

The Alignment Factor

Academic Foundations & Practical Applications

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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:



Source: Corporate Executive Council, 2007

Alignment evokes success.....but, puts high demands on Managers and Employees...

Employees are supposed to...

- Know and understand the strategy
- Be able to implement the strategy
- Act in accordance with the strategy

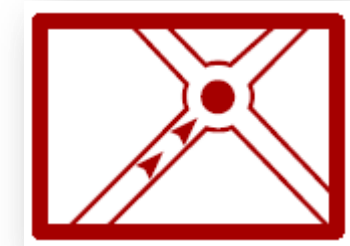


Managers are supposed to....

- Having an answer to the 'what is in it for me' question, with the new strategy., e.g.....:
- 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

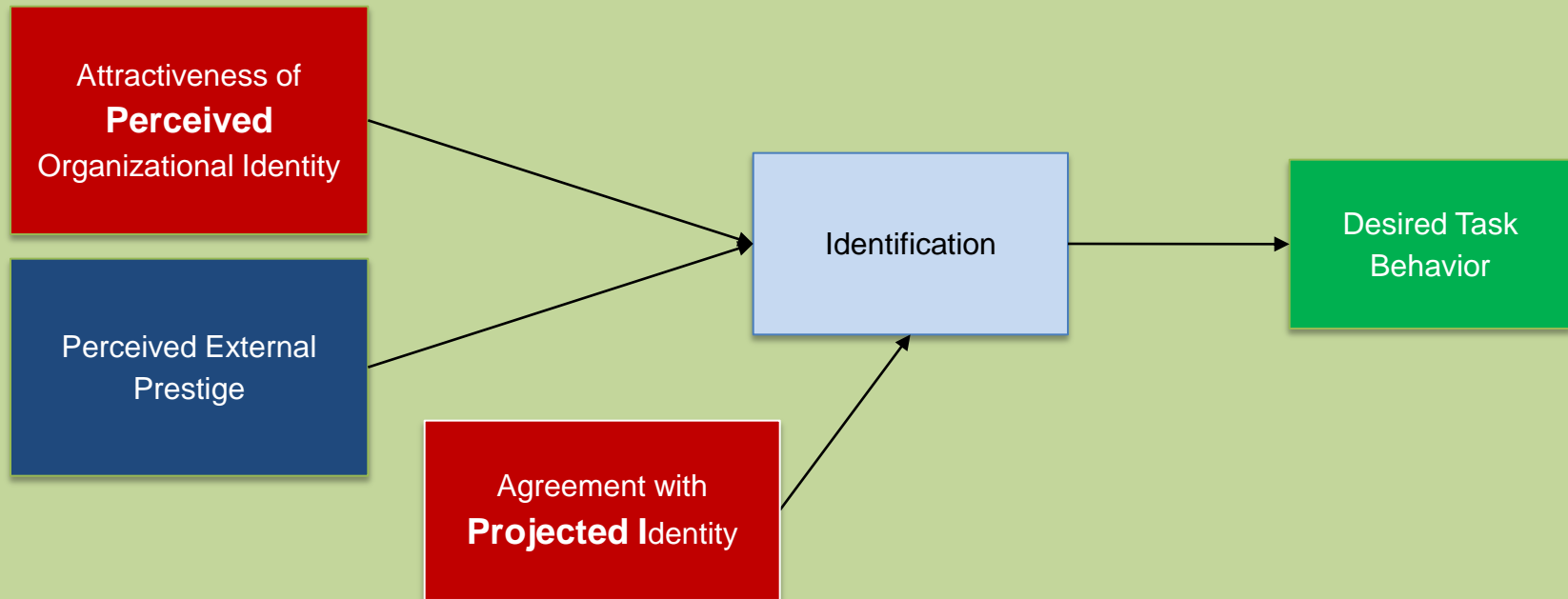
Step 1a *Gathering Intelligence*: focus on Overall Identity

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



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!

Source: Carroll & Van Riel, 2006. Elstak, Van Riel, Pratt, 2010 & Bhatt, Elstak, Van Riel, Berens, 2012

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*

Do employees know the strategy?

Familiarity with the strategy

What drives Alignment most?

Informing

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

Motivating

Serious 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?

Do they understand & support the strategy?



Understanding of the Strategy

Attitude towards the Strategy

(Van Riel, Berens, Dijkstra Journal of Management Studies, 2009)

Tracking Supportive Behavior: Hypothetical Scorecard Firm X

	<i>Total</i>	<i>Division A</i>	<i>Division B</i>	<i>Division C</i>	<i>Division D</i>
<i>Familiarity</i>					
Awareness	93.5%	93.9%	92.3%	89.5%	97.7%
<i>Drivers of internal alignment</i>					
Informing	62.4	63.1	59.9	56.0	70.6
Media & Communication	64.3	63.8	62.3	66.7	69.4
Cascading	60.4	62.3	57.4	45.3	71.7
Motivating	49.1	50.5	45.5	38.4	59.1
Dialogue	48.5	50.7	44.1	34.8	59.8
Recognition & Reward	49.6	50.2	46.8	42.0	58.3
Capability Development	59.7	59.4	57.1	56.2	69.7
Capability Development	59.7	59.4	57.1	56.2	69.7
<i>Internal alignment</i>					
Strategically aligned behavior	58.2	62.3	58.1	57.5	54.4
<i>Indicators of internal alignment</i>					
Understanding	45.3%	56.3%	58.6%	36.9%	30.2%
Attitude	76.7	76.1	73.9	78.7	84.2

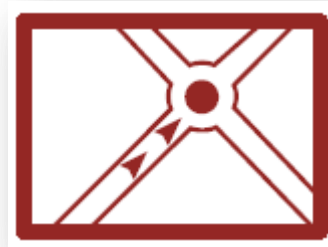
Awareness:
 ≥ 70% of employees
 ≤ 60% of employees

■ Maintain (>60)
■ Room for improvement (50-60)
■ Immediate action (<50)

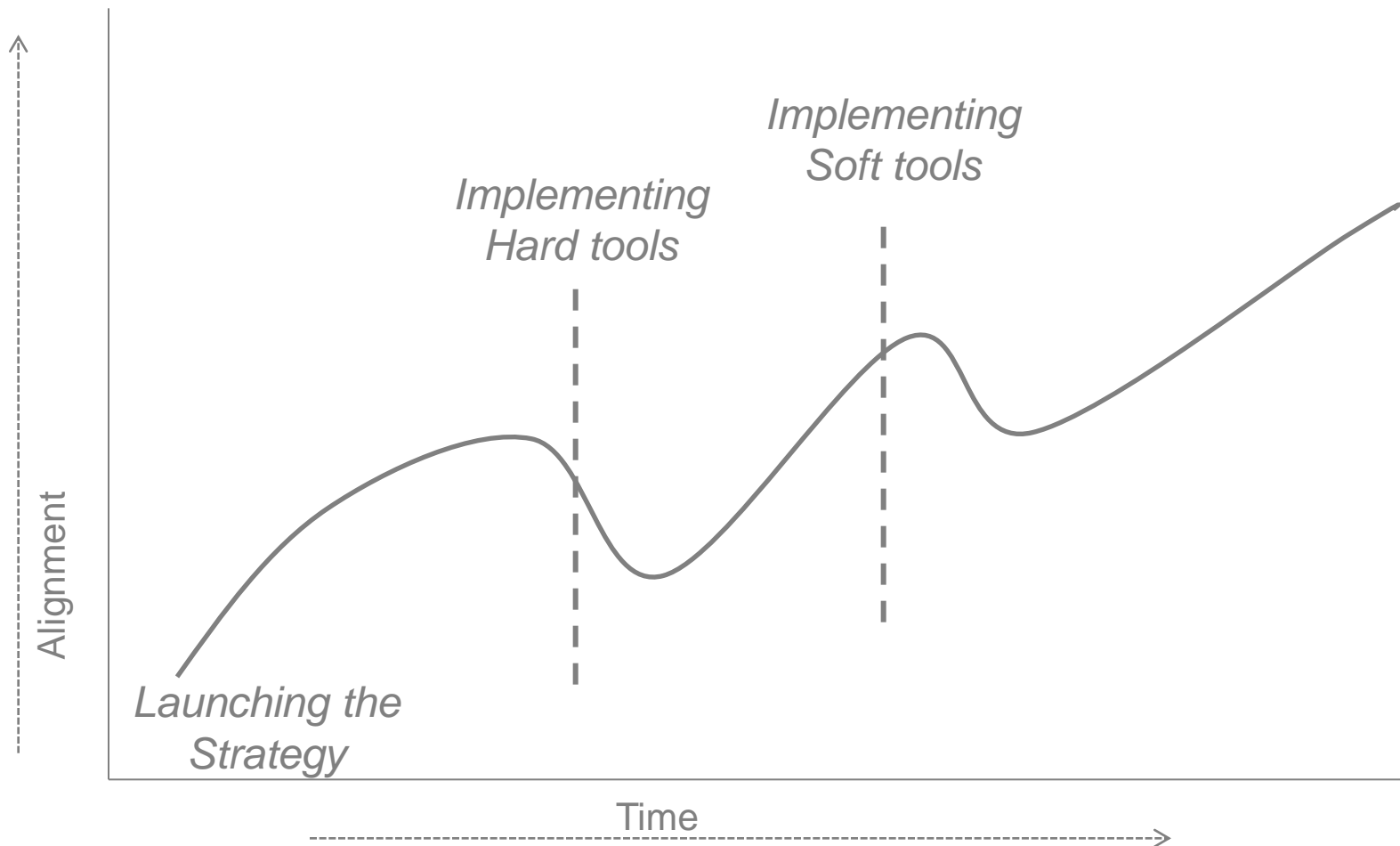
Reputation Institute, Strategic alignment monitor; www.reputationinstitute.com

Developing The Alignment Factor

Step 2 Selecting the Right Roadmap



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



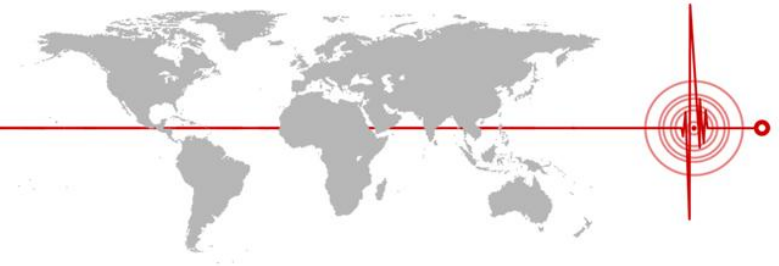
Forging Strategic Business Alignment, *The Conference Board* 2003

Step 2 Selecting the Right Roadmap: hard tools – soft tools in communication

Negotiation	Confrontation
<div>Consulting<ul style="list-style-type: none">• Presentations and information sharing with Unions• Presentations and information sharing with Working Council(s)</div>	<div>Mirroring<ul style="list-style-type: none">• Unavoidable exposure by internal messaging• Using Corporate Adds persuading internal audiences• Allocating Coaches to key managers aimed at adjusting role behavior</div>
<div>Consensus<ul style="list-style-type: none">• Town Hall meetings• Management Meetings• Jam Sessions</div>	<div>Power Play<ul style="list-style-type: none">• New organizational structures and decision making procedures• Appointing new managers in key roles• Capability development in Internal Training Programs• New appraisal rules</div>

Developing The Alignment Factor

Step 3 Applying Effective Communication

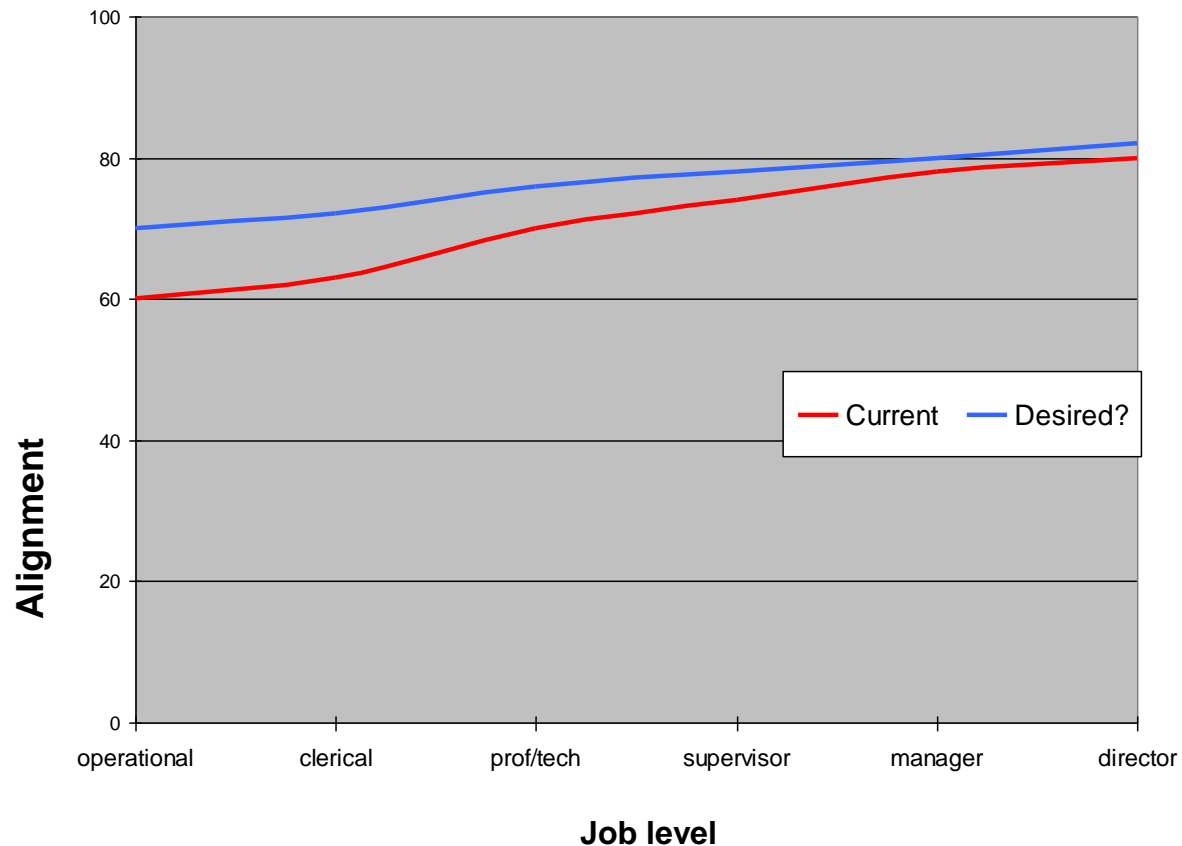


Step 3 Applying Effective Communication: 3 managerial efforts



- **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

Informing: Convincing Lower Echelons Takes a lot of Time



Reputation Institute, Strategic alignment monitor; www.reputationinstitute.com

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

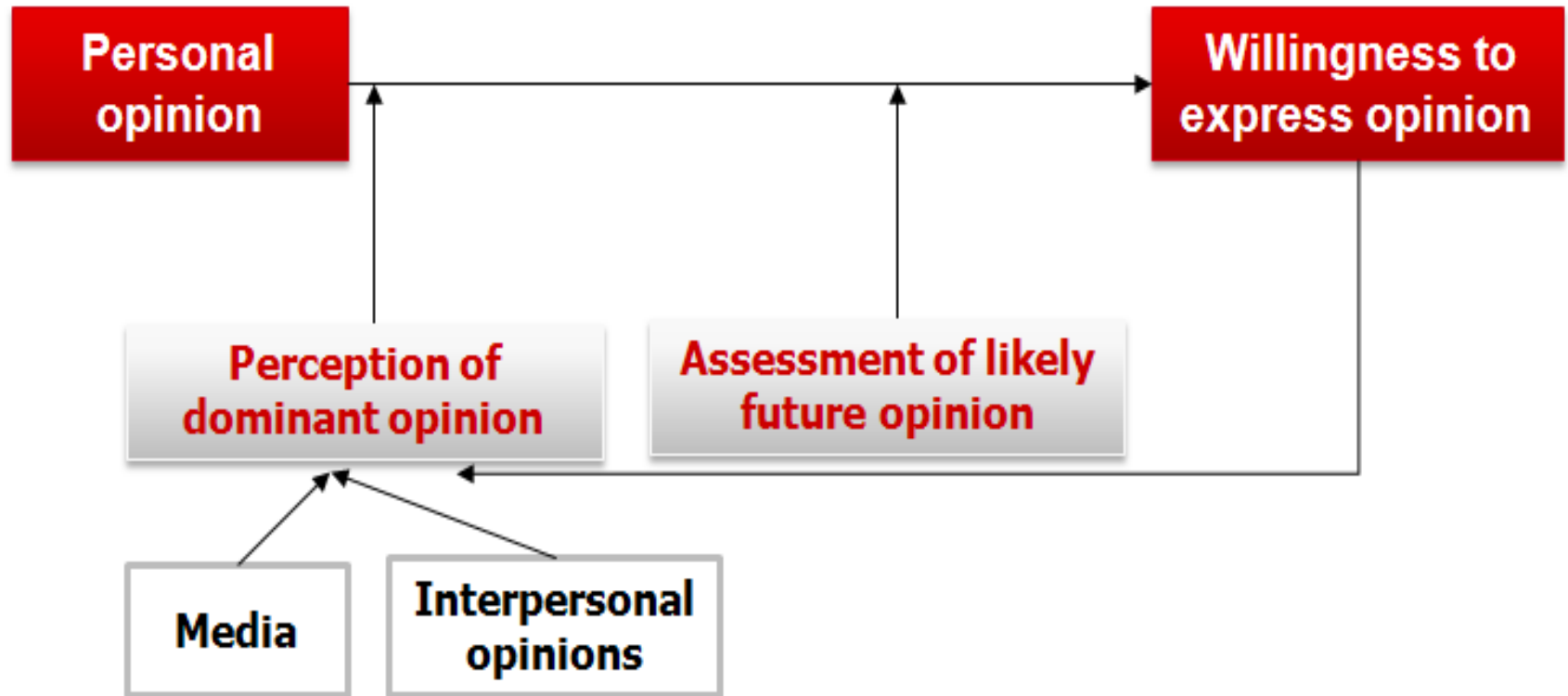
- Employees have a tendency to refrain from uttering voice:
Someone is recognizing that a senior executive is making a poor decision. This person ask his boss “shouldn’t we tell him?”. The boss answers: Yes. Let’s end our careers by challenging a decision that won’t change anyhow. That’s a great idea.
- 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

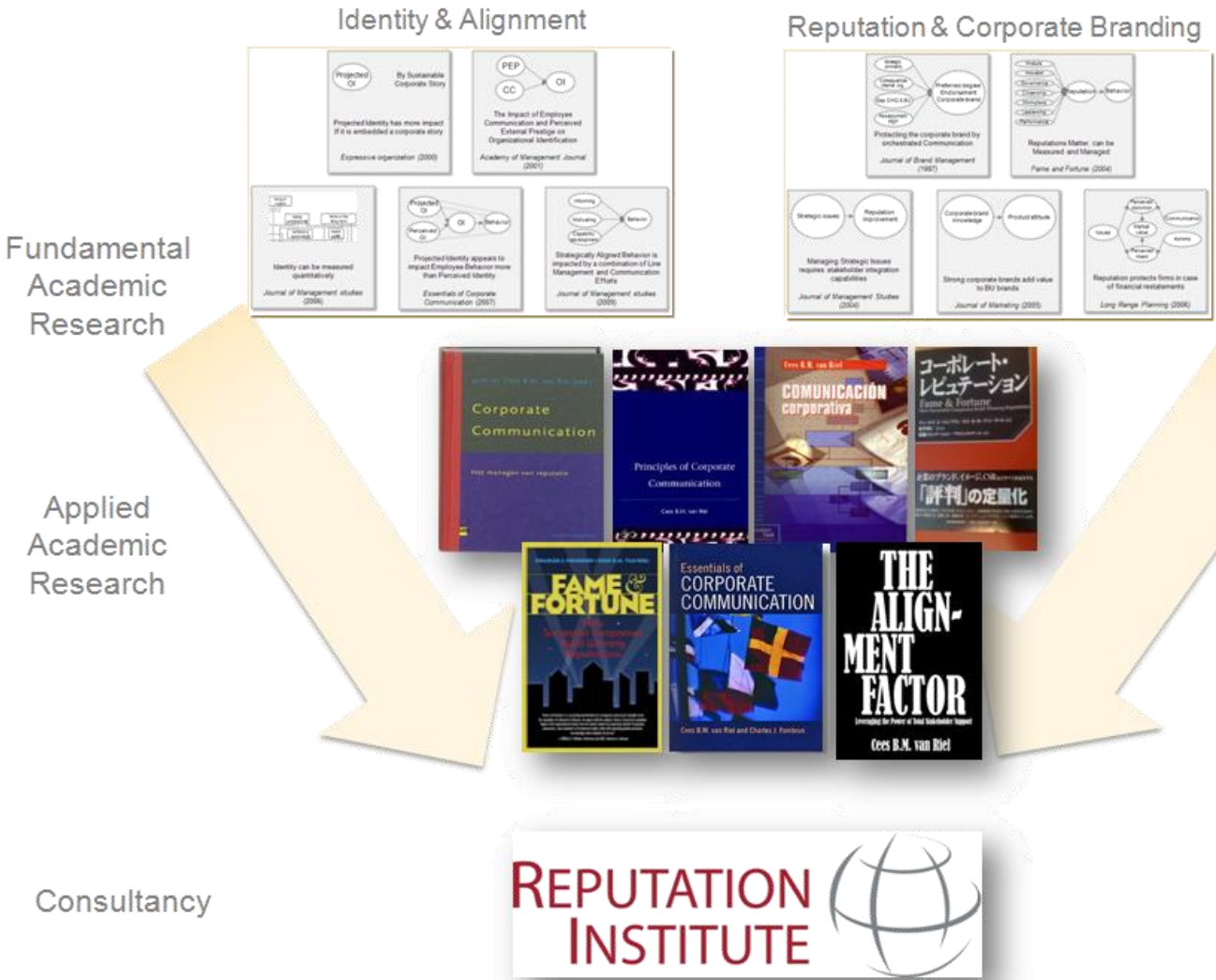
- How can Communication Managers stimulate uttering voice?



- 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 actwhich was only possible.....



....with a little help from my friends

Words & Music by
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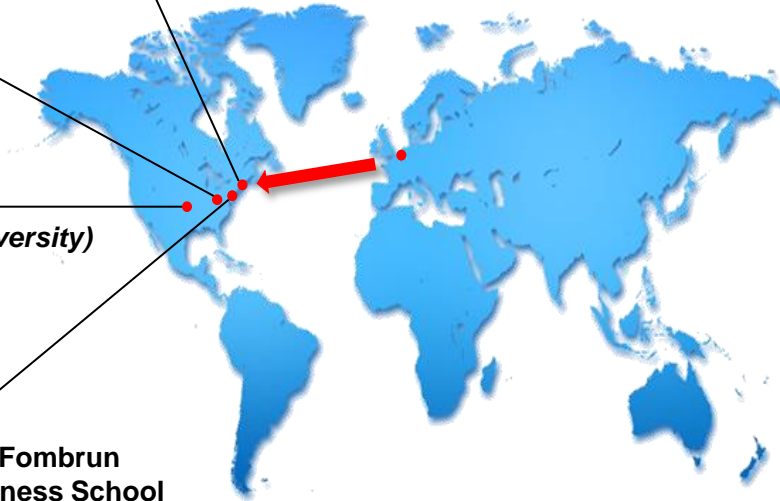
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Thank You IPR

