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Improving organizational alignment by enhancing strategic thinking

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importance of organizational alignment or fit with internal and external environmental factors has received considerable attention. This is not particularly surprising considering the impact that internal and external factors have on the overall success of organizations. Despite this impact, some organizations do not conduct regular or concurrent reviews of their strategies, policies, processes, procedures, and rules to determine if these fundamental components are in alignment with salient internal and external forces. Indeed, concurrent review is certainly an essential element of alignment, with knowledge gained from the external environment serving as an essential component of organizational adjustment, as well as innovation. The key, here, is translating knowledge into action through the process of strategic thinking.

Improving alignment through enhanced strategic thinking

Strategic thinking is essential to the long-term success of organizations. The scope of strategic thinking encompasses the totality of an organization's long-term operations, including concurrent scanning of the organization's internal and external business environment. Effective management of the knowledge gleaned from these continuous reviews, in turn, then becomes a crucial factor influencing future strategic decisions related to alignment. This circular process is illustrated in Figure 1.

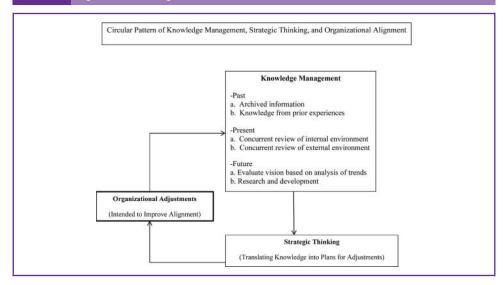
Astute leadership requires a constant focus by management on making certain the right internal processes are in place (i.e. aligned). The timely review and concomitant adjustments should minimize the need for quick-fixes (reactive decisions), barring some totally unforeseen event that is catastrophic in nature. Less reliance on a quick-fix approach to deal with changing circumstances should also curtail the need for radical change within the organization. Thus, top managers must strive to create an environment of learning from top to bottom within the organization, where knowledge gained through concurrent scanning and review should be conscientiously managed to enhance overall strategic thinking, as well as organizational alignment.

Possible methods for linking knowledge management to strategic thinking

The balanced scorecard

The Balanced Scorecard perspective offers valuable insight regarding how knowledge management can potentially contribute to enhanced strategic thinking. Organizations can use performance management tools such as the Balanced Scorecard to translate the executive leadership's strategy into operational terms, making it easily understood throughout the organization (Kaplan and Norton, 1996, 2001). The Balanced Scorecard creates a double-loop process that not only integrates the management of both strategy

Figure 1 Circular pattern of knowledge management, strategic thinking, and organizational alignment



and tactics (Kaplan and Norton, 2001), but also provides comprehensive feedback on strategy implementation processes (Jayashree and Hussain, 2011).

According to Kaplan and Norton (2001), communication and education represent one way to align employees to the strategy. Knowledge management can be used to communicate each business unit's Balanced Scorecard, thereby improving cross-function communication and coordination. The use of knowledge management (as reflected in Figure 1) as the repository for the business units' Balanced Scorecards enables the organization to view its strategic alignment and implementation in terms of past experiences, successes, and failures. Having this capability would assist the organization in maintaining alignment. Additionally, it would present endeavors that entail ongoing strategic initiatives, status, and future initiatives (which would include environmental scanning to spot trends). In turn, this use of knowledge management could lead to adjustments to the internal attention dedicated to research and development. As indicated in Figure 1, this process would continue in a circular manner with knowledge gained from new experiences feeding into strategic thinking. It is likely, then, that outcomes from the up-to-date strategic thinking would then lead to further organizational adjustments or innovations. If properly deployed, this process would contribute to improved organizational alignment.

Improved knowledge sharing through human resource management (HRM) practices

Organizations must embrace knowledge management as a means for identifying, creating, and sharing critical information within selected activities such as continual organizational learning, strategic planning, decision making, and problem solving. The consequences of these activities include the organization maintaining and strengthening its competitive advantage within an industry. Through knowledge management, organizations can experience continual development and improvement, as well as gain much needed organizational agility. Organizational agility translates into two key factors:

- the organizations' ability to move quickly into various collaborative environments or work models, and
- 2. their flexibility to move toward or accept change (Breu et al., 2001).

However, to actually be useful, the process used by organizations must be accessible to employees, encouraging their use of the process. This is necessary because the success of knowledge management comes from the sharing of knowledge by individuals within the organization. Because of the complex demands of knowledge sharing, it is essential that human resource professionals work with top managers, line managers, and other employees to develop practices that encourage cross-functionality of knowledge sharing (Cabrera and Cabrera, 2005). For example, work design can:

- 1. create job interdependencies that require increased employee interaction and information exchange;
- comprise a string of assignments, requiring employees to work closely and cross-functionally on each assignment in the sequence; or
- establish teams, requiring additional cooperation and knowledge sharing (Cabrera and Cabrera, 2005).

It should also be noted that well-designed information systems that are accessible to employees can also contribute to knowledge availability and sharing.

The value of total quality management

The process of improved organizational alignment does not stop with the sharing of knowledge. If the requisite knowledge gained through this sharing does not translate into initiatives or adjustments that improve overall organizational alignment, then the knowledge has little value. Considering insight from the field of total quality management is instructive to this discussion of translating knowledge into applied strategies or actions for improvement. Total quality management was, and remains, an effective approach to having the entire organization engaged in the continuous improvement of organizational processes and the alignment of those internal processes with available resources. By aligning internal processes with available resources, total quality management, when combined with human resource practices and knowledge management, enriches employees' ability to remain focused on their organizations' strategic goals. Total quality management also affords a process that organizations can utilize to create total alignment among strategies, policies, processes, procedures, and rules. Finally, when used to institutionalize (or formalize) knowledge and/or learning within the main processes and support systems/procedures of organizations, total quality management encourages the active participation of the organization's employees. When employees have the opportunity to participate in the necessary localized decision making that underpins continuous improvement, total quality management can have a long-term positive impact on employee attitudes and behaviors.

Conclusion

Given the complexity and fast-paced nature of the current competitive environment, there are numerous factors that are likely to impact the alignment of an organization, with a variety of methods or strategies that may enhance this process. In this article, we chose to focus on three possible methods for improving alignment. This article adopted the philosophy that enhanced strategic thinking could be achieved through knowledge management practices which embrace elements of the Balanced Scorecard, emphasize knowledge sharing through HRM practices, and adopt principles from total quality management. As a result, both employees and the organization can work within a neatly aligned system that provides a proactive work environment and fewer organizational jolts that adversely impact productivity and effectiveness. Organizational train wrecks can be minimized by using strategic thinking and organizational learning throughout organizations. For this to occur, the circular process of adjustments, knowledge management, and strategic thinking outlined in Figure 1 must be perpetual or ongoing, not episodic.

Keywords: Knowledge management, Strategic learning, Strategic alignment

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