Aligning Strategy with Culture, Development and Engagement

The Metro Milwaukee Society of Human Resource Managementos (MMSHRM) Performance and Development Special Interest Group launched a survey of members to understand how local professionals and leaders in the HR community plan to focus their time, energy and budgetary dollars. Specifically, members were asked to choose the three most important talent, training, development or performance management needs within their current organization.

The results are in. It turns out that the top five areas selected were:
  1) leadership development
  2) employee engagement
  3) linking organizational development/HR practices to business strategies
  4) change management
  5) succession planning

What do these five areas have in common? The need for alignment between organizational strategy, leadership development strategies, organizational culture, and employee engagement clearly stands out.

Such alignment is a theme that has been examined extensively in many popular business publications and organizational development journals over several decades. For example, John Kotter found that 70% of major corporate initiatives fail, some of the best strategies end up being poorly executed, and still others never make it out of the executive suite. The reason for such staggering results can be traced back to strategic plans being formulated in isolation and failure to align objectives with organizational culture.

Peter Drucker also placed a strong emphasis on the examining the alignment between strategy and culture. As Drucker succinctly stated, %Culture eats strategy for breakfast.+ Leadership development and culture have greater impact on long-term business performance than any other factor, including the influence of the CEO. Studies of employee engagement have found significant correlations between level of engagement and key business outcomes such as customer satisfaction, productivity, and innovation.

So what are some of the most successful companies doing to ensure strong alignment between their strategy, leadership development and employee engagement levels within the organization?

This is a partial list of initiatives to consider:

  1. Analyzing the implications of strategy on the organizational culture
  2. Making leadership development a strategic priority
  3. Defining the required current and future leadership capabilities
  4. Linking leadership development activities to execution of the business strategy
  5. Developing high-potential contributors and leaders at all levels

Many of our client organizations have engaged our firm in helping them to accomplish these key initiatives. Please feel free to contact us to share best practices, to receive more information on these topics, or to discuss how we might apply some of these key learnings to your business situation.