really bought in. No sooner had the meeting concluded than both sides went back to their respective areas with mixed messages. This set off fierce competition

for resources, with each area pursuing different product and market approaches. Within 18 months, the new-product pipeline was empty and time-to-market lagged 30 percent behind the industry standard.

This company found out the hard way that strategic misalignment leads to self-sabotage and forces senior management to spend time plugging leaks in the dike rather than working seamlessly to implement key priorities.

In contrast, Johnson & Johnson's senior team is a notable example of a tightly aligned, highly effective leadership group.

Johnson & Johnson is a portfolio organization made up of over 200 companies, or business units. How does J&J manage the centrifugal forces that are typically at play in a portfolio environment? According to Dr. Martin N. Freedman, director of the School of Personal and Professional Development, J&J Worldwide, its business units are tied together by clear, common goals and values, which are articulated in the company's Credo, or statement of values. "The Credo isn't just displayed: People make day-to-day decisions based on it," says Freedman. "Everyone at J&J is guided by our responsibility to the community in which we work, our fellow employees, our stockholders, and the people who use our products: doctors, nurses, patients, parents. The person working on a machine that makes sutures feels it; so does the one who cleans up after the third shift. If you stopped someone in the hallway and asked them what our values were, they would give the same answer as the people who wrote them."

Aligning Business Deliverables

How can you ensure that the day-to-day work in which people are engaged is supportive of organizational values and goals? Martin Freedman gives the example of a leader who was faced with that challenge when he took over a J&J operating company a while back. Calling together his senior team for the first time, he asked them how many open projects they had. They told him that there were 475 projects under way. His response: "Here are seven goals that will be driving the company and ensuring our alignment with corporate goals. How many of the 475 have anything to do with these seven goals?" They answered that 33 of the 475 projects were in alignment with the goals he had articulated. The leader: Reassess the 442 non-strategic projects!

Aligning Roles and Responsibilities

Today's horizontal, matrixed organization is dynamic and fluid. Its need for speed puts a premium on having clear roles and responsibilities that are aligned with the business strategy and operational imperatives.

Paul Michaels, president of Mars, Inc., recognizes the importance of individual roles and accountability and, based on his years of experience, he describes some of the turf battles that typically occur when a company fails to make accountabilities clear:

Manufacturing is driven by efficiency and likes to perfect one product spec for all customers. Sales, on the other hand, is under pressure from significant clients to provide customized products. The VP of sales promises the customized products, and his or her counterpart in Marketing encourages that group to begin advertising the variations. Or R&D comes up with a complicated design that strains Manufacturing's resources. As complaints emerge, the VP of manufacturing makes the call to change some of the specifications. Everyone is pulled in different directions, and, before you know it, it can be all-out war.

Before beginning a team alignment, we suggest you ask your fellow team members to rate their performance in a number of areas. Here are two critical questions, "How clear are you about **your** role/accountability on the team?" and "How clear are you about the **other team members'** roles/accountability?" Then, during the alignment session, ask team members to define their job for the rest of the group: to list the activities that they carry out and the results that they are responsible for, to describe how they believe their job is perceived by other players, and to identify the gaps that exist between themselves and the other team members. Then record their responses on a matrix that is visible to the entire team. As each executive's data is added, the disconnects become increasingly apparent. The discussion that follows often results in a whole new model, with new intersection points, on which everyone can agree.

Aligning Protocols

There is often major confusion on teams as to who will make decisions and how they will make them. The resulting decision drag retards the team and the organization. We recommend that every team develop and agree upon protocols for decision making. For example: How will important decisions be made: Unilaterally, collaboratively, or by consensus? Who will be consulted for information? For opinions? Who will make the final decision? And, who will execute it?

Protocols for resolving conflicts—think of them as ground rules for behavior—are another area in which every team needs to be aligned if it hopes to achieve high performance. Simple rules such as “no triangulation, or enlistment of third parties,” “resolve it or let it go,” “don’t accuse in absentia,” and “no hands from the grave” can eliminate much of the unresolved conflict that paralyzes teams and keeps them from moving to a higher level of performance.

Aligning Business Relationships

How well a team works to align in the areas of strategy, goals, roles, and protocols speaks volumes about the interpersonal relationships among its members—the fifth key element of alignment. These relationships are often holding pens of conflict. In dysfunctional teams and organizations, here is where all the silo thinking and subterfuge surface.

Individual behavior and communication styles tend to come packaged as nonassertive, assertive, or aggressive. Each style has payoffs, and each exacts a price. For the nonassertive individual, the payoff is avoiding arguments and coming across as a team player. But the price is steep in terms of unmet needs and diluted effectiveness. Aggressive people tend to get their way, but not without alienating others, closing down input and feedback, and failing to gain commitment. The ultimate goal when it comes to business relationships is for everyone on the team to be assertive: able to express their needs and wants without violating the boundaries of others.

To align a team’s business relationships, take these three steps:

- 1) Ask team members to assess one another’s behavior style.
- 2) Ask them to think about ways in which they can moderate their own behavior—moving from nonassertive or aggressive to assertive.
- 3) Have each person “contract” with fellow team members to acquire the skills and make the behavior changes that will facilitate conflict resolution.

High Performance: The End Result

Alignment takes the guesswork out of high performance. It makes explicit and transparent the kinds of results, relationships, and behaviors that define business success. Align teams and organizations in the five key areas and you create high-powered, high-performance entities. Put differently, alignment is not an end in itself. Organizations and teams align in order to move up to the next level of play.

Testing for Team Alignment

Is your team a high performer? For the answer, conduct a “mirror exercise” by asking team members if your team possesses these eight attributes common to all high-performance entities:

- ✓ Clear Team Goals
- ✓ The Right Players in Place
- ✓ Clear Roles/Responsibilities
- ✓ Commitment to Winning for the Business over Self-interest
- ✓ An Agreed-Upon Decision-Making/Leadership Mechanism
- ✓ A Sense of Ownership/Accountability for Business Results
- ✓ Comfort Dealing with Conflict
- ✓ A Process for Periodic Self-Assessment

If answers include a considerable number of “noes” or “maybes,” it’s time to align.

Alignment: From Concept to Action

It’s a common trap: The top team meets, makes a decision, and months later wonders what, if anything, happened. The decision a top team makes to align the organization—to ensure that it is a unified force to achieve business results—is too important to risk its becoming yet another victim of the decision trap. Alignment is, after all, the axial principle of high performance.

Here are six actions to move alignment from “decision made” to “decision implemented.”

1. Take Stock

The alignment process is frequently triggered by a leader who senses a disconnect between the “should be” and the “what is”: between what an organization wants to become and where it is actually headed. For example, when in the mid-1990s Lew Frankfort, CEO and chairman of Coach, saw that his company’s sales were beginning to slow, he realized that a major overhaul of the company was required. He decided to transform, through alignment, not only his senior team but teams throughout the organization.

Soul-searching in a business setting is not a solo act. Wise leaders don’t attempt to take stock alone. It’s best to retain a trusted consultant, whether from the ranks within—and here is where senior HR professionals can play a major role—or from the outside.

Whether the leader is the CEO, a division president, general manager, or functional head, here’s the basic question that must first be addressed: What would your organization look like if you could take it to the next level of performance? And then: What would the senior-management team be able to accomplish? What goals would the organization be able to reach? What barriers would no longer exist? What problems would be solved?

As the leader answers these questions, the consultant must test hard to prevent “wish-listing.”

2. Engage the Team

No matter how it is packaged, the message that “We need to up the performance bar” is implicitly disquieting. It puts the *status quo* on trial. This is why the next step toward alignment is so critical: It is here that the leader

communicates with his or her team members, allays their fears, secures buy-in, and generates excitement for the new world of significantly higher performance.

During this session, which generally runs between one and a half and two hours, the leader should begin by presenting the business case for a performance-improvement initiative: “We are here, and we need to be there.” This is the time for the leader to share his or her initial perspective on the situation.

Effective leaders come with solutions, not just problem statements. At this initial team meeting, the leader must drive home the connection between alignment and high performance. When a team is clear and committed to a common direction, when it focuses on business deliverables that evolve from that direction, when it is clear about its roles and responsibilities, when decision-making protocols are in place, and when business relationships are open and avoid siloism, then it acquires new performance muscle and the will to win.

While the leader presents the “why” of alignment, it’s the consultant’s job to brief the team on the “how”—the steps going forward in the alignment process.

Finally, there needs to be a segue to data collection, the next phase of alignment and team transformation: Team members need to be informed that the consultant will be speaking individually with each of them to get their perspective on the “should be-what is” gap.

3. Get the Facts

The alignment process is a team effort. Do team members share the leader’s view of the situation? Do they share the same sense of urgency and a similar assessment of the barriers to high performance? It’s up to the consultant to draw out and analyze the many viewpoints and “stories” that lie beneath the surface.

Confidentiality is an imperative, allowing team members to answer candidly a series of tough questions that cover the team’s current degree of alignment in the five key areas.

We suggest using an ascending scale of 1 to 5 to capture responses to questions such as:

- From “not clear” to “very clear,” how would you rate the clarity of team goals?
- From “not clear” to “very clear,” how clear are you about your role/accountability on the team? Others’ roles/accountabilities?

- From “wary, closed, with hidden agendas” to “candid, open, relaxed, easy to speak your mind,” how would you rate the working atmosphere within the team?

Along with this set of quantitative questions, some open-ended questions, designed to obtain qualitative data, are also asked. For example:

- What one suggestion would you give your team leader to increase his or her effectiveness in this position?
- What are some of the things that are not working in the way the team functions? What is working?

At the end of these 45-minute-to-one-hour individual interviews, the consultant has an accurate picture of how long and difficult the journey to alignment is going to be, and that information is shared first with the team leader, then with the rest of the team.

4. Give the Leader a Heads-Up

Some leaders perceive the feedback from their team as a personal challenge or, worse, an attack. Here’s where the consultant can add value by working with the leader to depersonalize the critique and view it as facts presented in a business case.

The consultant must give the leader a chance to absorb the team’s feedback before going public with it, not just as a courtesy, but to enable the two to plan the next step in the alignment process. Together, they discuss which of the five key areas will require the most work, where there appear to be breakdowns between individual players, where turf battles between functions seem to be paralyzing the team, where decision making is stalled, which team members are perceived as either aggressive or nonassertive by their peers, and so on. Think of the one-hour heads-up session with the leader as the “choreographing” of the team alignment—which will be the next step in the process.

5. Hold the Alignment Session

The team-alignment session is an intensive, two-day experience. The first order of business is to have the team take a good, long look in the mirror.

Holding up the Mirror

The metamorphosis of a team begins with “holding up the mirror,” when the members take what for many is the first honest look they’ve ever had at themselves as individuals and team players. This is when the leader and consultant share the consolidated data from the interviews with the full group.

The effect of such self-revelation is very powerful, as Gerard Kells, vice president of human resources for Johnson & Johnson's Medical Devices and Diagnostics Division, can attest:

When the team sees the data, they realize that it's theirs: They own it; it describes them. They realize that they all agree on the importance of functioning well as a team, and they all agree that they're not doing it. Sitting in the group, having the data fed back to you, you find out that everyone else thinks the same way you do. But nobody has ever talked about it openly before. All of sudden, everyone's true feelings have been let out, and there's no denying them, no taking them back. It's sobering—and a little frightening as well.

Time to Align

With a clear picture of the team's behavior in hand, it is now time to confront the alignment issues head on. Discussion now centers around the fact that high-performance teams—teams that score fours and fives on the questionnaire—are aligned in all five key areas, and this alignment is key to successfully working through conflict and attaining the expected business results.

The consultant asks team members to look objectively at the data, treating it as a business case in which they have no personal stake. It's helpful to divide the team into small groups, with each one considering four questions—three based on the data and the fourth on “gut feeling”:

1. What are some of the adjectives that you would use to describe this team?
2. What is the main message or “story” that comes through about this team?
3. What are the obvious issues that this team needs to resolve?
4. What will happen to this team if, five months from now, it hasn't changed?

The groups then reassemble to share their responses.

The activities we've just described are not academic exercises or touchy-feely encounters. They are a tough-minded, introspective, important first step in changing the way teams think about themselves. For what is often the first time, individual team members begin thinking about the team as a cohesive business unit. They begin to see the implications of their own behavior on that of the group. They begin to realize exactly how much is at stake. And they begin to buy into the need to change.

The Outcome

At the end of the two-day alignment session, a team knows exactly which key issues it needs to resolve and has come up with tangible agreements for moving forward. Each member has a clear picture of what he or she needs to do differently as individuals and in interrelations with others, and of his or her accountability to the team.

Team members have begun their metamorphosis into a high-performance team, with a clear idea of what they have to change. They have assumed responsibility for their transformation.

6. Assess on an Ongoing Basis

High-performance teams don't magically appear after two days of deliberation. The foundation for high performance is in place, and in the coming months the team will probably experience some high-performance moments, but it may take months for the new behaviors to become deeply rooted. After their initial alignment, team members will have to work hard to maintain the momentum. Promises that were made must be kept: to let go of destructive going-in stories, to be candid and encourage candor in others, to refuse to play the triangulation game, and to put allegiance to the team above functional self-interest. The contracts that were made between and among individual team members regarding business relationships and responsibilities must become working documents.

Self-assessment sessions must be held, on a regular basis, so that every team member, individually and collectively, can judge how well the team is doing in adhering to its commitments. "Que sera, sera" is the bane of high performance. Team members must move quickly to take corrective action as soon as they realize that a contract has been broken or a protocol ignored.

And, as an additional check, after the alignment session the consultant should meet with the team every four or five months to reassess its progress.

Becoming a High-Performance Organization

Senior-management teams are the pivot points of high performance, but they can't go it alone. Teams everywhere in the organization must also turn in a stellar performance, which makes "multi-tier alignments" an imperative.

As the cascading process proceeds, leaders at every level have a ready answer to that initial question: What would our organization look like if we could take it to the next level of performance? The answer: It would look like us.

About the Author

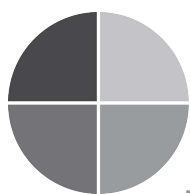
Howard M. Guttman is principal of Guttman Development Strategies, Inc. (GDS), a Ledgewood, NJ-based management consulting firm specializing in building high-performance teams, executive coaching, and strategic and operational alignment.

Among GDS's U.S. and international clients are Campbell Soup, Colgate-Palmolive, Johnson & Johnson, Masterfoods U.S.A., Motorola, L'Oréal U.S.A., Pfizer, Philip Morris, Sara Lee Corporation, and *The New York Times*.

Mr. Guttman is the author of *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization*. He is a frequent contributor to professional journals such as *Harvard B-School Working Knowledge*, *Human Resource Executive*, *The Journal of Business Strategy*, *Leader to Leader*, and *Pharmaceutical Executive*; is quoted frequently in the business press; and is a sought-after speaker.

Mr. Guttman frequently addresses corporate and academic audiences on such topics as "Conflict Management as a Core Leadership Competency," "Putting Performance Into High-Performance Teams," "Best Practices in Executive Coaching," "Alignment: From Strategy to Implementation," and "Designing and Implementing Results-Focused Training."

Mr. Guttman can be reached by telephone at (973) 219-3602 or e-mail to hmguttman@guttmandev.com. His company's Web address is www.guttmandev.com.



Guttman

Development Strategies

400 Valley Road, Suite 103

Mount Arlington, NJ 07856

Phone: 973 770-7177

www.guttmandev.com E-mail: gds@guttmandev.com