The Alignment Factor
Academic Foundations & Practical Applications

Institute for Public Relations
Pathfinder Award
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Prof. dr. Cees B.M. van Riel
Having *The Alignment Factor* evokes success……

Alignment is a mutual rewarding relationship between a company and its key stakeholders enabling the firm to realize its purpose”

(Cees van Riel, The Alignment Factor, Leveraging Total Stakeholder Support, Routledge, 2012)

• A high degree of employee alignment evokes success:

  - 10% Improvement in Alignment
  - 6% Improvement in Employee Effort
  - 2% Improvement in Performance

  Going the extra mile in role behavior and organizational citizenship
  Caused by increases in retention, internal synergy and as a consequence customer appreciation

Source: Corporate Executive Council, 2007
Alignment evokes success.............but, puts high demands on Managers and Employees...

<table>
<thead>
<tr>
<th>Employees are supposed to...</th>
<th>Managers are supposed to....</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Know and understand the strategy</td>
<td>• Having an answer to the ‘<strong>what is in it for me</strong>’ question, with the new strategy., e.g........:</td>
</tr>
<tr>
<td>• Be able to implement the strategy</td>
<td>• It increases competitive advantage resulting in <strong>a better future for me</strong></td>
</tr>
<tr>
<td>• Act in accordance with the strategy</td>
<td>• It implies that the firm will <strong>help me developing professional skills</strong></td>
</tr>
</tbody>
</table>

- It increases competitive advantage resulting in **a better future for me**
- It implies that the firm will **help me developing professional skills**
- It provides **clarity about the reward systems**
- It **fits with my personal values**
- It makes me feel **proud** about the firm
As a consequence ... it requires a sophisticated set of managerial actions enabling management establishing The Alignment Factor in their firm

- Step 1 Gathering Intelligence
- Step 2 Selecting the Right Roadmap
- Step 3 Applying Effective Communication
Developing The Alignment Factor

Step 1 Gathering Intelligence
### Developing The Alignment Factor in your Organization

**Step 1a Gathering Intelligence: focus on Overall Identity**

(Source: Cees van Riel, The Alignment Factor, Leveraging Total Stakeholder Support, Routledge, 2012)

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bureaucracy</strong></td>
<td><strong>Accountability</strong></td>
</tr>
<tr>
<td>Strict &amp; Predictability in procedures and outcomes</td>
<td>Clear &amp; predetermined performance criteria. It’s either up or out!</td>
</tr>
<tr>
<td><strong>i.e. Government Organization</strong></td>
<td><strong>i.e. Law Firm</strong></td>
</tr>
<tr>
<td><strong>Shared Meaning</strong></td>
<td><strong>Ideology</strong></td>
</tr>
<tr>
<td>One vision, strong identification with leadership. Typical in-group versus outgroup thinking</td>
<td>Idealistic, dogmatic worldview. You either believe or disappear</td>
</tr>
<tr>
<td><strong>i.e. Southwest Airlines</strong></td>
<td><strong>i.e. Greenpeace</strong></td>
</tr>
</tbody>
</table>
Developing The Alignment Factor. Step 1b *Gathering Intelligence: Specific Identity: Projected & Perceived Identity*

- Which **Specific Identity Traits** (especially *projected & perceived*) are relevant in the Context of Implementing the Strategy?

  - Perceived and Projected Identity both impact Identification.
  - Especially in case of *threat projected identity* impacts identification MORE than *perceived identity*. So, corporate messaging does matter a lot!

Developing The Alignment Factor. Step 1c: Gathering Intelligence: What about Supportive Behavior?

10% has a **positive perception** of the strategy, they fully support the strategy

70% is **indecisive** whether to support the strategy, they need to be persuaded

20% has a **negative perception** of the strategy, they will never support the strategy

- A substantial group of employees supports the strategy at **attitude** level
- However, only a **small group** fully understands the strategy
- And, **actual support** with relevant actions **does not happen easily**

(Van Riel, Principles of Corporate Communication, Prentice Hall, 1995)
Developing The Alignment Factor. Step 1c Gathering Intelligence: Tracking Supportive Behavior

Familiarity with the strategy

Do employees know the strategy?

What drives Alignment most?

Do they understand & support the strategy?

Informing
- Sufficient information?
- Consistent information?
- Sufficient support from line management?

Motivating
- Sufficient engagement of managers in dialogues?
- What is in it for them?
- Acknowledgement of contributions of employees?

Capability Development
- Are employees sufficiently trained & empowered to implement the strategy?

Understanding of the Strategy

Attitude towards the Strategy

Gathering Intelligence: Tracking Supportive Behavior (Van Riel, Berens, Dijkstra Journal of Management Studies, 2009)
## Tracking Supportive Behavior: Hypothetical Scorecard Firm X

<table>
<thead>
<tr>
<th>Familiarity</th>
<th>Total</th>
<th>Division A</th>
<th>Division B</th>
<th>Division C</th>
<th>Division D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>93.5%</td>
<td>93.9%</td>
<td>92.3%</td>
<td>89.5%</td>
<td>97.7%</td>
</tr>
</tbody>
</table>

### Drivers of internal alignment

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Division A</th>
<th>Division B</th>
<th>Division C</th>
<th>Division D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Informing</strong></td>
<td>62.4</td>
<td>63.1</td>
<td>59.9</td>
<td>56.0</td>
<td>70.6</td>
</tr>
<tr>
<td>Media &amp; Communication</td>
<td>64.3</td>
<td>63.8</td>
<td>62.3</td>
<td>66.7</td>
<td>69.4</td>
</tr>
<tr>
<td>Cascading</td>
<td>60.4</td>
<td>62.3</td>
<td>57.4</td>
<td>45.3</td>
<td>71.7</td>
</tr>
<tr>
<td><strong>Motivating</strong></td>
<td>49.1</td>
<td>50.5</td>
<td>45.5</td>
<td>38.4</td>
<td>59.1</td>
</tr>
<tr>
<td>Dialogue</td>
<td>48.5</td>
<td>50.7</td>
<td>44.1</td>
<td>34.8</td>
<td>59.8</td>
</tr>
<tr>
<td>Recognition &amp; Reward</td>
<td>49.6</td>
<td>50.2</td>
<td>46.8</td>
<td>42.0</td>
<td>58.3</td>
</tr>
<tr>
<td><strong>Capability Development</strong></td>
<td>59.7</td>
<td>59.4</td>
<td>57.1</td>
<td>56.2</td>
<td>69.7</td>
</tr>
<tr>
<td>Capability Development</td>
<td>59.7</td>
<td>59.4</td>
<td>57.1</td>
<td>56.2</td>
<td>69.7</td>
</tr>
</tbody>
</table>

### Internal alignment

<table>
<thead>
<tr>
<th>Strategically aligned behavior</th>
<th>Total</th>
<th>Division A</th>
<th>Division B</th>
<th>Division C</th>
<th>Division D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58.2</td>
<td>62.3</td>
<td>58.1</td>
<td>57.5</td>
<td>54.4</td>
</tr>
</tbody>
</table>

### Indicators of internal alignment

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Division A</th>
<th>Division B</th>
<th>Division C</th>
<th>Division D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding</td>
<td>45.3%</td>
<td>56.3%</td>
<td>58.6%</td>
<td>36.9%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Attitude</td>
<td>76.7</td>
<td>76.1</td>
<td>73.9</td>
<td>78.7</td>
<td>84.2</td>
</tr>
</tbody>
</table>

- Awareness: ≥ 70% of employees (Maintain (>60))
- ≤60% of employees (Room for improvement (50-60))
- Immediate action (<50)

Reputation Institute, Strategic alignment monitor; www.reputationinstitute.com
Developing The Alignment Factor

Step 2 Selecting the Right Roadmap
Step 2 Selecting the Right Roadmap: hard tools -- soft tools

Forging Strategic Business Alignment, *The Conference Board 2003*
### Step 2 Selecting the Right Roadmap: hard tools – soft tools in communication

<table>
<thead>
<tr>
<th><strong>Negotiation</strong></th>
<th><strong>Confrontation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consulting</strong></td>
<td><strong>Mirroring</strong></td>
</tr>
<tr>
<td>• Presentations and information sharing with Unions</td>
<td>• Unavoidable exposure by internal messaging</td>
</tr>
<tr>
<td>• Presentations and information sharing with Working Council(s)</td>
<td>• Using Corporate Adds persuading internal audiences</td>
</tr>
<tr>
<td><strong>Consensus</strong></td>
<td><strong>Power Play</strong></td>
</tr>
<tr>
<td>• Town Hall meetings</td>
<td>• New organizational structures and decision making procedures</td>
</tr>
<tr>
<td>• Management Meetings</td>
<td>• Appointing new managers in key roles</td>
</tr>
<tr>
<td>• Jam Sessions</td>
<td>• Capability development in Internal Training Programs</td>
</tr>
<tr>
<td></td>
<td>• New appraisal rules</td>
</tr>
</tbody>
</table>

Developing The Alignment Factor

Step 3 Applying Effective Communication
Step 3 Applying Effective Communication: 3 managerial efforts

- **Informing**: Satisfaction with corporate messaging about the organization appears to impact Identification more than information about the personal role. So, corporate messaging about strategy initiated by communication managers is vital too.

- **Motivation**: Communication climate (openness, participation in decision making and above all feeling taken seriously by managers) caters a feeling of self categorization and self enhancement, stressing the vital role of line communication

(Smidts, Pruyn and Van Riel: The impact of Employee Communication and Perceived External Prestige on Organizational Identification, AMJ, 2001, 44, 5, 1051-1062.)
Informing: Convincing Lower Echelons Takes a lot of Time
Informing: Avoiding Cascading Trap

• Line Managers often appear to be the bottleneck in informing and motivating lower ranked employees. Solving the Cascading Trap problem helps. How to do this?

• Be aware of cascading barriers:
  • Interpretation problems
  • Language problems
  • Framing problems

• Practical solution (Philips): pursuing higher managers to present ‘their’ story in a corporate DVD setting (including reading the ‘correct’ message) followed by ‘unavoidable exposure of this recorded message to their reports
Motivating: Stimulate Uttering Voice Avoid Corporate Silence

• Employees have a tendency to refrain from uttering voice:

Someone is recognizing that a senior executive is making a poor decision. This person asks his boss “shouldn’t we tell him?”. The boss answers: Yes. Let’s end our careers by challenging a decision that won’t change anyhow. That’s a great idea.

• Nevertheless, uttering voice is essential regarding topics that will impact the performance of the organization. So, stimulating an open climate will improve performance.

(Morrison & Milleken, 2000 & Pinder & Harlos, 2001)
Motivating: Stimulate Uttering Voice ➔ Avoid Corporate Silence

• How can Communication Managers stimulate uttering voice?

- Often applied solution: **SHOOT TO KILL** sessions with Top Management

Milliken, Morrison and Hewlin, An Exploratory Study of Employee Silence: Issues that Employees Don’t communicate Upward and Why”, JMS, 2003
At hindsight: Combining Fundamental & Applied Research has been a Balancing act ..........which was only possible.........
….with a little help from my friends

Paul Argenti
(Tuck Business School)

Stephen Greyser
(Harvard Business School)

Tom Brown
(Oklahoma State University)

Charles Fombrun
(Stern Business School
Reputation Institute)
Thank You IPR