

Intermediate Results

Organizational Alignment Research 2019

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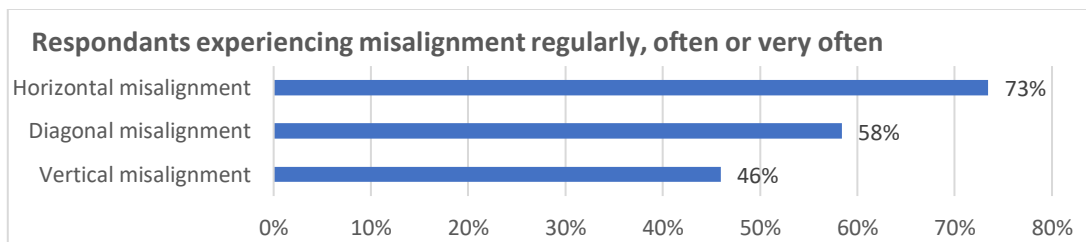
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1 Summary of the results

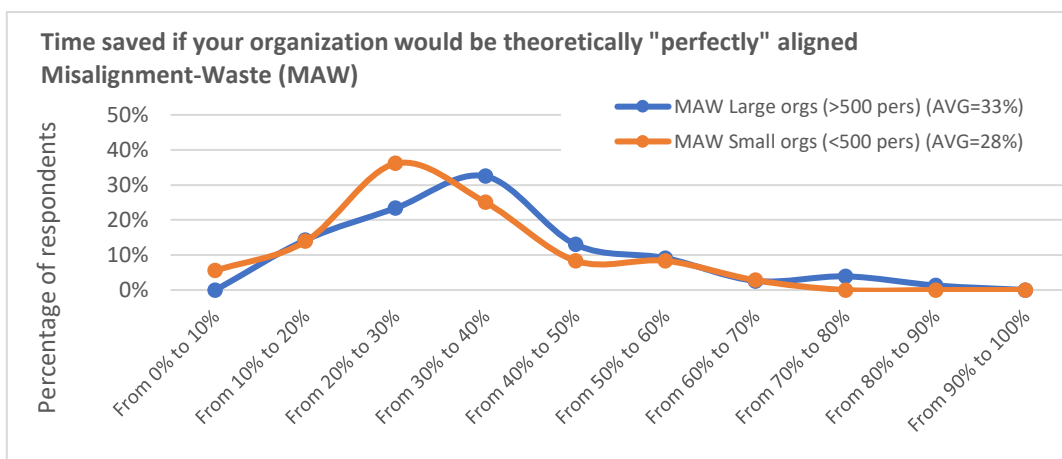
One of the key factors for the success of organizations is the extent to which people and systems are aligned with each other towards a common goal. This “Organizational Alignment” is the subject of this survey¹. We investigate the costs of non-perfect alignment, the kind of misalignment mostly experienced and the factors that are predominantly seen as the main causes of alignment issues in. Correlations are sought with size and type of the organization and the position of the respondent within the organization.

1.1 The importance of Organizational Alignment

The survey results clearly indicated that Organizational Alignment is a topic that interests people strongly. We found that 73% of the respondents (n=113) indicated they experience problems with horizontal alignment regularly or (very) often. Diagonal and vertical misalignment is experienced less often (58% and 46%).



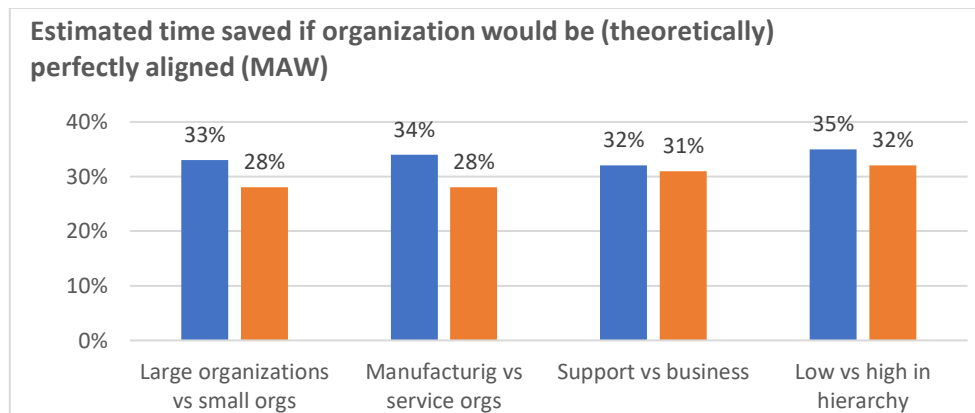
On average, respondents estimate the people in their organization spend over 30% of their time and energy on misalignment issues, mostly horizontal misalignment. We found a statistically relevant difference between organizations with less than 500 employees (28% MAW) and larger organizations (33% MAW)².



¹ We filtered out non-profit organizations and organizations with less than 25 employees

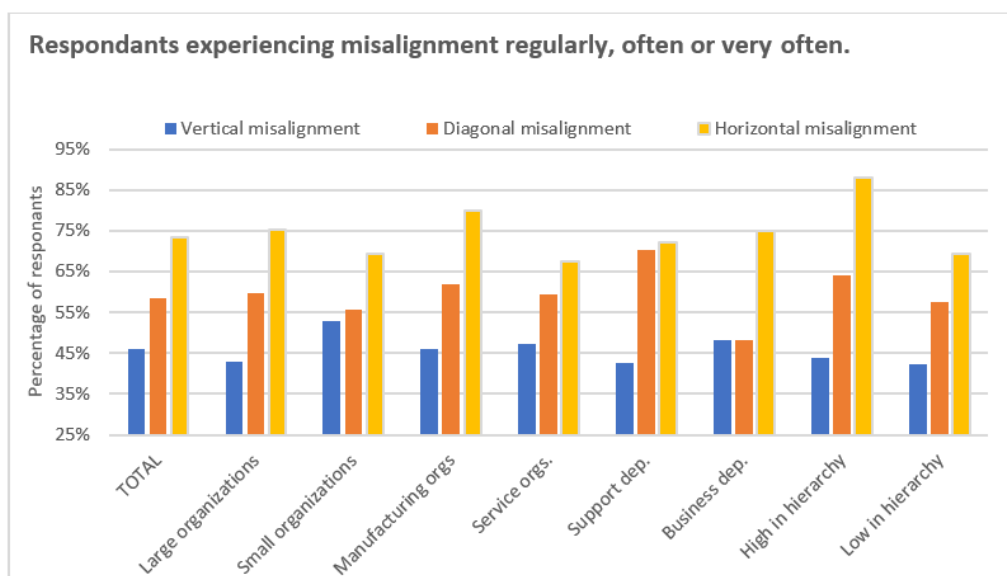
² Statistically significant based on t-test one tailed ($t(113) = 1.863, p=.003$)

The same kind of difference as found when comparing service organizations with manufacturing organizations (34% vs 28%). When comparing answers from respondents from support organizations (like IT departments, F&A and HRM) with other respondents, we found a less relevant difference, as we found when analyzing the position of a respondent in the hierarchy.



1.2 The types of alignment issues

When looking at the type of alignment issues that respondents experience regularly, often or very often, we see some interesting differences. People working in support departments are more aware of diagonal alignment issues than others. Surprisingly, people in smaller organizations are more aware of vertical alignment issues³. And people in larger organizations working close to the CEO are more aware of horizontal alignment issues than people lower in the hierarchy⁴.



³ Statistically significant, $t(92) = 2.997, p = .004$.

⁴ Statistically significant, $F(2, 74) = 3,657, p = .031$

1.3 The causes of organizational alignment issues

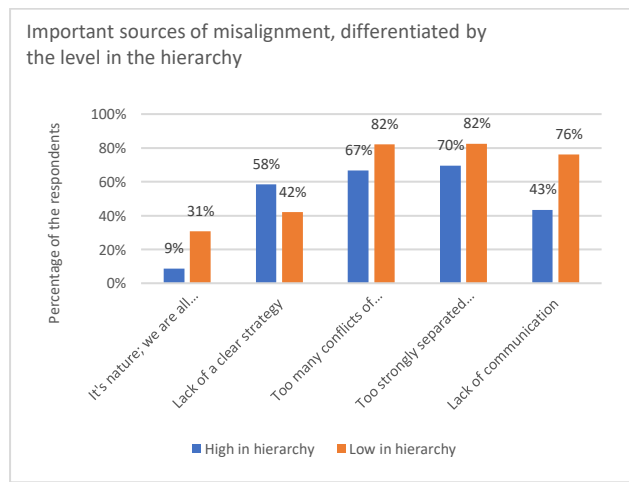
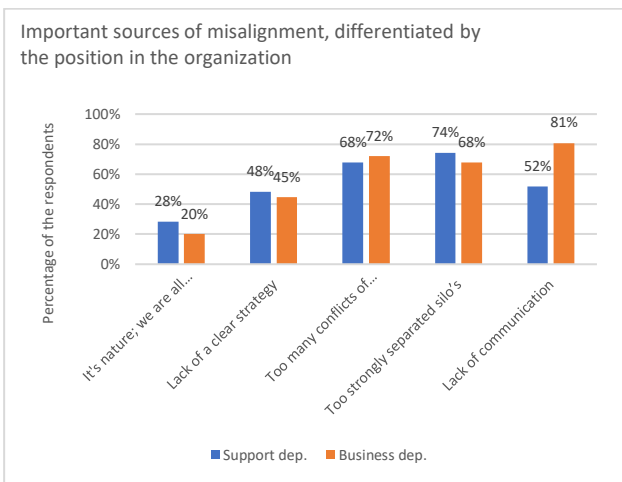
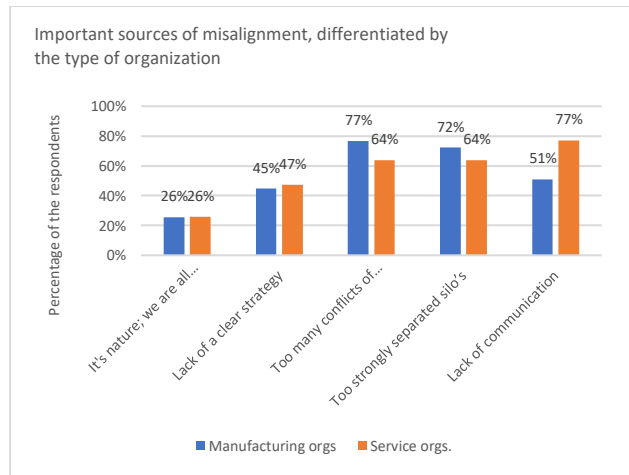
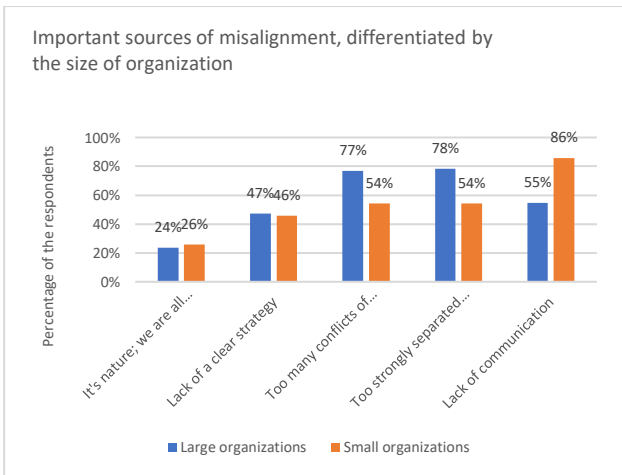
The causes of alignment issues that respondents indicate as most important give an indication of what people think might be a solution.

Smaller organizations have more issues with communication than larger organizations. Combining this information with the fact that smaller organizations have relatively more vertical alignment issues, one could conclude that larger organizations are more often paying serious attention to vertical communication. However, this conclusion is not statistically substantiated.

Respondents high in the hierarchy in large organizations, are more often aware of the lack of a clear strategy to tackle horizontal alignment issues. People lower in the hierarchy more often complain about the string conflicts of interest and the lack of communication.

Looking at the classic issue of business-IT alignment, the analytics between support department and the business is interesting. Respondents of support departments are more aware of diagonal alignment issues (as expected) and more often complain about the lack of a clear strategy and the too strongly separated silo's in the organization. On the other hand, respondents from business departments more often indicate the lack of communication as a main cause of misalignment.

Unfortunately, the survey was not extensive enough to find these results statistically relevant.



However, for these analytics, the number of valid responses is not high enough for statistically reliable conclusions.

1.3 Conclusions

The research looks very promising, alignment and misalignment are definitely topics that interest people. We found statistically relevant conclusions concerning the size and type of the organization and the amount of time and energy people lose because of non-perfect organizational alignment. Also, some strong indications are found concerning the position of people in the organization and the factors that people indicate as the causes of misalignment.

More sample data is needed to draw solid conclusions concerning the correlations between organizational size and branch and the position of the respondents within the organizations.

2 Survey setup

Organizational Alignment is assumed to be of the key factors for the success of an organization or a project. In this research we try to find an answer to the question how this important factor can be understood, measured and improved.

2.1 Definitions

"Organizational Alignment" refers to the extent to which people, resources and systems within an organization are aligned with each other and with the goal of the organization.

"Misalignment" is the extent to which components of an organization oppose each other due to differences in goals, visions, knowledge and skills.

The part of the time and energy that people would save in the theoretical situation of when their organizations would be perfectly aligned is called "Misalignment Waste" (MAW). It can be expressed as a percentage of the working week of people.

2.2 Research questions

- To what extent are the various forms of misalignment (vertical, horizontal and diagonal) perceived as disturbing?
- How do people experience the amount of time they have lost as a result of misalignment?
- Is there a correlation with:
 - The size of the organization
 - The kind of organization and Industry (manufacturing, service, trade, government)
 - The position of the person in the organization (Both the level in the hierarchy and the department like Production / sales / support)

2.3 Setup of the research

It is practically impossible to have a researcher observing people in their daily work constantly over a longer period of time and clock the time they have to spend as a result of misalignments. So, the only way is to ask people their own subjective experience on this subject. Reliable results can then only be found if it is absolutely clear to all respondents what is meant by alignment and misalignment.

A survey is set up in which the concepts are thoroughly explained with simple and clear animations. The main goal of the survey is to achieve statistically relevant results, which means an accessible, short, fast and superficial questionnaire. This comes with a price of the depth of the questions.

3 List of results found statistically relevant

1. The survey showed a statistically significant difference in MAW-c between larger and smaller organizations. In organizations with less than 500 employees), MAW-c is on average 27%, in larger organizations (>500 employees) it is 33%. Statistically significant: (t-test one tailed ($t(110) = 1.863, p=.003$)).
2. When the MAW-c increases, respondents more often point out the lack of a clear strategy and the conflicts of interest as the main reason for misalignment. Statistically significant: ($r = .190, p = .049$ two tailed) and ($r = .305, p = .001$ (two tailed))
3. When MAW-c decreases, respondents more often point out “It’s nature, we are all human” as the main reason for horizontal misalignment next to Lack of a clear strategy. Statistically significant: ($r = -.212, p = .029$ (two tailed)) and ($r = .257, p = .007$ (two tailed)).
4. When respondents experience more significant issues with Vertical misalignment, they more often indicate the lack of strategy and the lack of communication as the main cause of misalignment. Statistically significant: ($r = .462, p = .000$ (two tailed)) and ($r = .226, p = .020$ (two tailed))
5. When respondents experience more significant issues with Diagonal misalignment, they indicate more often “too strong separated silo’s” and “a lack of clear strategy is” as the main cause of misalignment. Statistically significant ($r = .224, p = .020$ (two tailed)) and ($r = .259, p = .007$ (two tailed)).
6. Respondents from smaller organizations more often point out the Lack of communication as an important cause of misalignment. This difference is found statistically significant on While respondents from larger organization more often point out the Conflicts of interests and the separated silos. Statistically significant: t-test one tailed ($t(105) = 2.831, p=.006$), ($t(106) = 2.598, p=.011$) and ($t(106) = 3.128, p=.002$).
7. In larger companies (> 500 coworkers) a statistical relevant difference is found in the experience of horizontal misalignment. The higher management experiences stronger issues with horizontal misalignment than the hierarchical levels lower in the organization ((Statistically significant, $F(2, 74) = 3,657, p = .031$).
8. Diagonal Misalignment is more often experienced in support departments than in other departments like production, sales and management
Statistically significant: ($t(92) = 2.997, p=.004$).

4 More information

This survey on Organizational Alignment is organized by AMVKResearch, Rotterdam, Holland.

www.AVMKResearch.com

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