



TenStep Supplemental Paper

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Strategy and Employees

Strategy has to become an integral part of organizations aiming to transform into high performing organizations. "Strategic alignment" is the only solitary recourse for this. It is HR that aligns everyone in the organization with the strategy, so HR's job begins once the strategies are formulated and implemented.

Steps that ensure strategic alignment of employees

Strategic thinking. Strategic alignment works only if employees have the tools for strategic thinking. Employees, essentially, need to be capable of making decisions that have a strategic impact. The tools include examples, role models and training.

Employees need to understand the basics of business. This will help them envision how the strategy works, increase their job security, increase their likelihood of promotions and pay increases, and help ensure that they understand how their work contributes to the organization's success. These conceptual tools get the buy-in and intelligent support of the strategy from employees.

Understanding strategy

This can happen if employees have the conceptual tools to understand the strategy. Good strategy requires focus. There are three ways to satisfy customers: price, quality and service. A strategically-focused organization excels in all three. "Front line" employees who have contact with customers often want to please customers by offering satisfaction in each of these. However, to fit with the organization's focus they should be willing to leave some customers dissatisfied. This is not possible without a clear understanding of the strategy, especially when "front line" employees are far removed from the strategic planning process.

Organizational structure

This can either help or hinder strategic alignment. For instance, many large organizations exhibit a "silo effect," which is very effective within a department but lacks efficiency and flexibility in cross-departmental activities and cooperation. Such silo effects are right for areas that become separate strategic business units. However, in a team-based organization, they can prove disastrous. Successful organizations create "matrix" organizations to break down the silos.

Job structure

Hire, train, compensate and retain skillful employees in key strategic areas. Hiring high-quality people who keep the costs down with their productivity and inexpensive people who do the same because they cost less to pay makes a difference.

Buy-in

Strategic alignment is achievable only if employees are convinced about the strategy. The right tools and communication ensure buy-ins. However, smart employees sometimes



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refuse to buy into some strategies. Determining if this lack of buy-in stems from a valid objection to the strategy is worth a try. Despite an organization's best efforts, employees often fail to see eye-to-eye, which results in strategic conflicts. Parting ways is the only solution in such circumstances.

Management should be willing to spend money to make employees content and provide them with better working conditions. An ideal way of aligning employees to strategy is to make it part of their organizational strategy.