



EDITORIAL

**"A vision without action is a dream, an action without vision is a nightmare"**

*Japanese Proverb*

This cool spring issue is wholly dedicated to a hotter topic: strategic alignment. To align: another business term that is borrowed from military vocabulary and refers to discipline, which, more or less, is something everyone does not want to do... who likes to get aligned?

Nonetheless, organizations need to be strategically aligned in order to properly execute their strategy. All of the articles selected for this issue agree upon one point: it is important to be aligned, but you have to find a new way of doing it.

Aligning people with a strategy should mean making them dream, giving them a vision. One thing you will notice in the following articles is the frequency of the word dream: it is quite surprising. To make people dream, you have to change not just your way of doing things, but your way of talking about them: you don't just align words to make a point, you find a strategic principle (or a slogan that can trumpet it), tell a story or make a promise. It no longer is enough to simply state something, things must be restated, people must understand that they have to listen. You will also discover that you do not make people dream by putting on rose-coloured glasses but by being transparent and impartial.

Another common point in all these articles: to align people, you have to share.

We continue are little tour of the mobilization world with Croatia (dream destination, but not as much as you might think).

Good reading!

ARTICLE

***An organization has to be aligned and organized to properly execute its strategy***

Drawn from Aiken C., Keller S, McGurk M, Mendonca L, Stephenson E, Webb C  
*"How do I align and mobilize my organization to execute our strategy?"*  
[www.mckinsey.com](http://www.mckinsey.com)

ABSTRACT AND VIEWPOINT

According to several authors, the best strategies are useless if they are not carried out. Notwithstanding that, according to a recent study by McKinsey, a majority of organizations do not have an implementation plan. The main challenge for organizations is to align and mobilize their employees around implementing their strategies.

Implementing a strategic plan goes far beyond its translation into an action plan. Organizations have to allow their employees to buy into a mobilizing project that is consistent with their values and vision. According to these authors, four major issues are important when mobilizing employees around strategy:

**1. A strategy that makes employees dream**

A winning strategy is found where market opportunities intersect with the development of new capabilities or the increased appreciation of existing capabilities and... the passion of employees. This last dimension is often ignored by companies. However, a strategy that inspires employees will be easier to execute. An inherently motivating strategy is a powerful lever with which to align actions. That means that a strategic planning process that integrates exchanges of views on a bottom-up basis is a step in the right direction.

**2. Alignment starts with vision and values**

A clear vision and clear values enable not just management but also employees to align their day-to-day actions with the strategy. Further than that, organizational

vision and values inform those strategic decisions that are made outside the formal strategic planning process, and this is essential. A recent survey carried out by McKinsey revealed that only 23% of strategic decisions are made inside a formal strategic planning process.

**3. Guide strategic changes**

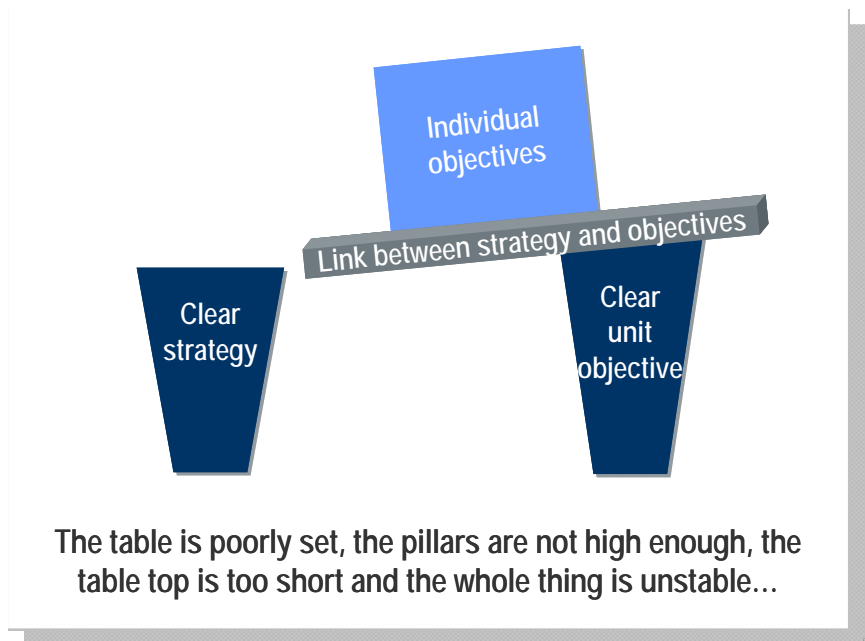
Executing strategy requires a lot of effort from employees to adapt to the changes. Companies under-estimate the level of resistance to change. A way to manage the changes must be found. Efforts must be deployed to: a) influence needed changes in behaviour and b) guide the employees through the changes.

**4. Align and mobilize: "ask" rather than "tell"**

Getting employees to help articulate a strategic plan enables the participants to buy into the strategy. This buy-in makes it easier to implement strategy, build a common vision and dampen resistance. If employees feel they "own" the strategy, they will be more inclined to put it into action!

You have to integrate these elements into the strategic planning process as well as into the action plan that stems from the process right from the beginning. A democratic strategic planning process, which requires the active participation at all levels of the organization, and a change management plan are absolutely critical to implementing the strategic plan!

*SECOR's Viewpoint: Alignment is not easy to bring about; the average strategic alignment index is +8. This is because strategies and objectives are poorly balanced in most enterprises as can be seen in the figure below.*



***The promise-based or the essence execution!***

Drawn from:  
 “*Promise-Based Management: The Essence of Execution*”, by Donald N. Sull and Charles Spinosa, *HBR*, 2007, No.4.

According to a recent study by the Conference Board of Canada, executing strategy was one of senior executives’ main concerns. Putting a strategy into motion and ensuring that the actions chosen to implement the strategy get the expected results are huge challenges because of the many obstacles along the way:

- The strategy is not sufficiently clear,
- Low accountability levels,
- Poorly defined unit objectives,
- Organizational structure is too rigid or not amenable to collaboration, etc.

The literature on the issue is chock-full of theories and methods on how to optimise executing your strategy. This article proposes an interesting angle: promise-based management.

A promise is an undertaking that a supplier makes toward an internal or external client to fill that client’s need. It is a negotiated agreement between two parties based on an in-depth understanding of the expectations, needs, deadlines, respective responsibilities, priorities and manoeuvring room.

Here are the 5 characteristics of an effective promise:

1. **Public:** the promise is made in the presence of colleagues or immediate supervisors. Public promises are more often kept because the reputation and competence of the parties are at stake.
2. **Active:** the promise is not a static, one-time initiative: it is active because it is updated regularly through regular exchanges.
3. **Voluntary:** the supplier must have a chance to avoid having to make the promise. Although such a request is hard to accommodate, promises made voluntarily are usually kept as the parties’ arrangement leaves them with more room to manoeuvre.
4. **Explicit:** the parties’ respective responsibilities, expected deliverables and deadlines to be met.
5. **Goal-related:** aligned, not only with the results to be achieved but the reasons for achieving those results.

Promise-based management goes beyond the contractual agreement by involving the parties in ongoing exchanges with regard to the agreement. This could be an attractive solution to optimize business strategy execution!



*“Does management clearly explain the reasons for the changes?” Um, no, not really!*

Drawn from:  
*Carolyn Aiken et Scott Keller “The Irrational Side of Change Management” McKinsey Quarterly, April 2009, and Emily Lawson and Colin Price, “The Psychology of Change Management,” McKinsey Quarterly, June 2003.*

How about you? How would you answer question 17 of the OMI questionnaire: “Top management clearly expresses the reasons for changes in my organization”?

Inevitably, any administrative, operational or strategic change involves risks. In 1996, John Kotter, an expert in this field, confirmed the admittedly simple fact in his best seller, *Leading Change*: only 30% of change management programs were successful.

Only a third?! That is hardly enough! Some might say, “Times have changed, the Kotter study is 13 years old, a lot has happened in the last 13 years, especially in management!”

Well, not really! In 2008, McKinsey carried out an international survey with 3199 managers. The main conclusion: only one in three change management projects was successful! The main reason for failure: organisational behaviour, which means that the changes were not understood by the main players involved (the personnel), leading to resistance to the changes, a general wariness and employee demobilization. That is a typical downward spiral of failure in change management.

Lawson and Price insist that changes that are properly explained – or in other words “creative storytelling” – is a *sine qua non* condition to ensuring employee support for the changes. A “story” that holds up because it is documented, communicated properly and based on rational arguments is essential in order for the personnel to have a solid grasp of the reasons for the stated changes and buy into their implementation.

“Just common sense,” executives say! Of course. But it is better to write it down as well as repeat it. Here are the tenets of communicating change:

1. **To all change leaders: what motivates you does not necessarily motivate everyone, all the more so your employees!**
  - Literature devoted to this subject point to 5 sources of motivation:
    - The impact on society,
    - The impact on the client,
    - The impact on the company and its stakeholders,
    - The impact on the work team
    - The impact on oneself.
  - Solution: find a “story” that addresses all five of these factors!
2. **Listen:**
  - To complaints, comments, suggestions, anxieties, etc.
  - This will go a lot farther toward reducing resistance to change than trying to impose “one’s story”.
3. **Put aside the rose-coloured glasses:**
  - Do not take your employees for fools by sugar-coating the truth; your employees will not take you seriously, and mistrust will lead to disdain, resistance and demobilization
  - Solution: Communicate both the advantages (PLUS) and the drawbacks (MINUS) when presenting a change project.

*SECOR’s Viewpoint: according to the 2008 benchmark study, the reasons for the changes remain nebulous for most people, (index of -15 for the infamous question 17 mentioned above) and it is even worse where large organizations are concerned (-22).*



**Corporate values can help give meaning to employees' work!**

Drawn from: "Make Your Values Mean Something" - Patrick Lencioni - HBR - July 2002 and "A quoi servent les valeurs?" (what purpose do values serve) - Kathy Noël - REVUE Commerce, April 2009

**Display your values on the walls but practice them within the walls!**

Several predictions were made about Rona's disappearance from the sector, but that never happened because we have strong values." But what does Robert Dutton, Rona's President and CEO, mean when talking about strong values? The term "values" has been overworked and often bears little resemblance to the reality in the field! That is indeed the case for a large percentage of the organizations that made the Fortune 100 list: 80% of them choose to have a statement of values that, more often than not, is a slogan pasted on the walls as opposed to one that is practiced within those same walls: what a shame!

Values can set a company apart from its competition by clarifying its identity and serving as a rallying point for all team members. In fact, values truly give meaning to the organization when they limit strategic and operational freedom and constrain the behaviour of its people, which may inflict some pain!

A first step that must be taken for these values to really reinforce the company culture, employees' sense of belonging and employee mobilization generally is to clearly define them. That is what Cascades did when it defined "respect": treat employees as partners, with consideration, diplomacy and humility.

In order for the values to become action guidelines, the main challenge, once the values are defined, remains that the leaders become "value champions" on a daily basis!

**How to mobilize managers, help them promote the vision and deploy the company business plan?**

Summary of the 17th Edition of the 2009 HR Convention in Paris

On March 31 and April 1, 2009 the 17th edition of the 2009 HR Convention was held in Paris bringing together the world's main HR players to hear presentations and exchange views on current HR challenges. SECOR, a partner in this event, took advantage of this forum to present its approach to strategic alignment and mobilization in a presentation titled: How to mobilize managers, help them promote the vision and deploy the company business plan.

Strategic alignment is the capacity an organization has to clearly define its strategy and share it with all its collaborators and break it down into objectives that are relevant to them. Strategic alignment is essential to mobilize a company's human resources and focus their efforts on the factors that help the company improve its performance. Always an important issue, strategic alignment becomes all the more so during difficult and unstable economic conditions, when organizations have to mobilize all their energy to survive and their collaborators are losing their bearings.

Strategic alignment provides a large margin for improvement for companies looking at how to become more efficient. SECOR's 2008 benchmarking study, carried out with 34,000 collaborators and executive team members,<sup>1</sup> draws a lacklustre portrait of corporate strategic alignment. The direction and reasons for changes are not clear enough for the collaborators, who generally consider that management executives do not spend enough time or exchange views with them.

<sup>1</sup> SECOR 2008 Benchmarking study: 43 Canadian companies participated, 34,000 respondents, 12 sectors of activity

This lack of strategic alignment has repercussions at all levels.

- **At the executive team level:** hinders the capacity to lead the company. If resources are not marshalled around strategy, any changes to it will have very little effect.
- **At the managerial level:** reduces the ability to:
  - Clearly indicate what direction their teams are to head in,
  - Set objectives,
  - Measure their progress,
  - Have their employees and teams network with others.
- **For the collaborators:** their work becomes less meaningful, their role less clear, and they feel their efforts are not being recognized and that there is less collaboration.

These cumulative effects end up having repercussions on resource mobilization and company performance.

Strategic alignment creates meaning for its collaborators, generating an immediate effect on their mobilization levels. A company that mobilizes its personnel captures the positive energy of its collaborators by giving meaning to the work and by maintaining motivating factors. By letting these factors generate meaning and motivation throughout the company, the management chain acts as a mobilization lever. It is therefore easy to understand that a low strategic alignment capacity will have crucial repercussions on mobilization levels.

To turn the situation around, an organization has to create the conditions for a successful alignment, and it has to change its approach as well as giving a new role to the HR function.

You might already have a strategy, but it's an issue of how to go about transmitting it to your staff. Here are a series of winning conditions:

- Express the strategy in terms of market or client needs, which are more meaningful for your collaborators than financial market expectations;
- Lay out the strategy in plain language so that it is easier to retain;
- Use the ripple effect: communicating the strategy within the company through management teams and managers is a good way to ensure its effectiveness, and that is achieved by ...
- ... ensuring that managers buy into the strategy in order to effectively spread it around, and have to continually repeat it and have it repeated back to them to ensure that the message was fully understood;



HR managers have 4 roles to play in strategic alignment:

- Articulators of meaning, by ensuring that the project is clear, well-articulated and in plain language;
- Connectors, by creating conditions that foster communication and facilitate alignment with the objectives;
- Ambassadors, as part of the executive management team, by promoting and clearly explaining the vision;
- Detectors, by seeing whether the strategy has meaning on the floor and measuring mobilization levels.

***How to deploy a strategic vision to mobilize your personnel?***

***4 truths addressed to change leaders***

Drawn from Aiken C., Keller S, McGurk M, Mendonca L, Stephenson E, Webb C  
 “How do I align and mobilize my organization to execute our strategy?”  
[www.mckinsey.com](http://www.mckinsey.com)

Do you have the feeling that you are the only one that sees the “big picture,” and that your colleagues and your team aren’t on the same page as you at all? You clearly explained your vision to your team, and told them what they have to do to achieve it, but the expected field results have not materialized? Your company’s strategic planning resembles the CEO’s annual speech, totally removed from what is happening in the field? The frontline members of the team that you are in charge of would pretty much say that they had enough to do in the field at the present time without worrying about strategy, thank you very much!

If the response to one of the above questions is yes, you might find the following “truths” quite interesting.

1. The ideal strategy, the one that is going to “work”, is the one the personnel wants to implement, not the one that anyone would impose on them. Pass the word: THE strategy = Opportunity x Capacity x Passion of those who are implementing it, in other words, your personnel – among others – QED.
2. Strategic alignment comes from sharing the company’s vision and values ... and not just from the notion of strategy or budgets (Saint-Exupéry once said, “If you want to build a boat, share your passion about the sea!” It’s true, I am telling you.)
3. A strategy is only effective and can only be implemented if it corresponds to the company’s values and culture
4. Alignment and mobilization? Its more a case of “Go on, tell us” than “Here is how you are going to do it”... like Dave Farr, President and CEO of Emerson Electric, who has a habit of going around to the various departments of his company asking people, “So tell me how YOU make a difference. Tell me how YOU are contributing to our success.”

**Do you know how to formulate a “strategic principle”?**

Drawn from: “*Transforming Corner-Office Strategy into Frontline Action*,” by Orit Gadiesh and James L. Gilbert, HBR, 2001

Making sure that the company strategy is understood by everyone is a challenge that many large corporations have succeeded in addressing. How? By articulating what the authors call a “strategic principle”, which consists in an action-based statement that summarizes in a simple manner the company’s strategy and makes it easier to communicate. Wal-Mart’s strategic principle is probably the best known: “Low prices, every day”. This approach allows the company to set forth a clear strategy and encourages the employees in general to show initiative, which is critical to innovate and quickly adapt to market opportunities.

A “strategic principle”:

- Makes it easier to make decisions and business compromises
- Makes it easier to weigh the relevance and suitability of actions taken
- Helps to properly define the boundaries within which employees can operate

However, a “strategic principle” is not a mission statement. A mission statement reveals more about a company’s culture and goals while a strategic principle is action-oriented, summarizes the company’s strategy and allows players to go forward within the company.

To define your “strategic principle”, remember that a strategy is a limited resource-allocation plan designed to reach a sustainable competitive advantage. The question is therefore: “How does my company allocate its resources to create value in a unique way and differentiate us from the competition?” So articulate your idea as a simple sentence, but test it against the following questions:

- Does this strategic principle summarize what you plan on achieving over the next 3 to 5 years or is it an even better nugget and actually defines the DNA of how your company differentiates itself from the competition? Your strategic principle must be sustainable.
- Does your strategic principle communicate well? Is it clear and concise?
- Does it guide decision-making?

This is a simple way to ensure that the company strategy is well understood, that it is a shared strategy and that it can provide a solid framework for the actions of all its collaborators.

**A short history of the search for meaning ...**

Drawn from: “*The search for meaning: a short history*” – Dennis Ford – University of California Press

Meaningful work is one of the two factors that mobilize employees along with motivation. But the search for meaning, inherent in humans, has been strongly influenced across time and history, and these influences can be seen today in the way individuals behave. Dennis Ford retraces the history of this search for meaning, first through classical sources (myths, philosophy, science, post-modernism) as well as contemporary sources (pragmatism, archetypes, metaphysics and naturalism). The result: 8 philosophical profiles as a way of giving meaning to one’s actions in one’s personal or professional life... To the central question of “Why?”, here is how each of them would respond:

- The “Mythical type” (an adept of Moses):  
 “Because the important is to be part of a story you believe in!”
- The “Philosophical type” (an adept of Socrates):  
 “Because each of my actions is part of a whole, a certain approach to life about which I am constantly thinking!”

- The “Scientific type” (an adept of Descartes) :  
 “Because we are free to do as we like and as we see fit, given that science doesn’t indicate that the universe has any particular meaning, generally”
- The “Postmodernist type (an adept of Kant) :  
 “I don’t know ... the question of knowing why I do something doesn’t even come up, sometimes it means something, sometimes not ... what is important is the path”
- The “Pragmatic type” (an adept of Tolstoy):  
 “Because to live, it is imperative to find a meaning for each of our actions, even if we live in a world that has no meaning”
- The “Archetypical type” (an adept of Hillman) :  
 “Because this action reflects my deepest beliefs, values that direct me without my being aware of it”
- The “Metaphysical type” (an adept of Schumacher and Santa Claus):  
 “Because you have to know how to dream, rise above our deeds, listen to our own impressions, beyond what we actually see”
- The “Naturalistic type” (an adept of Csikszentmihalyi):  
 “I don’t feel like answering. That is simply life, which is generally beautiful, rich and full of passion!”

Now, you just have to figure out which philosophy you and your colleagues adhere to!

**ZOOM on  
 mobilization... in  
 Croatia!**

Drawn from:  
*entrepreneur media  
 inc. – August 2008 -  
 “HRM as a significant  
 factor for achieving  
 competitiveness  
 through people: the  
 Croatian Case - N.  
 Poloski Vokic M.  
 Vidovic – Faculty of  
 Economics and  
 Business – University  
 of Zagreb –  
[http://www.entrepreneur.com/tradejournals/  
 article/print/18545991  
 9.html](http://www.entrepreneur.com/tradejournals/article/print/185459919.html)*

Over the last few years, Croatia has enjoyed steady economic growth: GDP growth has risen from 4.3% in 2005 to 4.8% in 2006 and 5.6% in 2007. However, growth dropped to +4.7% in 2008. Croatia has to deal with high unemployment: 14.8% of the active population. Against this backdrop, the authors tried to find out whether this economic growth would be accompanied by the development of HR practices that would foster employees’ mobilization and long-term commitment, whether it be in hiring, development or retention. The conclusions drawn by the study were, in the authors own words, “discouraging”... HR practices are not developed to any extent in Croatia, and the country’s standards in that area are far behind those of western countries... However, it should be noted that Croatia only adopted free-market principles 15 years ago... and human capital is not yet clearly seen as a competitive asset.



***Tell stories to engage your staff!***

Drawn from: “*Story building: a new tool for engaging employees in setting direction*, by Ralph Beslin, *Ivey Business Journal*, May / June 2007

Humans have always used stories and fables to recreate the past and anticipate the future. Not simply a heavy laundry list of details about a particular situation, stories serve to teach lessons and transmit values, and can help develop people’s ability to imagine potential situations that could arise in the future; stories are all the more successful in doing that if they play on emotions, give rise to energy, border on the fantastic and make people dream!

Telling and building “strategic” stories to communicate about where the company may be headed can help:

- Link the past and present to the future
- Illustrate the future
- And let employees imagine the roles they could play in that story!

That is how you can get employees involved in making these stories a reality!

Doug Grant, then Vice-President of Public Affairs and head of the communications function, made this point:

“We wanted people to understand about the tough times we had been through and help them make important personal choices. At the same time, we hoped most of them would commit to being a part of the company’s very different future. A story could engage them visually and verbally, while getting them to think about what should happen next.”

Using story tellers to engage the employees is an innovative way to address the employees’ need to be involved in decisions that affect them!

***The Y generation attitude: no mercy for bosses!***

Source: *Stéphane Simard, Generation Y: Attracting, Motivating and Retaining Young Talent*

Did you know that 58% of employees in Quebec belonging to the Y generation think that their boss does not know where he is headed?