

Align the Organization: People, Purpose & Performance

By Howard Rohm

Co-Founder & President

& David Jalili

Senior Associate

Could your organization improve its performance if communication clarity was improved? Does employee work align with organization goals? Do departments focus on activities within their own silos, leading to inefficiencies in customer facing processes that cut across multiple departments?

These questions center on the issue of organizational alignment. By alignment we mean harmonizing the work employees do with the overall goals of the organization, resulting in employees "getting it" when it comes to making better decisions that serve both corporate and personal goals.

The key to alignment is to make organization-wide strategic elements—like vision, mission, and goals--actionable to all employees so they see the connections between the work they do on a day-to-day basis and organization purpose. The process of aligning an organization is called "cascading", meaning strategic elements at high-altitude (organization wide vision, for example) are translated into lower level objectives that support strategy (producing high quality consumer products on time and at or below budget, for example) and then translated into the activities that employees perform.

True organization alignment doesn't come from cascading performance measures or cascading projects into tasks and activities. True alignment occurs when an organizations strategy is turned into action at the business and support unit level, and then into action at the employee level for individual employees and teams of employees.



The balanced scorecard, when developed as a true performance planning and management system--not just a measurement or project execution system—uses strategic cascading to align all employees to department and organization goals.

The advantages of using a balanced scorecard to align an organization include: any size organization and any sector--business and industry, government and not-for-profit—can be aligned; it is an integrated system that "connects the dots" between organization goals and strategy and employee activity; and it holistically incorporates elements of goal setting, strategy, operational efficiency, continuous improvement, change management, and clear communication and accountability. A good scorecard system allows organizations to measure what matters and evaluate how well they are performing with financial and customer results, operational efficiency, and organization capacity.

New, modern balanced scorecards are vastly different than the early balanced scorecards based on a simple performance measurement framework. While many of these early systems are still in use, they have limited usefulness because the focus is almost entirely on existing operational measurements. Balanced scorecards developed as full strategic planning and management systems do much more than that – they help align an organization behind a shared vision of success, incorporate strategic thinking and focus on results that matter, build employee buy-in to goals, and incorporate transformation goals into the process of organization change.

Figure 1, taken from the Balanced Scorecard Institute's recently released book, *The Institute Way: Simplify Strategic Planning and Management with the Balanced Scorecard*, shows how the cascading process aligns employees to the rest of the organization.

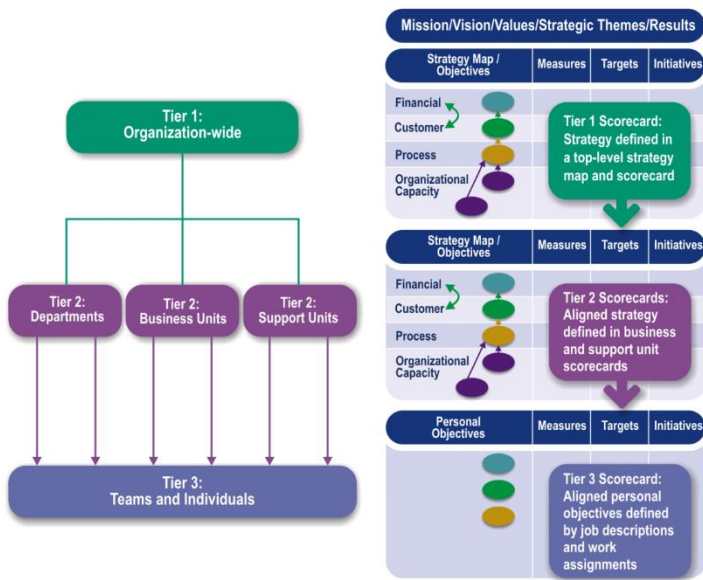


Figure 1: Alignment Logic

The alignment step starts with a discussion of which of several alignment approaches should be used. Following approach selection, teams are selected and staffed to do the strategy development work required for three organization levels or tiers: Tier 1—organization-wide, Tier 2—business and support units, and Tier 3—employees. This process is discussed in detail in *The Institute Way* book.

Alignment is one of the critical steps in building a strategic management system. The Institute uses the *Nine Steps to Success™* framework shown in the Figure 2 to develop and implement a full scorecard system. For organizations that already have built a scorecard, but it is not a full strategic planning and management system, the steps can be used to make the existing scorecard more robust.

How long does it take to build a scorecard system and align the organization? Depending on the size of the organization, two to four months for each organizational tier is typical. But it is important to remember that the decision to undertake development of a balanced scorecard is a decision to undertake a journey, not work on a project that will be completed in several months. The real value of a scorecard system

comes from the continuous self-inquiry and in-depth analysis that is at the heart of the process. Start your balanced scorecard with the idea that you are in it for the long term, that it is about changing hearts and minds as much as it is about performance measures and measurement software, and that it is a powerful tool to bring discipline to the planning and management process and build employee engagement to organization goals.



Figure 2: Balanced Scorecard Nine Steps to Success™ Framework

About the authors

Howard Rohm is an author, international speaker, trainer, facilitator, and performance improvement consultant. He is the Founder and President of Strategy Management Group (SMG) whose companies include the Balanced Scorecard Institute. Howard has worked with over 100 private and public organizations and developed balanced scorecard and performance management systems to improve organization performance. His balanced scorecard framework, *Nine Steps to Success™*, is used by businesses, nonprofits, and governments in over 40 countries. Howard has taught and lectured at five universities, and at the Federal Executive Institute. He can be reached at SMG's website www.strategymanage.com.

David Jalili is a Senior Certified Associate of the Balanced Scorecard Institute and is headquartered in Dubai, U.A.E. and trains and consults throughout the Middle East

About the Balanced Scorecard Institute (BSI)
BSI provides consulting, training, and professional certification services to organizations worldwide related to strategic planning, balanced scorecard, KPI/performance measurement, and strategic project management.

©2013 Balanced Scorecard Institute, a Strategy Management Group company. All rights reserved. Do not copy without permission.