

THE DAILY RECORD

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HRCONNECTION

Alignment – the key to organizational health

The pace of change in business is increasing faster than ever. Competitors quickly and mercilessly take advantage of any operational weakness, and strategies are copied with great speed and efficiency. In this hyper-competitive environment if you're not going forward you're probably going backward.

For a company to keep moving forward effectively it must be healthy. But what is a healthy organization? A good way to recognize health is to look for signs that you have it. These include getting more done in less time, minimal politics and confusion, high degrees of morale, problems identified earlier and solved faster, and very low turnover among good employees.

Why should we focus on health? While there are so many other factors in business that influence performance (government regulation, competitors' actions, changes in consumer behavior), organizational health is something you can control. Research conducted by the consulting firm McKinsey and Company revealed that companies that focused on performance and health simultaneously were nearly three times as successful as those that focused on performance alone. High performance is about delivering financial results in the here and now, and clearly a requirement for success. Health is about the ability to do it year in, year out.

There have been many simple "remedies" touted in business publications in recent years, and they certainly sound hard to resist. However, an analysis of successful companies shows that strong organizational performance is fueled by a combination of three management practices: a cohesive leadership team, a clear sense of direction and accountability.

The first and most critical step to ensuring a healthy organization is creating a cohesive leadership team. Without an aligned team at the top of the organization, it can never come close to reaching its full potential. Becoming a real team requires an intentional decision on the part of its members. It involves being collectively responsible for the results of the organization and involves selflessness and shared sacrifice. Cohesiveness

requires trust, the ability to engage in constructive conflict and a focus on results.

Next, every company must give its employees a clear sense of direction so that everyone is aligned toward the common good.

Alignment is about creating so much clarity that there is little room for confusion, disorder and infighting. Leaders need to provide clear and consistent messages about what is important. Goal-setting is a process organizations frequently use to create alignment. Unfortunately, often these goals end up looking like a to-do list of activities with little linkage to organizational goals, which makes it impossible for employees to connect what they are doing to what the organization needs to achieve. In addition, the highest reward often goes to those best at predicting what minimal targets they can achieve rather than to those whose take calculated risks, may not achieve their full target, but have the greatest impact on business results. This is true of the leadership team as well.

Last, but equally important to alignment is accountability. While many companies struggle to find the perfect organizational structure, span of control, and evaluation system to make people accountable; research suggests that giving individuals clear roles can significantly improve accountability. Instead of writing a traditional job description just to discard it in a drawer, consider defining success in the role. When jobs are defined from a results perspective, it is much easier to understand how they connect to strategy, how pivotal they are in driving the achievement of that strategy, and whether or not the incumbent is up to the task. That's where a results-focused job description can rocket your performance systems to a new level.

I know, you're probably saying, "This isn't very exciting, critical or strategic. There are a number of generic job descriptions out on the Web and I can just grab one of those, check the box, and be done with it". But the truth is there isn't anything more strategic you can do than making sure your employees know

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what they need to deliver, and the job description serves as the communication vehicle. How can you know good performance from bad if you can't describe it? Even more unsettling is how will employees know what it looks like if you can't tell them until after it is too late — usually in the annual performance appraisal?

So where are you in relation to performance and health? The way you manage your health today is responsible for at least 50 percent of your ability to continue to perform in the future. Failure to build capabilities in all three areas — leadership cohesiveness, a clear sense of direction and accountability — leads to uncoordinated action and fragmented efforts, as well as job insecurity due to lack of role clarity, all leading to frustration

over a lack of progress.

The road to organizational health starts with an evaluation of where you are in these three areas. Then make health tangible and observable by embedding it into your activities and culture. Reward employees as much for health-building work as for performance and your company will be positioned for success over the long term.

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