

The Need for Executive Alignment for Successful Change

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Executive alignment concerns the relationships to a decision once it has been made. The word align is defined as “to bring into line” or “to array on the side of or against a cause.” For our purposes, arraying on the side of a cause is closest to what we mean. However, alignment is far more than a bare definition; it is both a task of leadership and a way of leading. It is a task because, especially in the environment of constant change in which health care organizations find themselves, leadership must provide the constancy and focus of purpose that will assure stakeholders of the organization that management has a clear sense of direction (that management and the organization are clearly arrayed for a cause, or vision, or plan). This is not to say that a direction set by leadership will remain constant, but, when a change is made, organizational stakeholders can be aligned with the change, understanding and “owning” the rationale for the change and the change itself.

Alignment is a way of leading because it is the antithesis of pocket vetoes, turf thinking, or fragmented and contradictory organizational action. Alignment exists when it is clear to every executive, and those observing their behavior, that the executive team is rowing wholeheartedly in the same direction and speaking with a single voice, irrespective of disagreements and differences in points of view that occurred on the way to setting the direction. A commitment to alignment is just as evident when an executive chooses to leave an organization when he or she cannot with integrity wholeheartedly support key organizational decisions as it is when an executive supports a decision fully and stays to move the organization forward.

Put another way, alignment is not focused on the decision itself but on the aftermath of the decision. Decisions can be made in many ways—consensus, majority vote, two-third vote, etc. While the way decisions are made can influence alignment—executive fiat presents a greater challenge to alignment than does an agreement for consensus—the formal decision-making process is not the focus of this discussion.

Sometimes, executives seek to convince stakeholders, such as employees, that they are aligned with decisions when they are not. They often do so by publicly supporting decisions in speeches and organization communications while privately criticizing them. Almost always, a lack of alignment is crystal clear to employees, who pay far more attention to the actions of executives than to their speeches.

For example, in one large organization, a reinvention of the home office was undertaken with the apparent endorsement and alignment of the executive team. In fact, when some members of the team were questioned by their staffs about the decision to fundamentally change the home office, they were told not to worry, that the changes, whatever they would be, would not apply to them. In that moment, those staff members heard loud and clear the signal that reinvention of the home office was not a top priority of the executive group, despite public protestations to the contrary one year later, the reinvention failed, not for lack of commitment on the part of many people, not for lack of bold, well-constructed designs for reshaping the home office, but because of the lack of executive alignment.

Consider another example. A finance company, like many with a long tradition of predictability in its environment, was challenged with unexpected changes in market conditions. The company set out to adopt a new direction that would change existing work and management structures and bring a new focus on the customer. Over a period of three months, the executive team clearly defined the challenge before the company and took on needed change. They were truly aligned to the decisions they had made. Two events occurred in short order. One executive who had fundamental disagreements with the decisions made by his colleagues, and who could not support key changes, chose to leave the organization. Around the same time, a senior manager of the company, in a public forum, was adamant in his refusal to accept bringing the new direction into reality. It was not that he had doubts; he was, by his own words, inalterably opposed to the changes and even said he would undermine them. He was asked to leave the company. These actions signaled clearly the executive team's clarity of commitment to the new direction.

Health care organizations, with their many constituencies—physicians, administrators, nurses, pharmacists, and so on—are more prone than organizations in some industries to lack of alignment. Sometimes, the effectiveness of internal discussion is limited by each constituency taking the view that “we know best.” The traditional parallel medical and administrative organizations that are found repeatedly add to health care's complexity. For these reasons, as well as for reasons common to any organization, the need for alignment in health care is more critical than ever for success, while the ability to attain it often remains as elusive as ever.

Building alignment is thus a key priority for a health care organization to act effectively in the marketplace and to be successful. Without it, fragmented action and limited marketplace effectiveness are the likely result. We will explore in depth in this chapter the organizational and personal consequences of alignment or lack of alignment. Either way, how alignment is managed has important consequences for the future of any organization faced with change.

The Presence and Benefits of Alignment

The benefits of alignment are numerous and have a significant impact on organizational success. Here are some key benefits evident when executive alignment is present:

- Employees and other stakeholders know where the leadership wants to take the organization; the focus of the organization, its values, and its strategic direction are clear.
- It becomes easier to make and execute decisions at every level of the organization, and more “right” decisions get made because the direction and priorities of the organization are clear.
- The organization stops wasting energy on initiatives that do not advance the organization’s direction.
- The focus of the organization shifts from never-ending internal debates about where the organization should be headed to meeting marketplace challenges in a well-focused way.
- Organizational energy that was bound up in deciding who are the winners and losers in the decision, or whether a decision should even be taken seriously, is now directed to producing needed results.

If you walked into an organization for the first time, how would you know alignment was present? What are its “vital signs?”

- Leadership speaks with a single voice, both in public and in private. If you speak to every member of the executive team, you hear a clarity and consistency about where the organization is headed, the organization’s values, the organizational priorities, and what the organization is doing to get where it needs to be.
- When you speak to employees at any level, they understand all of those things mentioned above, and they too have confidence that the organization is moving effectively toward its goals. They express confidence in the leadership as a whole, not only in one or two individuals.
- The organization will have minimized those behaviors or initiatives that are inconsistent with the direction and the values of the organization. Employees are making decisions that move the organization towards

its goals. Behaviors or initiatives that do not contribute to reaching the organization's goals are challenged at all levels.

- You experience an environment of accountability. Employees at any level know and are appraised on their contributions to the organization's goals and values. Debates on issues are vigorous and are followed by commitment to aligned action.
- You experience an environment of straight talk. Employees at all levels are so focused on the organization's success that they bring issues and breakdowns to the table to be openly discussed, not to attribute blame but to decide what is needed to move the organization forward.
- You experience an environment of learning, where defending turf or one's own opinion is minimal and engaging with others (employees, clients, business partners, and so on) is the norm.
- You experience a more satisfied and productive workforce, because employees, the majority of whom look to make a difference at work, know how their actions contribute to the health of the organization and the welfare of its stakeholders, including themselves.

What If Alignment is Missing?

Just as the presence of alignment has its benefits in creating success, so does the lack of alignment have its negative consequences.

- There is confusion about where the organization is headed. The organization's direction is driven by individual agendas. Allocation of resources, for example, is the result of an exercise of power rather than an exercise in sound business decision making from an organization wide perspective.
- It is difficult to make and to execute decisions. Even when a decision is made, employees do not take it seriously, because they know that leadership is rarely aligned behind any decision it makes. Every decision is subject to individual executives' pocket veto. And meaningful decisions get made more often in private conversations and through private accords than by the leadership group working as a team.
- There is a proliferation of initiatives, some of which are duplicative and the brainchildren of different executive sponsors. Initiatives are identified ore with individuals or functions within the organization than

they are with organization wide direction. Initiatives rarely get stopped, but they do get added to.

- The direction in which the organization should go is the subject of never-ending debate, often centering around two or three opposing interests at the executive level. The debate never turns into purposeful action.
- Organizational energy is bound up in betting on the winning point of view and in political jockeying by employees at the executive and managerial levels. Focus on the marketplace and its needs takes second place to the interests of internal power blocks.

If you walked into an organization for the first time, how would you know alignment was missing? What are its “vital signs” at the other end of the scale?

- Leadership speaks with many voices, especially in private. When you speak to every member of the executive team, you hear a clear point of view from each executive about where the organization should be headed and frustration that all or parts of the executive team does not agree with them; it consistently sounds as if the problem is with “them.”
- When you speak to employees, they are confused about the organization’s focus, values, and priorities. They tell you that the leadership group is not a team and that executives are more interested in their own agendas than in the organization’s welfare as a whole.
- The organization manifests a wide range of situational behaviors. Individual executives and managers shape the values in their particular areas, and no one is measured on an organizationwide set of values. Business priorities are shaped by executives within their spans of control and are not consistent across functional boundaries.
- You experience an environment of frustration. Employees do not know how what they do moves the organization forward, and measurement of results lacks rigor and consistency.
- You experience an environment of hallway conversations. Employees bury problems for fear of being blamed. Breakdowns continue to be unresolved as employees seek to lessen their exposure to blame and cope with an uncertain and even job-threatening internal environment.
- You experience an environment of defensiveness, in which defending one’s turf or one’s own opinion is the norm and engaging in useful, collaborative debate is a rarity.

- You experience a workforce with low morale. Employees are unclear about what constitutes success for themselves and the organization, and they have become cynical about the gap between the public announcements of leadership and leaderships day-to-day behavior. Employees describe leadership as untrustworthy, and leadership may say the same about employees.

How Do You Build Alignment?

There are many approaches to building executive alignment, but they are all based on key principles:

- A CEO commitment to alter the dynamics of the executive team and to build a clear focus for the organization that can be “owned” by many, not only by themselves or a few others.
- A willingness to face the current condition of the organization—what works, what hinders performance—to confront what is predictable if the organization remains fundamentally unaltered, and to get on the table what has been “undiscussable” to date in team and organizational conversations.
- Articulation of a different future for the organization that the executive team aligns to (this future may be expressed as a vision, a mission, values, a strategic direction, or a combination of these forms).
- Action that reflects to the organization at large executive team members’ authentic commitment to change their own behaviors and to take an uncompromising stand for the future they have undertaken to create.
- Persistence over time to reshape the organization to build both needed immediate changes and the ongoing capability to change, be it by changing structures, systems, processes, or culture.

CEO Commitment

It all starts with the CEO, who must spark the need for change. Alignment will not be realized without the CEO’s ownership of the need for change. The CEO’s lack of commitment will naturally extend to the rest of the leadership team. Change processes of many kinds will be successful to a degree, but only those driven from the CEO’s office stand a chance of accomplishing transformational change for the organization as a whole. Of course, a self-directed business unit or a division of a larger organization can be considered a “whole” organization for the

purposes of this discussion. In this case, the head of the business unit or division is synonymous with the CEO discussed here.

Any process of executive alignment hinges on the willingness of the CEO to challenge his or her way of leading and the direction that has been set for the organization. Thus, the process of executive alignment begins with the willingness of the CEO to see him- or herself as the root of the problem if alignment does not exist in the organization, and with it begins his or her commitment to change.

Willingness to Face the Current Condition of the Organization

Wishing things were not as they are, or hoping things will somehow improve of their own volition, is a significant barrier to alignment. Telling the truth about the current condition of the organization—where it is headed and the condition of the executive group as a team—is essential to gaining momentum for alignment. As part of the process of telling the truth, it is critical for the entire executive group to recognize and fully discuss topics, issues, problems, or sore spots, whether interpersonal or organizational, that are talked about in the privacy of someone's office or in the hallways but are never openly discussed by the executive team.

The purpose of confronting the reality of the current situation is to create the freedom to design the future of the organization. It is analogous to building a house on a vacant lot. Before you can begin building the house, you must clear the lot of trees, rocks, bushes, and other materials that hinder the building process. Not getting on the table the current condition of the organization and the “undiscussables” so they can be discussed and cleared out of the way is analogous to building the house without clearing the lot; at every turn, you will be dealing with unneeded obstacles that slow and even disable the building process.

Articulation of a Different Future for the Organization

Having put a stake in the ground about the current condition of the organization, the executive team is faced with a critical question: Given the current condition, is the current way of operating sufficient for the organization to succeed? If there is no sizable gap between where the organization is currently headed and where it needs to be, there will be little impetus for change or for a new level of alignment. After all, why go through the discomfort of organizational and personal change when the organization's goals can be met without fundamental change? It is likely that adoption of a predictable future (one the team is on track to accomplish) will not demand alignment or much else different from executives of the organization. There will be no impetus for embracing the discomfort of change when they are going to get where they need to get to without changing.

The larger the gap between the organization is headed and where it needs to be to succeed, the greater the demand will be for organizational and personal change and for a new level of alignment. The latter situation takes executive teams into uncharted waters, creating organizational aspirations and goals they do not know how to accomplish. When an organization sets out to achieve something it does not know how to accomplish, it is implicitly demanding a new way of operating from its leaders and from the organization as a whole. And that new way of operating requires a high level of alignment.

Action that Reflects the Team's Commitment to Change

How will the organization and other stakeholders, including its customers and employees, know when the executives are aligned? They have surely heard what one employee described as “more glad words from corporate.” They will only recognize alignment through the everyday actions of every executive. This is a serious challenge for the executive team, because it often demands a commitment to behave differently. The executive team must be prepared to counter the cynicism and doubt of its own stakeholders regarding the commitment to change by determined actions, public and private, that interrupt the conditioned response of employees in particular—a response often characterized by the phrase, “this too shall pass.”

Persistence Over Time to Reshape the Organization

Alignment is not an event; it is a continuing process. The tendency is always to go back to the old way of operating. Individuals and organizations are far more practiced in it than in the new way of operating. This requires the executive team to keep working diligently on their own performance as a team and as organizational leaders. Again, the CEO is key. He or she must hold executives accountable for leading the organization consistent with the CEO's and the team's aspirations.

A Specific Process for Building Executive Alignment

Again, there are many approaches to building alignment. The following process has been proven in a number of environments. It consists of four steps to gain initial executive alignment and begin to extend throughout the organization.

Step 1: A Strong Demand for Alignment from the CEO

CEOs who initiate a process of executive alignment most often do so because they have come to the end of their tether. They are no longer willing to hope that it all turns out okay if everyone tried a little harder, and they are willing to confront the limitations of their own leadership in creating alignment.

The first step is to meet with the CEO to explore his or her determination to commit him- or herself and the organization to the significant, even fundamental, changes both in marketplace action and internal dynamics required for success. If this determination does not exist, the likelihood of success for alignment efforts is slim. It is very hard, if not impossible, to compensate for a CEO's lack of commitment to this process.

Step 2: Agreement of the Executive Team to Enter the Process

The executive team needs to have an opportunity to sign on to the process. Ironically, lack of agreement on whether the process is needed is in itself an indication of the need for a process to gain alignment. This point is not lost on executive teams, and sometimes the lack of agreement on the need for the process becomes the key piece of evidence that convinces them of the need. In most cases, however, executives themselves are so frustrated by their or the company's inability to get things done that they will welcome the process. At the outset, they may see the problem in the actions of others and look to the process to set others right or to get their point made. This is not a serious drawback to the process at this point.

Step 3: Building Toward the Initial Executive Alignment Working Session

One-on-One Interviews with Executives

In preparing for work with the executive team as a group, it is valuable to spend one-on-one time with each executive to (1) better understand what each executive thinks is working and is missing on the team that promotes or limits organizational success, (2) gain clarity on what outcomes would make the team's time together more valuable, and (3) gather what has been up to now "undiscussable" for the team as a whole. These interviews set the stage for further work in the process by using the time to listen for each individual's reality about the team's condition in the context of producing needed results (as opposed to interpersonal dynamics for their own sake), by understanding the priorities that need to be focused on, by beginning the process of revealing what is "undiscussable," and by generating ownership of the working session by the executives themselves.

One-on-One and Group Interviews with Key Stakeholders

While team members will provide a comprehensive inside view of the team, they cannot tell you how they are viewed by the rest of the organization. For this view it is valuable to interview selected organizational stakeholders, which can include direct reports to the executives, other employees, board members, customers, and suppliers. Whether these stakeholder groups are interviewed one-on-one or in focus groups depends primarily on logistics. One-on-one interviews are preferable for clarity of input and for minimization of responses that are shaped

by the dynamics of group discussion. However, the intent is not to engage in an in-depth analysis but rather to gather sufficient information from differing viewpoints to reach insights into how the executive team is seen by others.

Synthesizing Interviews and Building the Executive Alignment Working Session

Once one-one-one interviews and group discussions are complete, it is time to step back and synthesize the data into a form that is meaningful for the executive team. The goal is to generate key data for discussion by the team and not to provide an extensive report of the data. For example, in one client's working session, the "undiscussables" were presented as five items of no more than two words each, allowing the executives themselves to explore and define the issues.

If the current condition regarding, for example, the organization's financials, marketplace conditions, internal structures, processes, or technology is subject to varying opinions, analytical work may be needed to develop and present key data for the current condition conversation in the working session. This work may be extensive and depends on the degree of disagreement, or lack of awareness, of the current condition.

Pre-Session One-on-One Interviews with Executives

Having made sense of the data and having decided priorities and intended outcomes of the team working session, it is advisable to return to each executive to review the intended outcomes of the session and the emerging agenda. Another important part of this conversation is to gain the personal commitment of each executive to take a step beyond his or her normal comfort zone and take on a personal behavior that will increase the executive's effectiveness as a team player. Each person is told that he or she will be asked to share that commitment at the beginning of the working session. You could say that much of this prework is designed to get each executive to take personal accountability for the success of the working session. This is especially important in organizations in which executives consider the problem to be with "them." Persistence of that attitude makes for a frustrating, finger-pointing, and relatively fruitless working session.

Step 4 The Initial Executive Alignment Working Session

There are many designs for the format and content of this session. What follows is a bare bones example.

Individual Commitments

After reviewing the intended outcomes and the agenda for the session (a process that should be given the same attention used for the pre-work), each executive is asked to share the personal commitment he or she is bringing to improve team effectiveness. This is a bold first move that gets every individual in the game

immediately. For this step to be successful, the commitment needs to be heartfelt, rather than perfunctory, and listened to, not debated, by others.

The Current Condition

The first point of alignment is on the current condition of the marketplace and of the organization. This conversation may be brief or extended, depending on the extent of differing opinions or awareness in the group itself. What is critical as an outcome is that the executive team align on (that is, own together) a single view of the current condition.

A significant part of this discussion is the raising of *undiscussables* surfaced in the interviews, as well as inside and outside perspectives on the executive team. A powerful way to deal with “undiscussables” is, simply, to begin discussion of one or more of them until what had been previously withheld is now fully shared within the group. This process may be difficult, but it yields important results by creating a larger “clearing” so the team can work more effectively. The time this conversation takes is not as important as whether or not alignment is achieved. Whatever topic is being discussed by the group, issues regarding team dynamics will naturally emerge and will need to be managed successfully by the group and whoever is facilitating the session. In this sense, there is no agenda item called “alignment” to get to. Rather, every discussion of substance will be an opportunity for alignment, or lack of it, to be experienced and dealt with.

The Condition Needed for Success

Having set a stake in the ground for the current condition, it is important to set another stake in the ground for the condition needed for success. Again, this is an opportunity to test alignment and explore group dynamics that hinder or promote it. This piece of work, which is a co-creation of the team, can be substantial.

Implications of the Gap

In comparing the current condition with the needed condition, a gap will emerge. As already mentioned, if the gap is small or the means to bridge it are immediately understood and available, there is little impetus for the team or individuals to change their behavior or that of the organization. Whatever degree of alignment that exists will be sufficient to get the job done. For a team that has committed to taking the time for this working session, these circumstances are rare, however. Usually the gap is sufficiently large that the team comes to the awareness that doing the same things harder and faster will not get the organization where it needs to be. In short, the gap will call for a new way of operating, even while the implications of that new way of operating are not yet fully articulated.

Next Actions and Shared Commitments

Insights generated in the working session must be translated into action. Remember, executive team members will not be measured by what they say but by what they do. From alignment will naturally emerge a set of shared commitments and specific actions. The executive team members need to hold themselves accountable for producing the results they promise. Sixty- or 90-day plans are usually more effective than long-term plans; the focus at this point is best set on short-term actions that are visible to the organization.

Extending Alignment

It would be wonderful if this were the completion of the alignment journey, but it's not. A wise executive once observed that the half-life of alignment is about two weeks. Given that the process outlined above is an interruption, albeit a powerful one, of a culture that has been in place for years, it is critical to arrest the natural tendency to fall back to business as usual and to continue to build the muscle of alignment and effective organizational action. What follows is a brief list of some of the major tools available to accomplish this:

Effective Coaching

Alignment will be extended by the commitment of the executive team to sustain it among themselves and to foster it throughout the organization. For executive team members, commitment is best fostered through coaching. Coaching may come from an outside resource but should always include coaching among the executives themselves.

What is meant here by coaching? It is working with each executive to continue to overcome personal, team, and organizational barriers to success; it is about taking executives to a new level of performance. For that to happen, it is essential that the coaching focus executives on the commitments they have made and on the needed condition toward which they are working—to building needed behaviors, lessening limiting behaviors, and having an eagle eye on the future condition beginning to be created. That focus alone will help produce breakthroughs in performance. A focus on familiar circumstances and “the way it is around here” will serve to perpetuate business as usual, including old behavior patterns and old performance levels.

Leadership Incorporation

While the executive team maybe enamored with its own successes during and following the executive working session, it is salutary to realize that the rest of the organization has not had that experience. At this early stage, executives often will talk about how different they are, to the bemusement of the rest of the organization. Everyone is so conditioned to the executives' usual way of

operating that they may react with skepticism, even disdain, to the executives' newfound enthusiasm for what the organization can accomplish.

One powerful way to break through this skepticism and to extend alignment is to build a working session that incorporates the next level of management in the same conversations that executives have engaged in—personal commitments, the current condition, “undiscussables,” the needed condition for success, the gap, and shared commitments and action to begin to close the gap. This often takes the form of a work session that may extend over three to five days and that should result in a broader alignment for change and a clear set of actions to accomplish it. In the act of engaging the next level in these topic areas, the executive team will be able to reaffirm its own alignment, learn to align others, and demonstrate a new way of operating to key members of the organization. Again, this should be a beginning of a new way of operating and not a one-time event.

Employee Engagement

A further step, and one that will extend over months and years, is to leverage the work of the executives and middle management to align the entire employee base with the need for change and to set them in a coordinated action to move the organization to a desired future. The deeper the understanding throughout the employee force of the need for change, the industry's condition, the organization's condition, and the organization's direction and priorities, the more likely it is that the entire organization will be arrayed together to move the organization forward.

Any process that accomplishes this, and there are many available if the process is not designed internally, will provide a solid foundation for an employee force whose actions are aligned with what the company needs to achieve. And any such process should create a stronger relationship between executives, managers, and other employees by encouraging an environment in which concerns and issues can be shared and resolved, including “undiscussables” at whatever level they exist. Indeed, what some executive groups have found most valuable in working with the rest of the organization is to be quiet and listen to the issues, hopes, resentments, and concerns of employees. This, in turn, opens the door for an environment of increased personal accountability that is characteristic of the kind of organization described earlier in the chapter, where alignment is fully present.

Sustaining Alignment

An environment characterized by alignment must be intentionally sustained. It cannot be overstressed that, left to run its natural course, organizational behavior will drift back to old ways of operating.

The first key to sustainability is continual recognition that alignment has a short half-life, meaning that the commitment to alignment and the degree of alignment that exists needs to be regularly tested. An increase in hallway conversations or in the number of “undiscussables” is a clear indicator of a decline in alignment. Conversely, their absence is a clear indicator of the continuing presence of alignment. Alignment, then, needs to be nurtured and not assumed to be present because the results of any particular meeting or process were good or because the company is moving in the right direction.

Management systems need to reward the behaviors and results the company is looking for from every level. For example, performance appraisal systems need to reward management behaviors that foster alignment and have consequences for behaviors that do not. Compensation also needs to be oriented to production of results and exhibition of desired behaviors.

Along the way, it maybe necessary to make hard decisions about some employees. Some leaders and employees, even at the executive level, will not adjust to the new way of operating, either for lack of will to do so or for lack of capability. In the case of lack of will, these individuals, after appropriate counseling and opportunities to get onboard, need to be removed from the organization. They are a hindrance to results and to every employee who is working to have the organization succeed by operating in a new way. Employees who lack the capability to change need to be relocated within the organization if possible in positions where capabilities they do have are leveraged and where their limitations do not limit results or the new way of operating. In some cases, they too may need to be let go.

These tough decisions are critical to leadership's credibility. In some organizations, leadership espouses new values but does little to measure performance against values or does little that affects those who clearly do not seek to live the same values. To call this a mixed message is too kind. It is a clear message that leadership has insufficient commitment to creating a new level of results in a new way.

Conclusion

An environment characterized by alignment will produce better results and be more adaptive to change than one that is not. This chapter has focused primarily on what is needed to create a breakthrough in executive alignment and has touched on what is needed to sustain that breakthrough over time. While the means used to create, extend, and sustain alignment are varied, the underlying principles outlined in this chapter remain the same. Above all, recognition that an environment characterized by alignment is one that needs to be continually nurtured is vital to creating and sustaining an aligned, effective, satisfying, and successful organization.