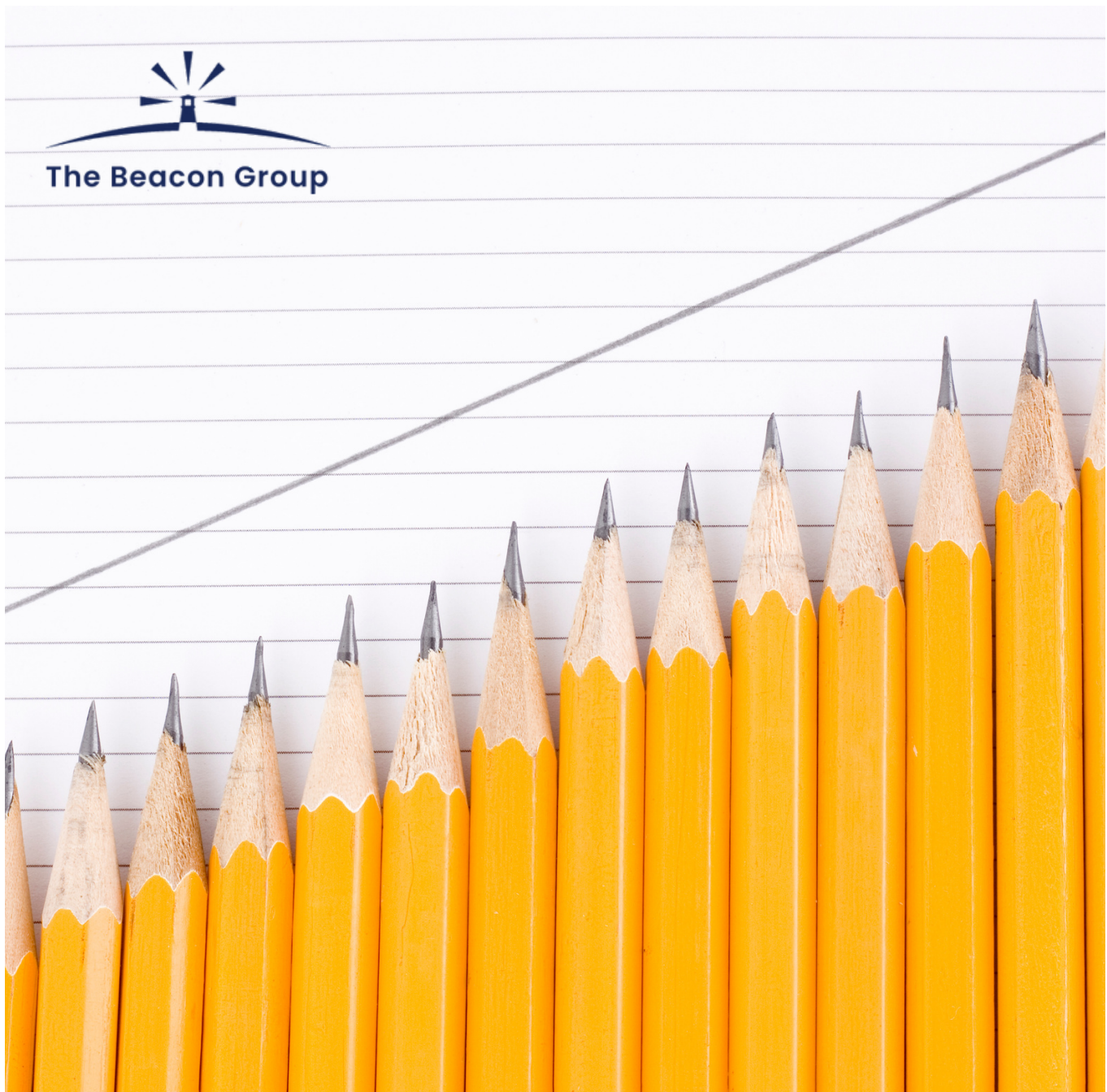


The Not So Trivial Pursuit of Full Alignment



In Our View

It is in times like this that organizational alignment becomes especially important. The hidden, ignored or denied gaps can easily become chasms when they are pressure tested under unfavourable conditions.

To allow these dangerous gaps to persist is tantamount to executive treason. In short, it is irresponsible leadership. The costs, risk exposure and performance inefficiencies resulting from misalignment cannot be explained away so easily when the bright light of candour is shining into the hidden spaces.

Why, then, do so many fail to address the misalignments and gaps and seek resolution?

We believe the principle reason is the organizational game of “trivial pursuit”. The lack of professional rigour, a curious addiction to mediocrity, a tendency to fear the truth and an unwillingness to apply the necessary pressure tests that are required in other parts of the business. Misalignment, and the gaps that result, can be fatal. Gaps between the performance we get and the performance we need, between what we believe and what the facts really suggest, and between what we say and what we do.

In our view, a high performance culture can only be built when there is a deeply rooted element of the DNA that makes the pursuit of alignment more than the usual hollow words we hear echoing around far too many halls.



The Perils of Misalignment

If you have ever had a bad back or neck, you know how much pain it can cause. You also know we can allow ourselves to live with that pain for a long time before the discomfort becomes so bad we finally seek out the help of a professional. It's only when the doctor takes an X-ray, showing how your spine is misaligned and the nerves are pinched, that you wake up to the need to find a permanent fix.

It's the same in business. There are some well known, and yet all too often ignored, sources of organizational misalignment that a good leader can spot at 10 feet away.

Misalignment of the cerebral cortex

- The gaps in strategic thinking and contextual intelligence

Misalignment of the spine

- The gaps in terms of competence, character and capability

Misalignment of the arms

- The gaps in resilience, flexibility and adaptability

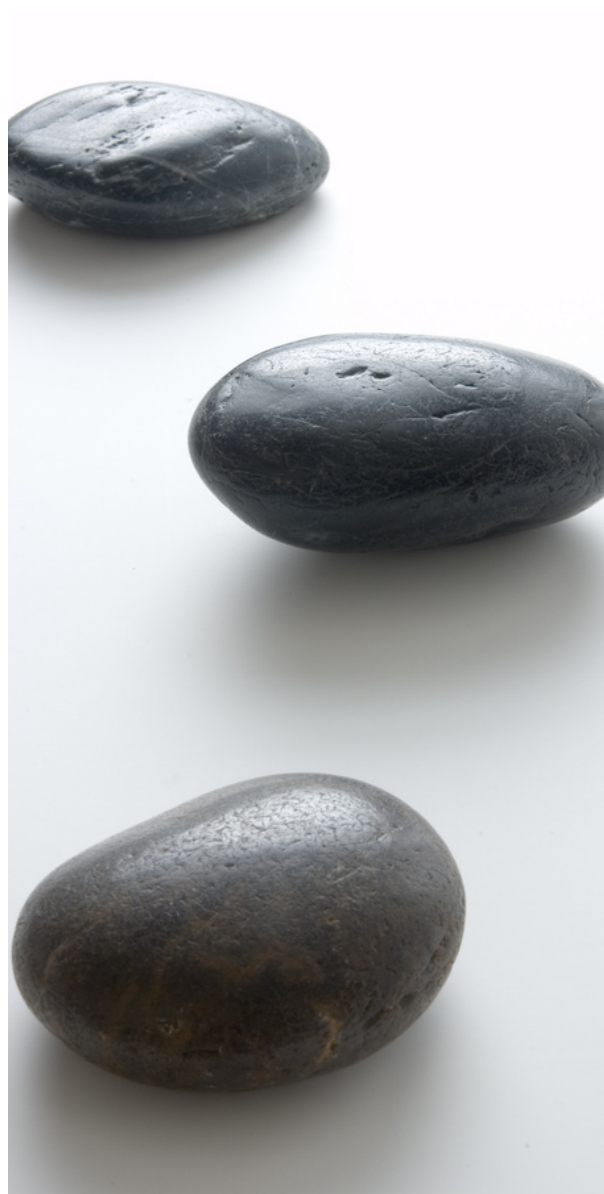
Misalignment of the feet

- The gaps in execution and accountability

The past several years have been tough. They have taken away any illusion we might have had about what it takes to be competitive and what it takes to remain relevant in uncertain and changing times.

This is not the time to shy away from the truth.

This is not the time to candy coat the brutal facts that lie just beneath the surface



Why Criticism Matters

There is a strange and, quite frankly, somewhat bizarre tendency we have observed, over and over again, in many organizations. It is what Jack Welch, the former head of General Electric, termed “superficial congeniality”. Simply put, it is the tendency to be artificially kind in the misplaced belief the truth might actually hurt. It is a flawed and unhealthy preference for conflict avoidance, rather than conflict resolution. It is the belief that, somehow, we can create high performance organizations and leaders by placing niceness higher on the scale of respect than truthfulness.



It is twisted logic that might work well enough when your competitors are asleep, the economy booming and inflation conveniently covering some of your sins, but its not good practice when the stakes are as high as they are now.

This is when it really matters and, it seems to us, that in the interest of performance, efficiency and value creation, we should all be in the relentless pursuit of the truth, and should not shy away from attacking it through the front door.

In order to do so, we have to overcome our misplaced belief that criticism is a bad thing. It is not! In fact, we would argue it is an essential ingredient in building and sustaining high performance because, implicit in it, is an intolerance for things that do not make sense, do not work the way they should and do not hold up to the highest standards of excellence. In short, an intolerance for things that are misaligned and a committed refusal to become hostage to a conflict avoidance mentality.

It does not make sense to ignore the little pains that can become huge problems. It does not make sense to avoid doing what is right, just because it might hurt or be inconvenient. It does not make sense to choose second best when we can actually do better – much better!

Reputation Management

Reputation matters, and we believe it can be measured through the net result of the portfolio of choices we make, and the things we choose to do and not do. Those choices result in a certain value being placed on our “brand” at both the organizational and the personal level. It’s an issue of credibility.



A bad reputation has costs, both obvious and hidden, associated with it.

A good reputation, on the other hand, has benefits which can be leveraged.

The math is so obvious, and the benefits so worthwhile, you would think more attention would have been paid to the whole issue of “reputation management”, but that does not seem to be the case. The evidence for such a bold pronouncement lies in the incongruities we observe, as demonstrated by the misalignments that are allowed to persist and the gaps they reveal.

Here is our list of the most common misalignments we see.

- **Misalignment of Expectations**
- **Misalignment of Capabilities**
- **Misalignment of Responsibilities**
- **Misalignment of Accountabilities**
- **Misalignment of Goals & Objectives**

We believe these, and others, can be attributed to the main causes summarized on the following pages.

Reckless Neglect



Reckless neglect is a much more common source of organizational dysfunction than people may appreciate and has contributed to untold harm and pain. Defined as a predisposition to ignore, disregard or overlook the telltale signs of misalignment, it amounts to an intentional choice to avoid the obvious facts as presented. It is the organizational equivalent of misreading the size of the iceberg in front of you, and failing to appreciate that 7/8 of the risk lies below the surface of the water.

A common fatal flaw is to focus on the immediate, rather than the important. The costs and consequences of misalignment are a little like the iceberg. They can be ignored or underestimated for a short period of time but, inevitably, the hidden risks can overwhelm even the hardest working, most charismatic leader, if they aren't recognized and dealt with.

In organizational life, the leader has a stewardship responsibility. Part of that responsibility is to face up to, and then deal with, misalignments and gaps that work against the ability to perform at the highest level. The possible reasons for ignorance and neglect are many, but the one that is simply not acceptable is lack of vigilance, in other words, not making it a priority to be constantly on the lookout for the discordant signs and troubling signals that reveal things are not exactly as they should be.

It requires a certain temperament to be guided in this way. Some may see it as pessimistic, dark, critical and/or negative, but it need not be positioned as such. On the contrary, we would suggest organizations need to create cultures in which the benefits of chronic discontent and dissatisfaction are seen as an important, mobilizing, performance enabling competency, no matter how inconvenient the truth or how painful the evidence may be to acknowledge.

Deceptive Virtue

We have all been caught, at one time or another, in the grips of self-righteous behaviour. It's part of the human condition, and we can probably forgive mild forms of bravado when the outcome or circumstance is not all that important. In organizational life, on the other hand, the same behaviour can be fatal. In no organization can claims of excellence or proficiency be condoned, when there is ample evidence to the contrary. In no organization can you justify the focus being turned away from the ugly facts, by simply directing the conversation to more pleasant topics.

There is no amount of hyperbole or exaggeration that will conceal the cracks in an organization's foundation. It is essential the leaders at the top set a tone by embracing a fact-based approach in all parts of their business. It seems to us, that while set standards are followed when it comes to financial reporting, for example, the same rigour is not applied to the human capital and/or organizational effectiveness sides of the business. Here are some examples:

- **Employee Engagement evaluations that are overstated to pump up egos.**
- **Customer Satisfaction scores that are coerced or manufactured.**
- **Performance Reviews that are not objective or accurate.**
- **Talent Reviews that are cloaked in mystery.**

At the end of the day, the question is – Why do we accept “spin” for the softer elements of organizational life, when we would not accept it in any other part of the business, from Finance, to Manufacturing to Product Quality?



Benign Competence

There is a very good reason published statistics have always played such an important role in measuring excellence in sports – they help us objectively distinguish between the good and the great! Sure, we can all feel badly for the second place finisher, who ends up only a few seconds behind the Olympic caliber runner, or the fourth place finisher who is shut out of the medals by only 2 points out of 100, or the ballplayer whose batting average is posted daily for the whole world to see.

Striving for excellence in anything means that, inevitably, some will win and others will not. It is not that brutal Darwinian logic is so attractive, but rather that it is through the process of comparing and contrasting that we allow ourselves to improve. It is the striving that matters. It is the grit it requires. It is the objective measures that allow us to monitor our performance.

Over and over again, we see organizations afraid to measure objectively, who fear the bright light of transparency and have convinced themselves that gentle kindness and a sheltering mentality are better than the truth. How are we going to create truly high performing organizations, and high performing leaders, if we are afraid of “posting the stats” and “keeping score”? When an organization cheats in terms of measuring competency and capability, it will never excel. It will go through the motions, set the bar just high enough that most, or maybe even all, will succeed and then, in so doing, will relegate itself to sub-optimal performance against what really matters.

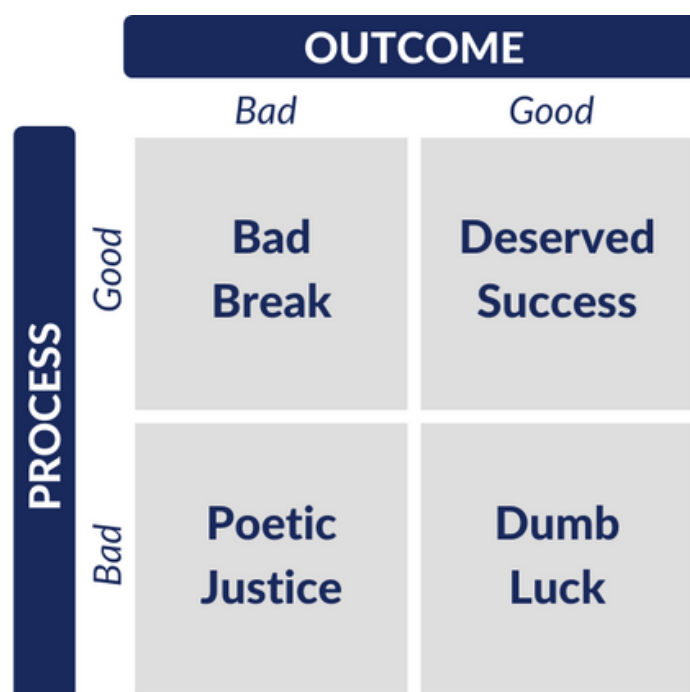
Benign competence, creating conditions within which striving for excellence is sacrificed for harmony and mediocrity, is no way to build greatness.



Artificial Intelligence

In almost all endeavours we know of, timing and good luck have something to do with success – at least part of the time. The very best organizations know when to claim true success and when to attribute credit to the random forces of the invisible hand. It is important to be smart, but it is more important to be able to tell the difference between good fortune and good performance.

We see this at play in many organizations who fail to implement the necessary processes and practices of evaluating their decisions with a solid, rigorous, post-mortem. The routine review of decisions and outcomes does not have to be complicated, but it does deserve to be objective. It needs to incorporate the evaluation methodology suggested in the following diagram, and must be combined with a willingness to carefully dissect the contributing factors in order to learn from experiences – both good and bad.



The pursuit of excellence (to coin an old Tom Peters phrase) has more to do with genuine humility, than it does with over-blown claims of superior intelligence. The landscape is littered with organizations and leaders who were once considered brilliant, but who fell from grace when their egos became larger than their competence.

Candour as a Competitive Advantage

Candour is not a part-time, occasional thing. It has to be an everyday discipline. It must be a natural, reflexive response to any circumstance, at any time. It represents a covenant we make with ourselves, that in turn becomes a central element of our “brand” – personal or organizational. It has to be seen as a way to create value.

Candour is one of the many tools, mindsets, behaviours and habits of true excellence. It is not always comfortable, and it can certainly be inconvenient – but it is never optional. Yet, in far too many cases we have observed, the power of candour is hidden under the cloak of fear.



- **Employees** – who are afraid to speak up
- **Managers** – who are afraid to call out bad behaviour
- **Executives** – who turn a blind eye out of simple convenience
- **Leaders** – who fail to set the right expectations and then enforce them

Until we arrive at the point where we see candour as the ultimate act of respect, and practice it in every part of our organization and enterprise, we will be cheating ourselves and those we claim to serve.

In order to create true competitive advantage, we need to hold ourselves and our organizations, to even higher levels of expectations. We need to pursue the truths, identify the misalignments, and spot the gaps that create inefficiencies and stand between today's performance and tomorrow's potential.

Steps to Take - Actions to Consider



To play the serious game of business today, you need to leverage all of the talent in your organization and every opportunity that comes your way. This requires every leader to face the facts, no matter how ugly, and close every gap they can find. It means the relentless pursuit of misalignments that can impede success and diminish performance. It takes courage, tenacity and a genuine belief that the worst truth is still better than the best lie.

To help you be as game ready as possible, we would like to offer the following tactics.

Explore, not Exploit

Mindsets and attitudes matter. The mindset we believe most helps an individual or organization pursue excellence is one of exploration or discovery. An approach fuelled by curiosity and the joy of discovery, rather than an attitude of extraction or exploitation.

Incorporate this trait in your Competency Model

Modernize & Tighten the Metrics

There is no room in a high performance organization for wonky numbers or data that does not drive accurate insight. Sure, there can be pain in harsh numbers, but that pain pales in comparison to the perpetuation of false claims and hidden weaknesses.

Rebuild, refresh and rebalance your Scorecards

Anchor Accountability

The current fascination with matrix management has created loopholes and excuses that are simply not tolerable in a high performing organization. If you are 100% convinced matrix management is the only way you can operate, then the least you can do is devise even tighter means to enforce accountability.

Conduct an Accountability Audit

Enforce Consequences

It may sound harsh, but there was a very good reason bad behaviour was dealt with publically in the medieval town square. The concept of “due process” has an important role in our society and, while the guillotine is no longer considered civilized, it does not mean bad behaviour should go unattended.

*Reconsider how you deal with bad behaviour
and bad performance*

Harmonize & Calibrate Standards

In virtually every organization, when you ask a group of middle managers if there are silos and fiefdoms the answer will be the same – yes! This well known and easily recognizable phenomenon is so prevalent that it could be considered an epidemic. The hidden cost of the dysfunction it creates is a crime.

*Launch a campaign to banish silos by first
aggressively identifying them*

Adopt a Zero Based Approach

Don't allow laziness to get in the way of high performance. If you want to get fit, you are going to have to work at it. It will take time, occasionally your muscles will hurt. Don't wait for a better day to begin – begin right now.

*Create a team of your highest potential leaders to
examine every process*

