

Overview

Sirota's Dynamic Alignment model was developed in 2013 to provide leaders with a better way to understand and diagnose factors that impact organizational effectiveness. Through a combination of inductive and deductive research, we have developed an analytical model that assesses employee perceptions of four critical drivers of individual, team, and organizational performance: strategic direction; workplace effectiveness; workforce engagement; and innovation and change.

The Emergence of the Dynamic Alignment Model

The Dynamic Alignment model emerged out of the need to provide leaders and managers with a more comprehensive understanding of how to build high performing teams and organizations. Prior to the emergence of this model, we analyzed survey results through the lens of our *Three Factor Theory of Human Motivation in the Workplace*, or ACE Model (Sirota, Mischkind, & Meltzer, 2005). Based on a careful analysis of nearly four decades of survey data, we found that employees seek three fundamental things from their work.

- **Achievement:** The vast majority of employees want to achieve something important and meaningful at work. They want to grow and develop their skills and capabilities and they want to be rewarded and recognized for their efforts.
- **Camaraderie:** We are social beings. Employees enjoy working productively with others while developing healthy interpersonal relationships. How managers interact with their teams is especially important in motivating employees to go above and beyond.
- **Equity:** Employees want to be treated fairly when it comes to pay and benefits, day-to-day treatment, and psychological and physical safety.

When these needs are met, employees are highly engaged at work. Based on a recent meta-analysis using Structural Equation Modeling, we have found empirical support for this model (Reeves, Hyland, and Caputo, 2014).

While the ACE Model has been validated and does provide a useful framework for diagnosing engagement and motivation-related issues, we have found that it does not provide a comprehensive overview of the issues that organizations are struggling with. Nor does it address all the factors that impact workplace performance. Based on various linkage analyses we have conducted, we have found that other factors—beyond Achievement, Camaraderie, and Equity—are most related to business metrics. For example, in a recent linkage analysis between employee attitudes and customer satisfaction, we found that call center teams that provided the highest levels of service also had adequate tools and resources, training, and manager support.

Searching for a Broader Model: Inductive Roots of Dynamic Alignment Model

Considering the limitations of our ACE model, we set out to develop a broader model of organizational effectiveness. Using data from our 2,012 client engagements, we conducted a qualitative analysis of all consultant-based key findings and recommendations. Based on an analysis of 231 recommendations across 23 client organizations, four main themes emerged:

- Over 40% of our recommendations focused on employee engagement, commitment, and motivation-related topics. These included employee concerns about employee development, teamwork, fairness, respectful treatment, rewards, compensation, benefits, and balance.

- 20% of our recommendations focused on workplace efficiency and effectiveness topics. These included employee concerns about tools and resources, information, cross-functional teamwork, bureaucracy, systems and structures, and processes and procedures.
- 13% of our recommendations focused on organizational strategy-related topics. These included employee concerns about strategic direction, strategic communications, strategic planning, and the organization's mission and vision.
- 13% of our recommendations focused on innovation and change-related topics. These included employee concerns about change, agility, innovation, creativity, and ethics and integrity.

Based on these findings, we sought to develop a comprehensive diagnostic model that included all four major themes that emerged in our qualitative analysis of 231 recommendations.

Theoretical Foundations of Dynamic Alignment Model

To develop a more comprehensive diagnostic model, we reviewed the organization development literature to identify models of organizational effectiveness that corresponded with our qualitative findings and observations from the field. While a broad range of theorists informed our final model, four writers/models/schools of thought were the most influential.

- In *Organizational Culture and Leadership* (1997), Edgar Schein posits that organizations face two fundamental challenges. As he states, "all groups, no matter what their size, must deal with: (1) survival, growth, and adaptation in their environment and (2) internal integration that permits daily functioning and the ability to adapt" (p. 11). These two fundamental challenges—internal integration and external adaptation—are a central component of our Dynamic Alignment model.
- In *The Social Psychology of Organizations* (1978), Katz & Kahn point out that open systems are in a constant state of dynamic homeostasis. For an open system to survive, it must be in a steady state that includes a regular inflow and outflow of energy. In other words, organizations are never static or still: they are constantly making internal and external adjustments based on internal and external changes. Organizations are systems that are in constant motion, more like a flowing river than a still pond (Lewin, 1947). This concept of dynamic homeostasis is the foundation for our concept of dynamic alignment, which describes a constant effort by the organization to create and maintain internal and external alignment.
- In *Diagnosing and Changing Organizational Culture* (2006), Cameron & Quinn present the Competing Values framework, which synthesizes decades of organization development models. The Competing Values framework posits that all factors that impact organizational effectiveness can be considered along two basic dimensions. The first dimension differentiates flexible factors versus control factors. The second dimension differentiates internally focused factors versus externally focused factors. Considered together, these two dimensions identify four approaches to organizational effectiveness: the Human Relations approach; the Open Systems approach; the Rational Goal approach; and the Internal Processes approach. This model, along with these four approaches, had an impact on the core elements of our Dynamic Alignment model.
- Finally, the Burke-Litwin Model (1992) of organizational change and performance had an impact on our conceptualization of Dynamic Alignment. The Burke-Litwin model argues that employee motivation and performance are impacted by various factors, including leadership and management practices, strategy, structure, and systems, an organization's mission and vision, and the workplace structure. It also posits a series of causal connections. The Dynamic

Alignment model is built on similar assumptions: leader and manager behaviors, along with strategy, structure, and systems, impact employee motivation and performance.

Based on these four foundational models, along with our observations of team and organization performance, we posit the following:

- To succeed in the 21st century, companies must do two things: continually adapt to an ever-changing business environment, and effectively align leaders, managers, and employees around a clear and compelling strategy. This first assumption is based on Edgar Schein's classic assessment of the two fundamental challenges that organizations face: internal integration and external adaptation.
- Sutcliffe & Vogus (2003) have argued that under times of stress, people in organizations respond to threats in one of two ways. They either display resilience and share information, resources, and work together to solve problems. Or they respond rigidly, hoarding information and resources and retreating into silos and turf wars.
- Informed by this Schein's thoughts and Sutcliffe & Vogus's model, we argue that 21st century organizations must constantly align and adjust their people and business strategies to adapt to an ever changing external environment. When people are working toward a common purpose, in an enthusiastic workforce built on a foundation of shared values and partnership principles, and with systems and processes that are flexible and adaptive, organizations can reach their full potential and achieve unprecedented levels of performance. We call this "Dynamic Alignment."
- To create "Dynamic Alignment" companies must do four things:
 1. Architect a strategic plan that establishes clear goals, accountabilities, and structures that drive performance. The importance of architecting is highlighted in various areas of leadership and performance literature, including Bass and Avolio's transformational leadership literature (1990), House's Path-Goal Theory (1977), and Kaplan and Norton's Balanced Scorecard approach (1996).
 2. Enable employees to execute on strategy through flexible and participative systems, process, tools, and resources. This is informed by Lawler and Worley's (2006) writings on change readiness and organizational agility.
 3. Unlock workforce potential and sustain employee enthusiasm by ensuring leaders and managers meet the achievement, camaraderie, and equity needs of their people. This is based on Sirota's Three Factor Theory of Human Motivation, as described in *The Enthusiastic Employee* (Sirota, 2013).
 4. Elevate leadership and management practices by ensuring leaders and managers live the values and model the behaviors that promote a partnership driven culture. We have found that the only way to achieve dynamic alignment is by developing a partnership mindset and culture within organizations. Partnership principles allow for and encourage employees, managers, and leaders to share information and respond to changes in the internal and external environment.
- The degree of alignment between these factors will influence the organization's ability to drive performance.

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