What Lies Beyond Alignment with Strategy
and other Human Resource Enablers?

Copyright © Otto Laske, PhD, 2001

otto@interdevelopmentals.org

Abstract

Readiness to align with company strategy, and the potential of individuals and groups for professional development are the concern of every Director of Human Resources. This article briefly describes a way for Human Resource professionals to gain a deeper understanding of their company's workforce, in particular the hidden (positive and negative) processes that determine its strategic readiness. The article introduces the *Corporate Development Readiness and Effectiveness Measure* (CDREM™), a research-based methodology that is proving useful in the learning-and-growth dimension of strategy-focused organizations.

Measuring the Intangible

According to Marshak and Katz's Covert Processes Model™, change is difficult to bring about if the hidden dimensions of individuals, groups, and entire organizations are not brought to light, and made conscious. A company's or administration's human resources would be easier to manage if one could unlock the covert processes that are untapped, unexpressed, denied, or buried in the organization's culture. These processes are anchored in the "prism" through which individuals and groups view the organization they work for. In the context of the balanced scorecard, the way in which alignment with company strategy is internally constructed by the workforce is of particular concern, along with cultural alignment, leadership, team synergy, and use of competence. What is needed to manage these human-resource "enablers" is a methodology that decomposes the set of lenses (prism) through which employees view themselves and their company, presenting the prism to HR scrutiny in a detached and actionable way.

There are many covert processes that determine alignment with strategy. Most of them are out of awareness for the individuals and groups carrying out strategy. Most of the time, HR professionals attempt to get a handle on "where employees stand" by using anecdotal observations or opinion surveys. Alas, people's opinions about themselves and their company do not strongly reflect where they really stand, or their "prism," if you take that to mean what their actual day-to-day disposition for executing company strategy actually is. The HR enablers mentioned above are just fancy language for what in reality is dependent upon--up to now largely intangible-- layers of human capability that determine how the prisms of members of the workforce are actually constituted. That's why it makes sense to look at what lies "beyond"(Greek "meta") conventional HR enablers, for instance, those of alignment. But how does one go about capturing HR "meta-enablers" which ultimately determine the prism through which a company is seen, and affiliated with, by employees?

This article describes a methodology called CDREM™ that serves to afford the HR Director a detached look at crucial, but covert, human-resource processes. The methodology works by de-composing the prism of a representative sample of the workforce into six "meta-enablers" that can be succinctly described, quantified, and targeted for intervention.

What is Measured by CDREM™

As indicated by the name "Corporate Development Readiness and Effectiveness Measure," CDREM™ is geared to assessing workforce readiness for executing strategy, as well as the effectiveness of HR in delivering such readiness. It is an assessment tool that can be configured to the company current strategy, and is used with a representative sample of employees in an organization or business unit. A sample is *representative* in size and composition if it "represents" those who embody the HR enablers required by an organization's current strategic objectives. Based on a 1-hr interview and a workplace behavior questionnaire, CDREM™ assesses six meta-enablers (covert processes) of the human capacity, to enable internal business process, customer relations, and financial outcome. Three of these meta-enablers are "developmental" (#1-3), in the sense that they prognosticate untapped resources, while three are "behavioral" (#4-6), yielding diagnostic information about present workforce readiness:

1. developmental level (15 levels attained between ages 20 to 100)
2. developmental potential and risk (e.g., potential for mental growth toward leadership)
3. systems thinking capability (e.g., ability to think systemically, and take multiple perspectives)
4. conduct (self-concept, risk-taking, autonomy, etc.)
5. task focus (drive for achievement, resourcefull under stress, quality of planning, etc.)
6. interpersonal perspective (understanding others motives, affiliation with, and bias toward, etc.).

According to contemporary research, some covert processes are "deeper" and more determinative than others. For instance, the status of developmental meta-enablers heavily influences that of behavioral ones. An assessment of these meta-enablers together renders a comprehensive picture of the otherwise intangible anatomy of a workforce, --really any company's biggest strategic asset.

Let's take one of these meta-enablers to illustrate how CDREM™ works, say, systems thinking capability (#3). This is a "developmental" meta-enabler that determines, you might say, the scope and precision of the prism through which organizational events, including one's own functioning, are viewed. It has been shown by research (Basseches, 1984) that the ability to think in terms of systems, take multiple perspectives, and appreciate the ceaseless transformations in one's life and one's organization, is an ability that grows over the lifespan. Therefore, systems thinking is linked to meta-enabler #1, developmental level, of which it has been shown that between ages 20 and 100, adults traverse up to 15 levels of increasingly less ego-centric

worldview and leadership capacity. Since CDREM™ captures crucial determinants of workplace behavior, it can help the HR Director, to gain diagnostic insight into employee conduct (e.g., feeling of autonomy in one's work), task focus (e.g., drive for achievement), and interpersonal perspective (e.g., ability to affiliate). The methodology also helps the HR Director assess employees' aspirations for, and their daily experience of, the company, --information that is vital for gauging "where the employees stand" with regard to alignment with strategy.

How CDREM™ Results are Reported

CDREM™ reports findings about a representative sample in terms of percentages of those who attain a set of standards customized to company strategy. It expresses the proportion of those who miss and exceed a standard in terms of a ratio equalized to the standard (=1). For example, upon assessing a representative sample of 40 "strategic" employees and managers, it may be found that their systems thinking capability is as shown below:

Meta-Enabler	Range Found	Standard Set	Substandard or "Risk"	Adhering to Standard Set	Exceeding Standard, or "Potential"
Systems thinking ability	t=15 – 45 [found]	t=30 (moderate capacity)	33(%)	51(%)	16(%)
*Ratio (standard=1)			[-]0.65	1	[+]0.31

*Note: Ratios do not sum to 1.0

Table 1. Outcome of Measuring Systems Thinking Capacity as an Aspect of Alignment

What does Table 1 tell us? Let's say HR has decided to measure systems thinking capacity as one of six aspects of alignment with strategy in the representative sample. Table 1 then tells us that the ratio of those who fail the moderate standard set by HR for systems thinking (column 3) is twice as high [-0.65] as the ratio of those exceeding the standard [+0.31]. This might not be an immediate problem if the standard set for alignment isn't modest as in the present case, or if the other 5 aspects of alignment HR is measuring come out more positively. However, the finding would signal a risk of lack of systems thinking capacity in the chosen sample nevertheless. Now, say that the CDREM™ assessment of *all six aspects of alignment* comes out like shown in Table 2:

Potential-to-Risk Indexes For Representative Sample [Sales Division]	Sub-standard, or Risk	Standard	Exceeding Standard, or Potential
Personal Goal Alignment with Company Strategy	[-]0.79	1	[+]0.23
(Optimal) Use of Competence …			
Leadership …			

*Note: Ratios do not sum to 1.0

<u>Table 2</u>. Outcome for Alignment in the Representative Sample
(based on six meta-enablers scores, or "prism lenses")

<u>Table 2</u> tells us that the proportion of those in the representative sample who (unbeknownst to themselves) are *ineffective in aligning with company strategy* (considering all six aspects of alignment measured) is almost four times as high as those exceeding the adopted company standard for alignment. It also tells us that overall alignment capacity in the representative sample is worse than systems thinking capacity per se (<u>Table 1</u>). In short, there are other prism lenses not discussed here that darken the alignment capacity picture.

<u>What the Findings Tell HR</u>

      Let's assume the HR Department is sufficiently strategy-focused in its operations to assess not just alignment, but also use of competence, leadership, cultural alignment, and knowledge sharing in teams. The findings on alignment above then fit into the broader framework of the HR measurement strategy, which is geared to finding cause-effect links of enablers with internal business process and customer relations, if not also financials. Let's assume further that the business unit represented by the sample assessed is the Sales Division. What do meta-enablers such as systems thinking enable the Sales Division to do? Assume that the representative sample scrutinized was composed of 10% executives, 50% middle management, and 40% "sales force," thus emphasizes middle management. Then the finding in <u>Table 1</u> means that those directly responsible for the company's sales strategy (60% of the sample) are weak in taking factors impacting sales into account *systemically*, and also fail in other aspects of alignment that the HR Director, who delivers sales force readiness, deeply cares for. **In short, the two tables together make it evident that the HR Director is presently not delivering strategy-congruous alignment capacity in the company's sales force.** With the CDREM™ assessment outcomes in hand, the HR Director is now in the possession of "hard" data that can help management change the situation in the Sales Department. The HR Director is able to alert executive management to the fact that the *meta*-enablers that make up the lenses of the sales force "prism" are not looking very good (in fact, outright risky), especially in the alignment dimension. On account of the CDREM™ data, the HR Director can prompt management's engagement with this state of affairs, and generate energy that will lead to changing the readiness status of the sales force. The real benefit will come to HR when, in a year's time, the department repeats the CDREM™ assessment, to find out whether the interventions and programs put in place with the help of management have, or have not, borne fruit.

What is the Moral?

The following results pertinent to "where the employees stand" in the company's sale force emerge from the above outline:

- First, it is possible to de-compose an organization's covert processes (the "prism") into a finite number of meta-enablers (e.g., systems thinking capacity) that can be succinctly assessed and quantified

- Second, applying the CDREM™ analytic yields data:
  - that no opinion survey could have yielded, since people's opinions (answers to pre-defined questions) are only what they SAY they do, not what they actually DO or ARE LIKE on account of a prism they maintain out of awareness
  - that deepens HR's understanding of the cause-effect links, not only within HR, but also between "learning and growth" and other business dimensions (such as customer relations, and even financials).

- Third, depending on current business strategy, HR can define and assess a representative sample of employees, in order to learn about covert processes that may hinder or support learning and growth

- Fourth, HR can define what specific *indexes* (sets of criteria) should be tracked over the long term for any strategical concern it chooses to focus on (alignment, leadership, use of coompetence, etc.) and remedy, in harmony with overall business strategy

- Fifth, in measuring meta-enablers, HR can transform itself into a strategic partner of executive management.

Appendix: A Little on the Science Behind CDREM™

CDREM™ is an analytics that makes visible covert organizational processes (positive and negative) called meta-enablers that determine workforce readiness. It is is an OD methodology established by O. Laske (1999) which is based on research outcomes validated in developmental psychology and organizational psychology since the 1970's. The methodology uses a semi-structured interview developed by M. Basseches and L. Lahey et al., Harvard University (1984, 1988), and a workplace behavior questionnaire developed by M. Aderman (1970) that derives from Henry Murray's work at Harvard University in the 1940's. Most directly, CDREM™ is based on Laske's own HR consulting experience and research regarding developmental readiness since 1992. A selected bibliography for further study of this methodology is found below.

Alexander, N.J., & E. J. Langer (Eds.) (1990). Higher stages of human development: Perspectives on adult growth. New York, NY, USA: Oxford University Press.

Argyris, C. (1999, 2nd ed.). On organizational learning. Malden, MA: Blackwell Business.

Basseches, M. (1984). Dialectical thinking and adult development. Norwood, N.J.: Ablex.

Demick, J. & Miller, P.M. (Eds.) (1993). Development in the workplace. Hillsdale, N.J.: Erlbaum.

Gerson, M. J. (1970). Need-Press interaction as related to relevant industrial criteria, Dissertation, Illinois Institute of Technology, Ann Arbor, MI: Bell & Howell Company.

Hawkins, R. E. (1970). Need-Press interaction as related to managerial styles among executives, Dissertation, Illinois Institute of Technology, Ann Arbor, MI: Bell & Howell Company.

Kegan, R. (1982). The evolving self. Cambridge, MA: Harvard University Press.

Lahey, L., & Souvaine, E., Kegan, R., Goodman, R., Felix, S. (1988). A guide to the subject-object interview: its administration and interpretation. Cambridge, MA: Harvard Graduate School of Education.

Laske, O. (2001a). Linking two lines of adult development: The Developmental Structure/Process Tool. Bulletin of the Society for Research in Adult Development (SRAD), 10.1, 8-11.

Laske, O. (2001b). A learning and growth metric for strategy-focused organizations (see www.balancedscorecard.org/wpapers.html).

Laske, O. (2001c). The CDREM™ readiness report (see www.balancedscorecard.org/wpapers.html)

Laske, O. (2001d). CDREM™ for managers (see www.balancedscorecard.org/wpapers.html).

Laske, O. (2000a). Foundations of scholarly consulting. Consulting Psychology Journal, 52.3, 178-200.

Laske, O. (2000b). An introduction to developmental assessment. Medford, MA: Personnel Development Consultation (Technical Report).

Laske, O. (1999). Transformative effects of coaching on executives' professional agenda. Dissertation, Mass. School of Prof. Psychology. Ann Arbor, MI: Bell & Howell.

Marshak, R. J. & Katz, J. H. (1999). A look at the hidden dimensions of group dynamics. In A. Cooke et al. (Eds.), Human Relations Reading Book, 8th edition. Alexandria, VA: NTL Institute, 251-257.

Raj, D. (1968). Sampling theory. New York: McGraw-Hill.

Short Bio:
Otto Laske, PhD PsyD is Founder and Principal of Personnel Development Consultation, Medford, MA., He is a human-resources measurement specialist working with a proprietary methodology, CDREM™. Dr. Laske helps HR clients in mid-size and large companies in establishing and tracking learning-and-growth metrics, carrying out long-term strategic performance management. He advises on computerized learning-and-growth measurement systems, and on making HR a more strategic partner of executive management. Laske is multi-lingual and works internationally and nationally. He can be reached at oelaske@earthlink.net, or (781) 391-2361.