



Review Paper

Measuring the Personal and Organizational goals Alignment: Developing a Practical Model

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Abstract

The present research tries to provide a model for measuring the degree of compatibility between personal and organizational goals. The research question is what is the appropriate model of measuring compatibility and degree of compatibility between personal and organizational goals? For this purpose, we chose workers of Isfahan's Mobarakeh Steel Company as our statistical population. In order to gather data, we made use of analyzing documents and conducting investigative deep interviews, employing a descriptive method of research. The degree of compatibility between personal and organizational goals is determined by a developed model. The results showed that the general compatibility was 74%, the level of personal goal achievement 61% and the level of organizational goal achievement 87%, which mark a moderate degree of compatibility. In the end, suggestions are offered to managers for the implementation of alignment model.

Keywords: Personal and organizational goals, compatibility of goals, compatibility model, alignment.

Introduction

Traditionally, public, business and industrial organizations have been responsible for the achievement of goals in societies. Based on the kind and significance of the goals, different types of organizations are founded and assigned to achieve them¹. Most scholars believe all these organizations take on the same task since they are to make optimum use of resources, including human resources, in pursuit of the goals. Human resource is one the most valuable organization asset providing competitive advantages for organization². Obviously job satisfaction and the attainment of personal goals are important factors in successfully performing that role³⁻⁴.

In order for an organization to succeed, both the organization and its parts have to share the same targets and means of achievements⁵. Otherwise, the organization would face serious challenges to reach its targets and its effectiveness decreases⁶. Thirty years of research by the Business School of Harvard University shows that harmony in different parts of an organization improves its effectiveness and alignment might be considered as one of the substantial competitive advantages of an organization. Fred Smith believes "alignment is an essential quality and spirit of management"⁷.

Scholars have placed huge emphasis on the necessity of alignment between personal and organizational targets in their literature about management^{5,7}. The idea is clearly reflected in all theories of management and researchers believe an organization's success depends on this coordination. In other words, the more personal and organizational goals are achieved, the greater success the organization will attain. Deep interest in

job atmosphere and strong belief in organizational goals and values, as well as careful attention to employees' goals and expectations, results in stronger personal, organizational and social commitment⁸.

Today, the alignment of personal and organizational goals is considered as a distinguishing feature of learning organizations. A learning organization is formed when creative people's goals are aligned with those of the organization, leading to growth and acquisition of knowledge or skill. Although a learning organization is improved by managers' effort, an effective cooperation of workers is strongly needed⁹. Managers and employees' efforts end in success when a good model for measuring the degree of compatibility between personal and organizational goals is developed. Therefore, we have to come up with mechanisms that bring about compatibility of organizational and sub-organizational goals in general, as well as organizational and individual goals in particular. There should be a device by which managers can realize the degree of compatibility and increase it, if needed. Recognizing the importance of the compatibility, Isfahan's Mobarakeh Steel Company is determined to work this way. Such research is rarely conducted and very few companies have ever tried to pursue that model, in spite of the critical importance it has.

Theoretical Principles: The Concept of Alignment

Alignment is the optimum condition in which strategy, employees, customers and central career processes are in line in a way that results in profit and growth. In aligned companies, workers and customers get deeper satisfaction, while higher profit is delivered to stakeholders. The aligned companies focus

on the job carried out by workers in order to achieve organizational goals, avoiding mere attention to hierarchy. They also involve employees in the process of management via delegation, entrusting responsibilities and sharing information and knowledge. In such a company, not only every individual, from managers to low-ranking employees, know the primary goals of the organization, but they also are aware of what effects can each of their actions have on those goals¹⁰.

Better alignment increases the chance of accomplishment of missions and decreases the costs via organizational and process efficiency. When an organization is aligned, everybody knows their role and tries to fulfill it¹¹. Strategic alignment is particularly assessed to measure the following items: i. The degree of compatibility between personal and organizational goals. ii. The level of trust within an organization. iii. The extent to which an organization highlights trust-building values. iv. The level of employees' cooperation¹².

When employees share the values of their organization, they would acquire a clear understanding of the importance of products and service they provide for customers. They also would find a direct relation between the job they do and the success their organization attains. Therefore aligned workers believe their jobs are significant; they are proud of what they do and where they work¹³. An aligned organization enjoys a cohesive set of subsystems, activities, skills and qualifications which bring about transparent approach and increased output. The functions of alignment are listed below: i. Reengineering processes, like teaching certain skills, are pushed through. Alignment promotes cultural reforms in an organization that help accelerate new processes. ii. Alignment ensures effective cooperation among different parts of an organization in order to achieve organizational goals. iii. Alignment is a business platform on which operational processes and the efficiency of employees are evaluated in a systematic outcome-based way¹⁴.

A review on the Alignment Models and the Research Model

Despite shortage of theoretical literature on the subject of the study, sixteen models of alignment could be identified. These models include strategic alignment model, reviving alignment model, population/ level alignment model, Strategic Alignment Maturity Model, Strategic-cultural alignment model, Strategic Alignment conceptual Model, Strategic Alignment salizi Model, management based on goal, Alignment Model at Individual Level, Alignment Model at group level, Alignment Model at the level of Organization/ Business/ system, Integrative Model of individual and organizational goals through ultimate purpose, individual-centered alignment model against organization-centered alignment model, Alignment Model of organizational systems, four-dimensional Alignment Model and The Organizational Alignment Cycle. Following is the explanation of some of the alignment models:

Strategic Alignment Model: Strategic alignment model consists of two main dimensions: a) functional consistency which concentrates on the alignment within the whole organization and its various functional components. b) Strategic consistency: this kind of consistency focuses on the alignment of the organization's policy in its selected markets with the arrangements of the structure, processes and sources within the organization. However, most of the studies on the alignment have focused on the first issue, ignoring the second one. In general, an organization needs to align its internal and external components as a prerequisite for success¹⁵.

Reviving alignment model: In this model, the main elements of organizational alignment or compatibility include the six components of vision, values, leadership, performance indexes, system, strategy and structure. According to Herbert (2002), instituting an organizational culture and its perfection is the unique and fundamental responsibility of the leader. He believes that effective organizations would require the compatibility of the above-mentioned components (figure 1).

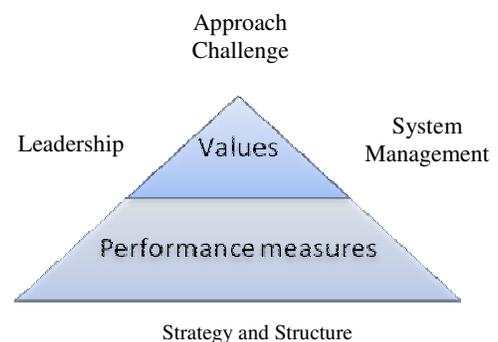


Figure-1
Reviving alignment model⁴

Strategic-cultural alignment model: Organizational culture has been extensively studied and has been frequently identified with the study of individuals and groups within an organization¹⁶. Organizations are as dynamic as systems and would have the best performance when their components act coordinately and efficiently. Any kind of modification within an organization would necessitate a harmony with the current system. Following is a simple systematic framework for understanding the inter-organizational relations. This model illustrates two interrelated paths for moving from the statement of mission and the organizational vision for achieving specified goals.

Strategic path: the left-hand path emphasizes on what needs to be done: the strategic goals the organization will work toward; the objectives that group and individuals must accomplish to carry out those strategies; the activities that must be performed to meet goals and objectives.

Cultural path: the right-hand path puts emphasize on how the needs must be fulfilled; the values that will guide people in carrying out the mission and vision; the practices, which reflect those values; the specific day-to-day behaviors which will represent the values and practices to others. The important point is that these values reflect how an organization intends to conduct its business not employees' personal values¹⁴.

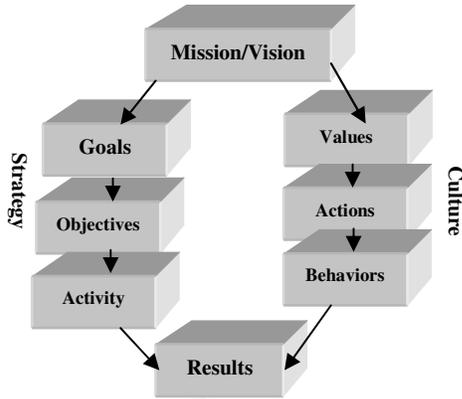


Figure-2
 Strategic-cultural alignment model¹⁴

Alignment Model at Individual Level: The alignment denotes the compatibility and harmony between individuals and organization as well. When the individuals attain their professional and personal goals through carefully performing the organizational duties and missions, there would be alignment between individuals and the organization and a win-win situation would be created in which every one achievement would contributes to the organization's success and vice versa.

For achieving success, the employees must first know what is expected from them in order to develop the required proficiency, skill, capability, resources and support. For the next step, they have to know the time limit for performing the tasks, which in turn entails an exact alignment with organizational requirements. A common purpose can create a feeling of meaningfulness for the individuals working in an organization; such a feeling is valuable for most of the employees of an organization (figure 3).



Figure-3
 Alignment Model at Individual Level¹⁷

Alignment Model at the level of Organization/ Business/ system: Alignment refers to the regulation and adjustment of the departments in order to establish an appropriate and praiseworthy condition. In the organizational context, it refers to the coordination of the structures, practices and relations, which ensure the short-term and long-term goals of the overall organization (figure 4).

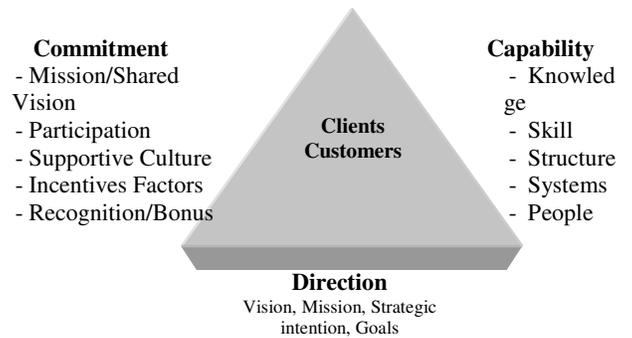


Figure-4
 Alignment Model at the level of Organization¹⁷

Integrative Model of individual and organizational goals through an ultimate purpose: According to this model, the values or the ultimate goals of an organization and the individuals are considered as the reasons for the contradiction between their goals. So, if we can unify their ultimate goals or make them approximate enough, unification between individual and the organization would be created. Each individual and organization has basically some hierarchal objectives in which priority is for important and higher goals. In such a hierarchy, the importance of each goal can be identified comparing with other goals. Obviously, the more prominent goals and objectives can overshadow the lower ones and direct them, make them compatible with those of themselves or even omit them. Therefore, a joint common ultimate goal can overcome the discrepancies in the lower level objectives of the individuals and the organization⁹.

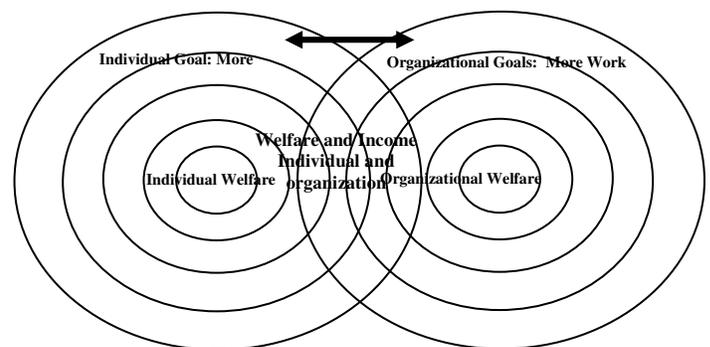


Figure-5
 Minute similar goals within the hierarchy of individual and organization goals⁹

Discussing and examining the nature, proportion and the capacity of applying the identified models in the statistical population, the Organizational Alignment Cycle of the United States Navy⁴. With a localized situation was selected as the main model of this research. The alignment model of the United States Navy is a kind of cyclic model, which measures the level of the compatibility between various components. This model and its main components are illustrated in figure 6.

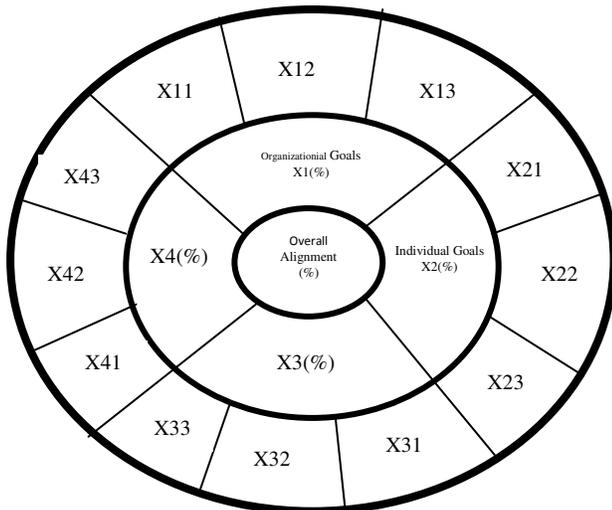


Figure-6
Alignment Cycle Model of the United States Navy⁷

Besides giving the percentage of alignment, this model enables a comparison between the units, parts, elements and indexes in different periods. A durable, practical and systematic mechanism can be designed and enforced, based on this model, in the form of software.

Model's Capacity for Measurement

According to an old quote: "Management is not possible unless by developing the ability to measure". This quote proves true regarding with alignment, too. Culture and leadership are the core and backbone of alignment model. Although measuring the alignment or compatibility is difficult, the internet-based information technologies have facilitated this task, allowing the high-ranking managers frequently and quickly evaluate the situation of an organization from the viewpoint of alignment¹⁸.

For each dimension of this model, based on its sub-indexes, a Likert scale questionnaire was designed and analyzed. The applied methodology is completely practical since for each item a specific cycle could be drawn and compared with the rest. Identifying the non-aligned sections is easy through applying this cycle. It can also warn the leadership about the required management policies and offer the possibility of concentration on reforming practices.

Based on the necessary modifications as well as the local features of the statistical population, this model were divided into two parts (hemispheres) of individual and organizational goals and each hemisphere were categorized according to the concept, components and measurement indexes. The primary conceptual model of the organizational alignment cycle at Esfahan's Mobarakeh Steel Company has been illustrated in figure 7 and 8.

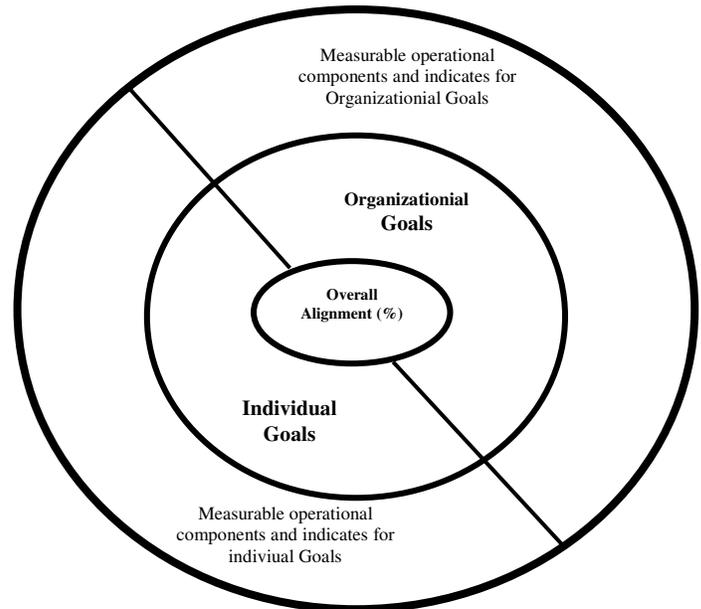


Figure-7
Organizational alignment cycle (proposed model)

In order to identify the individual goals, while carrying out theoretical studies on the models of Quality of Working Life, interviews were conducted with employees of different ranks. They were asked to mention their most important objectives. Modifying and adjusting the collected individual goals within the framework of Quality of Working Life models, the individual goals of the employees of Mobarakeh Steel Co. categorized in 12 components: service payoffs (salary, benefits, bonus, insurance and retirement program), job security, job satisfaction, working environment (ergonomics, health and safety equipment), work design (job description, transparency, duties, feedback, flexibility, team work), work and life balance (family importance), development and training (raising professional knowledge), job promotion based on competency, organizational fairness (human dignity), organization participation (industrial democracy), fair supervision and effective relationships with supervisor and peers.

In order to measure the goals of the organization, the data was collected from the existent information of the organization and considering the fact that the organization was applying the Hoshin kanri method for evaluation of its objectives, with the agreement of researchers and supervisors, the components of this model were used as the basic model for measuring

organizational goals. These components included customers (sales planning and budgets), human resources and organizing (human resources development processes), contractors and business partners (logistics), sources (economic and financial processes), continual progress processes (production and technology), innovation and learning, technology and development (related processes) and social responsibility. By far, the dimensions and the required components for completing the research model were finalized. The next step was to design some yardsticks for measuring each component. The items of the research were designed according to standard questionnaires¹⁹. The results obtained from interviews tested in the Likert scale within the levels of 'strongly agree' to 'strongly disagree'.

As it is shown in the illustration, the main components including individual and organizational goals are divided into independent components in the third layer and finally into operational indexes in the fourth layer. Therefore, while separately measuring the individual and organizational goals, this model can give the percentage extent of total alignment.

With the agreement of the employers, the alignment scores were classified into three groups of lower than 60, 60 to 80 and higher than 80. The categories respectively represent weak alignment, average alignment and strong alignment between individual goals and organizational goals.

Research Method and Instruments

Selecting the appropriate research approach requires considering a number of contextual factors and then reflecting them against the backdrop of the research question²⁰. The present study is descriptive as regards with purpose, practical from the viewpoint of usage²¹, in a sectional time, enjoying quantitative data and survey model as its main research strategy²². The main instrument for collecting data was examining the documents and evidences, in-depth exploratory interviews and questionnaire. The reliability of the components for all of the individual components using Cronbach's alpha test was calculated as 0.9536 and the alpha of each component was defined as: service payoffs 0.7754; job satisfaction 0.8127; working environment 0.8237; job design 0.6435; work and life balance 0.8011; development and training 0.6412; job enhancement path 0.8280; fairness and dignity 0.8793; participation 0.9120; fair supervision 0.7460 and effective relationships with peers 0.9132. In order to identify the organizational goals, the organization's existent applied model was used. The reason is the application of Hoshin kanri method in this organization for consecutive years and the interrelations of other organizational operations with this system. The validity of the questionnaire was tested and confirmed based on the validity of its content.

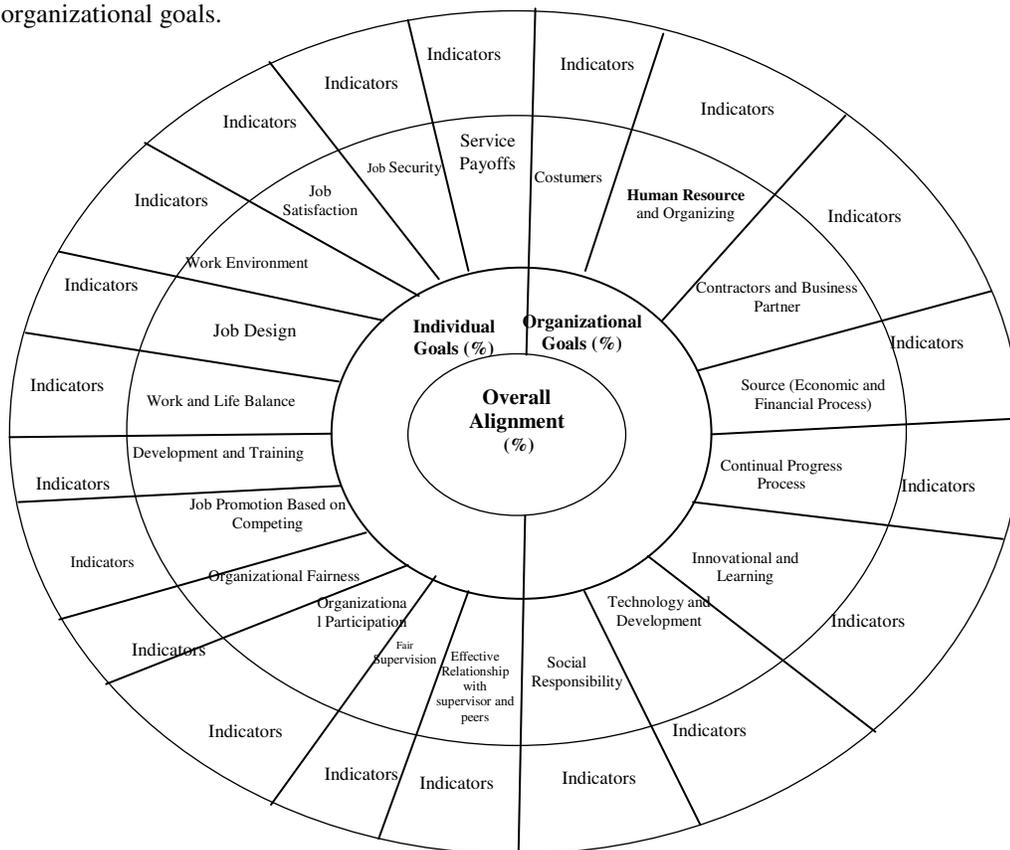


Figure-8
 Organizational alignment cycle (dimensions and components)

Experts and the managers of the training, development and research fields of the human resource department consisted the statistical population of the present study. Because of using exploratory interviews with most of the employees and managers in the population (24 people), sampling method was not applied and through field studies, 23 sixty-item questionnaires were collected. Accordingly, data analysis was carried out through various methods of descriptive statistics.

Research Findings: In table 1, the individual components and the graded individual components are respectively mentioned along with the frequency of the mean percent and standard deviation. As it is obvious from the table, the component of *working environment* with a mean of 3.65 has the top rank and *job enhancement path* with a mean of 2.22 has been placed in the lowest rank. The priority of the components is shown in table 1.

In table 2, the organizational components are displayed based on the documents and reports of the Mobarakeh Steel Company.

Comparison of the tables 1 and d 2 of individual and organizational goals or components shows that, in general, the levels of the achievement of organizational goals are higher than individual goals. As regards with management, it implies that the optimum condition of each element has a positive effect in a bilateral relation.

Analysis of alignment in a cyclic model

The mean of individual goals' achievement, as displayed in the following table, is 61.57% and based on the info supplied by Mobarakeh Steel Co. the organizational goals' achievement is 87 percent. The total alignment rate can be calculated as 74% by summing the percentage of both goals and dividing it up to two. Comparing this figure with the previously- mentioned division, it can be concluded that the Mobarakeh Steel Co. enjoys average alignment between individual and organizational goals (figure 9).

Table-1
Ranked individual components

Ranked individual components	Frequency	mean	percent	Standard deviation
Working environment	23	3.6543	73.09	0.820603
Development and training	23	3.3913	67.83	0.814342
Job security	23	3.3478	66.96	1.070628
Work design	23	3.3416	66.83	0.604159
Job satisfaction	23	3.2246	64.49	0.729066
Service payoffs	23	3.1304	62.61	0.664687
Participation (democracy)	23	3.0913	61.83	0.940461
Effective relationships with supervisor and peers	23	2.9006	58.01	0.928256
Fair supervision	23	2.8696	57.39	0.814881
Work and life balance	23	2.7008	54.02	0.362652
Fairness and dignity	23	2.6725	53.45	0.861913
Job enhancement path	23	2.2217	44.43	0.7655
Total Mean of all components		3.2784	61.57	

Table-2
Ranking the organizational components

Rank	Organizational Components	Percent of actualization
1	customers (sales planning and budgets)	100
2	human resources and management	68
3	contractors and business partners	75
4	resources (economic and financial processes)	100
5	continual progress processes (production and technology)	100
6	innovation and learning	100
7	technology and development (related processes)	91
8	social responsibility	100
	Total Mean of all components	87

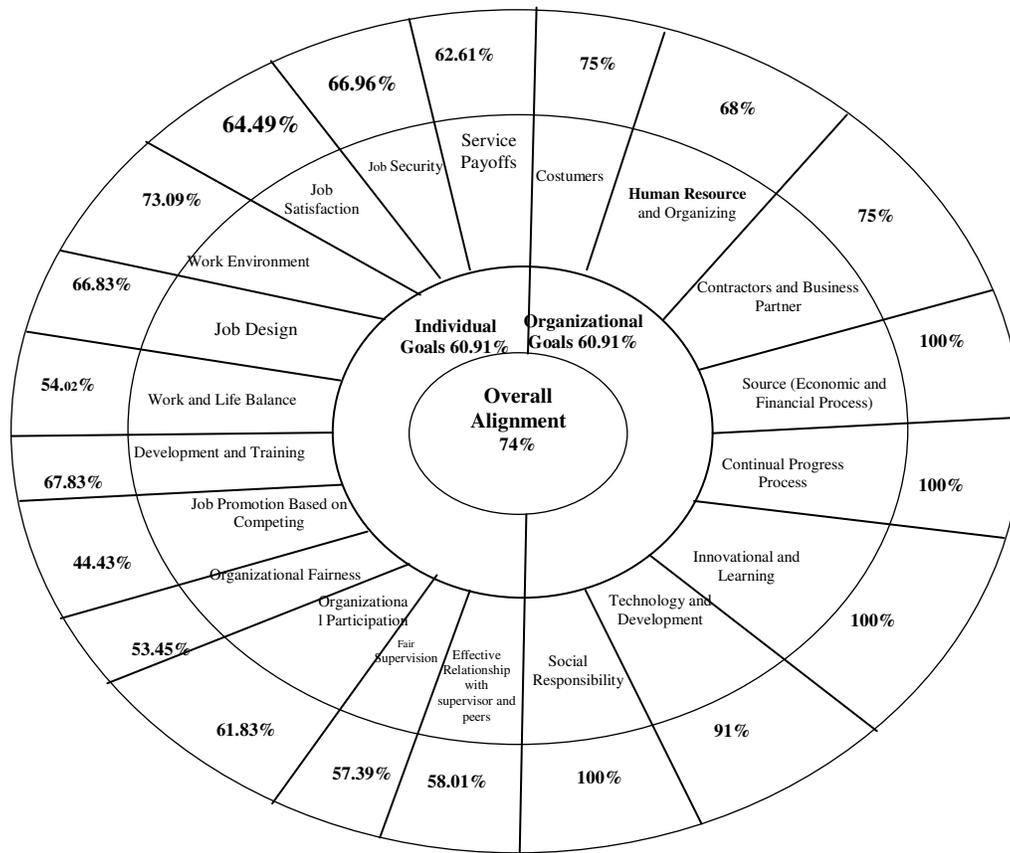


Figure-9
Alignment cycle model of Mobarakeh Steel Company

Conclusion

The present research has made an effort to answer this question: what is a conceptual model of alignment between personal and organizational goals. Library research, latest sources on the internet, has been done and necessary field research has been conducted. A conceptual model of alignment was detected and developed, important personal and organizational factors, components and indexes that affect alignment in Isfahan's Mobarakeh Steel Company were identified and the possibility of putting them into effect in Isfahan's Mobarakeh Steel Company was confirmed by conducting a pilot study. Some of the major obstacles to do this research were: paucity of similar researches in Iran, theoretical nature of present resources and lack of relevant resources in Persian, largeness of Mobarakeh Steel Company. The analysis of our data shows that general alignment is 74%, while the levels of personal and organizational goal achievements were 61% and 87% respectively. The figures display an average achievement. With respect to the mentioned points, we offer the following suggestions: i. Computer software for the suggested model ought to be designed. The software should be practical, run easily and be capable of analyzing and evaluating the information provided by questionnaires. It should produce results both in a general and a specific way. In other words, it

must track and analyze the results of specific goals and the overall results delivered by the organization or its divisions. ii. Since the model can be applied by all units, it would offer the possibility of comparison to the units. The model can also make one-page reports possible, just like the reports on the percentage rate of the extent of alignment in each department, percentage rate of organizational goals' alignment in each unit, and the level of the alignment of individual goals in percent. The one-page report would help managers get access to the information easily and make decisions. iii. After designing the software, the assessment tools that are computer-sensible should be compiled. This will reduce the costs and time and increase the accuracy of data analysis. iv. Special courses on the importance of alignment and its devices and functions should be offered to the managers and employees of Mobarakeh Steel Company. v. Constructive feedback on the analysis of personal and organizational goals should be given to all units, encouraging the successful ones. vi. A team should be assigned to collect information, analyze it, provide feedback and propose effective solutions to overcome setbacks twice a year. vii. Further research should be done on the components with lower rank in this study, work and life balance; job enhancement path; fairness and dignity and effective relationships with peers, with the aim of suggesting promoting means. Training, promoting knowledge, skills and appropriate interactions and behaviors of

employers towards workers and incentives may pave the way for stronger alignment. viii. Demographic information such as work experience, education, age, gender, name of unit, etc. ought to be encrypted and included on the header of each questionnaire. This would pave the way for further analysis. ix. The suggested model should be revised and improved after each time of application. Obviously, different factors and indexes can be added to or removed from the model. x. Finally, getting senior managers' support for the implementation of suggested mechanisms in this research would be helpful and necessary.

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