

Reading your Organizational Alethiometer matters!!!

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Abstract

Achieving competitive advantage in present day business landscape is not a permanent fixture and organizations need to adapt, evolve and adjust, respond to changes and finally move ahead. Organizational strategy serves as a guiding framework in identifying choices to determine the nature and direction of organization; taking people and organizations to the next level. While strategy has always been a priority and leaders devote time, energy and resources in formulating it, same effort is found wanting in understanding how to implement strategy throughout the organization. In order to understand where an organization is headed; when everyone agrees what is important, strategy enables focus, people and organization align, work flow is smooth and even, bottlenecks are absent, goals are supported by tasks and the way organizations function, people navigate, align by self-correction and when required change direction to improve results and the results are visible- become true indicators of the organizational alethiometer; focus with initiative and alignment. Using descriptive design this research is based on statistical analysis through means, t-test and factor analysis in understanding significance of business/ vision and/ or emotional quotient in reading the organizational alethiometer in present day business environment through key informant survey of 210 respondent's across 30 industries. Results suggested 61.4% respondents considered focus on business quotient for business success with 31.3%, and 7.3% considered focus on vision and emotional quotient respectively. Results further corroborated, while business, vision and emotional quotient are independently significant in driving businesses, organizational alethiometer needs to align with business quotient for people and organizational success.

Keywords: Strategy, Focus, Leadership, Organizational alethiometer, Business quotient.

Introduction

Every successful organization started with individuals and their unique way of getting things done, however, journey of organizational development necessitates bringing everyone on the same page; connect and align strategy with people; initiative, planning and implementing organizational processes and practices -analyzing threats, opportunities, weaknesses and strengths (TOWS analysis) and achieve future state. Organizations will never have enough time or resources to solve all the problems they want to solve. Organizations having intent to succeed and become great formulate an effective strategy to implement and realize the vision articulated and they do that at every level of leadership¹.

¹www.forbes.com/.../the-4-most-effective-ways-leaders-solve-problems/

William Allen posits the origin story of most of the great organizations brings out the power of strategy and organizational focus; Google mastering the search before driverless cars, Apple mastering personal computer before the iPhone and Amazon mastering business of selling books before selling anything and everything in a technologically driven business environment. Objective of this research was to explore and analyze reading organizational alethiometer by present day leaders; insight to charter the direction for leader's w.r.t; business, vision and emotional quotient in taking their organizations further!

Review of Literature

Aletheia in Greek is for truth and alethiometer means true measure. An alethiometer is a gadget, golden compass which was given to Lyra by the Master of Jordan College at Oxford. Alethiometer was conceptualized as a compass used to gain insight. In conceptualization it was perceived and agreed that reading the alethiometer by everyone was difficult. It requires knowledge, skills, abilities, experience and calls for well-trained alethimetrist to make reference to books that help outline meaning of symbols at different depths.² Usually it takes years to learn how to read an alethiometer even with guidebook assistance, but Lyra could read the compass quite easily.³



Figure 1: The Alethiometer

2.1 Organizational alethiometer

Robert cites management truism; if you measure it, it will improve and the key is to understand and identify what it is. The 'it' is the organizational focus; the true measure in propelling people and organizations to move ahead doing things differently and achieving set goals and objectives. True measure is important for organizations striving to compete and create their brand image (Robert, 2010). There are organizations that know exactly what they're doing, are consistent w.r.t goals and activities and move forward with a sense of purpose. There are other organizations too, struggling, not quite sure how to move ahead or how to accomplish their goals; losing momentum, funding and finally disappearing. Primary distinction is the presence/ absence of focus; what organizations intend to accomplish, vision and mission that defines organizations.

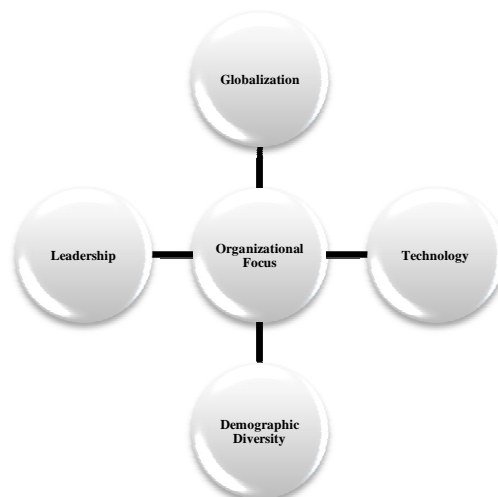


Figure 2: Business environment challenges impacting organizational focus

²www.wisegeek.com/what-is-an-alethiometer.htm

³www.shmoop.com > ... > Analysis > Symbolism, Imagery, Allegory

With globalization, technology, demographic diversity and leadership, to get ahead of the change curve organizations need to read their alethiometer to compete for the future (Miller, 1988). Vision defines organizational beliefs, governing principles and how things will look; well-articulated vision statement - diverse perspectives, inspiring and sharing for collective effort and having communication prowess. Vision translates in strengthening organizational focus; what is really important, aligning people and organization with common purpose. Given that change is inevitable, real issue for leaders is whether the change will happen reactively and/or proactively; reading organizational alethiometer is an ongoing activity achieved through people and strategy and not a one-time effort. Some/ many organizations consider the need to renew people and strategies as a reaction to business environment rather than pro-actively working with people and strategy. Collective participation in developing vision allows people to see the organization as theirs; people believe more when they participate⁴. Dolores Wilverding opines globalization is redefining business environment; strategic shift is transforming with opportunities for growth and at the same time there is decline in available talent to be able to seize available opportunities. Therefore there is a need for being proactive; being ahead organizations need take lead develop innovative strategies and people for the future. Leadership will need to demonstrate completely different set of strategy and behaviors as also anticipate situations faster; drive business to success by seizing opportunities (Wilverding, 2008).

Vision quotient is creating a picture of future and showing it to people in the present –leadership ability to reach out to everyone involved in the organization by articulating shared vision strengthened with values to achieve mission and goals; meshing business with each individual –telling them how business will happen. *Emotional quotient* is effectively applying the power and acumen of emotions by sensing and understanding people to bring about stronger and higher levels of collaboration and productivity. Emotional Quotient refers to an employee's ability and understanding of his/ her emotions along with others emotions at the workplace to create better work coordination and environment. Higher emotional quotient in organizations translates in higher levels of participation; work towards personal, collective and organizational growth through enhanced ability to adapt to different work environments and deal with challenges, appreciate potential, recognize and manage personal and professional life, beliefs and thoughts, express feelings, comprehend and constructively apply personal emotions and instill self-confidence – focus is on building inter-personal skills and decision making through communication prowess⁵. When the vision articulated is realized by implementing strategy at all levels of practicing leadership; *business quotient* expands to include providing value to consumer; sustainable competitive advantage - critical complementarity to successfully pursue strategic focus perspective regardless of the type of strategy - developing innovative strategies based on actual trends and data points translating into visible opportunities and identifying changes and challenges in business environment. Organizations are therefore able to act differently strengthened by providing coordinated response to threats and opportunities based on the strategies formulated; more than scanning the environment (Culnan, 1983).

2.2 Organizations

Conventionally driven organizations employ power dynamics: somebody leads; others follow and managers assist in functioning. Organizations primarily implement this structure of top boss, middle management and employees for stability and control. Changing priorities have given rise to thinking and doing differently (Sophie Johnson, 2006). Peter F. Drucker cites classical organizations of 1920s and 1930s serve as textbook examples. However present day organizations get into reorganizing than start all over again because strategy with the right organizational focus is the answer to competing in the future; what is our business, what should it be and what will it be; reading organizational alethiometer for new insights require unlearning many of the old ideas. (Drucker, 1974). Ian Wilson posits organizations are interested in the future. Leadership in organizations puts in efforts to understand change and interpret too; past, present and the future. Reading the organizational alethiometer merits reading the alethiometer - focus on changing the way organizations perceive, plan and act in the future and rather than in spending more time on planning- permeating strategic thinking in the present and for the future in action (Wilson, 2009). Competitive advantages are not permanent and organizations need to adapt, evolve and adjust by responding to changes to move ahead.

⁴ctb.ku.edu/en/table-of-contents/structure/strategic.../vision.../main

⁵<http://blog.commlabindia.com/elearning-design/emotional-quotient#sthash.gVwzV4jG.dpuf>

Ben Tregoe and John Zimmerman recommend organizational strategy as guiding framework in identifying choices to determine the nature and direction of organization. Strategy has always been a priority for organizational leaders; however, while leaders devote time, energy and resources in formulating strategy same effort is found wanting in understanding how to implement the strategy throughout the organization (Benjamin B. Tregoe, 1980).

2.3 Why organizations are unable to gain competitive advantage

Sun Tzu recognized strategy as the foundation with tactics as application and therefore business strategy should precede development of tactics to achieve objectives by way of organizational focus. Organizations should be able to achieve competitive advantage with its unique capabilities; placing greater emphasis and focusing on the present and future direction (Miller, 1991). Strategic focus; reading the alethiometer constitutes by way of analyzing external environment and identifying key organizational objectives – identifying threats and opportunities, internal organizational analysis and establishing mission statement - setting specific goals, examining strategic choices/ alternatives to achieve organizational objectives and goals, competencies and capabilities, strengths and weaknesses and nature of current management systems, adoption/ implementation of choices which are supported with continued evaluation (Mello, 2006). Mintzberg posits in real life decision makers may not adhere to a formal and rational approach in formulating the organizational strategy due personal and professional capabilities of leaders challenged by competition, priorities, ambiguity, scarcity of time, resources, talent and/ or information overload/ absence (Mintzberg, 1987); inability to read the organizational alethiometer and therefore experience, instincts, intuition and available resources - informal and bounded rational approach ultimately leads to formulation of strategy⁶.

Cost optimization and technology, innovation and external/ internal relationships; practices at the workplace need to drive behaviors to deliver the purpose and strategy and this needs to be visible. Strategic alignment is hands-on business redesigning of processes in which strategic goals, business model and processes and culture are aligned with the core values and purpose of business. Studies suggest strategic alignment has a positive and strong impact on organizational performance because when people completely understand and accept the purpose of the organization, goals they begin to develop a sense of ownership and perform better; absence of strategic alignment on the contrary translates in loss of business purpose⁷. Change is inevitable and business world is changing faster than ever.

Technology is driving businesses today; interconnected world and new ideas are disrupting organizations. Organizational focus can help understand strengths, weaknesses, opportunities and threats for effective decision making in moving forward. Chris identified key reasons for organizations unable to gain competitive advantage as; changing customer preferences, old/ new competitors and internal changes. Competitive advantages are not permanent hence organizations need to adapt, evolve and adjust by responding to changes to move ahead (Groscurth C. , 2014). Steve McKee cites study results of 400 America's fastest-growing companies that had lost their footing to those that managed to maintain or even increase growth over the past two decades pinpointed factors leading the growth to stall as; economic factors, changing industry dynamics and aggressive competition as external un-controllable, internal dynamics and loss of organizational focus.

Bain & Company study comprising sample of CEOs of companies that had failed identified 70% CEOs cited lack of organizational focus was the key to market failure. Rick Newman opines in an attempt to identify a leading company which was as dominant 25 years ago, very few names could be suggested because many of the world's top companies of 1985 had grown obsolete and/ or acquired by stronger competitors. In 1985 General Motors and Ford; world's biggest carmakers lost market share and incurred more expenditure; struggled to turn around. Venerable industrial firms like ITT restructured and drifted down the Fortune 500, while, Wal-Mart, Verizon, Banks and technology firms displaced them.

Digital Equipment and Wang Laboratories; leading computer firms altogether disappeared. Apple and IBM had to bring in changes prior to reclaiming their slot at the top; despite strategy being in place inability to read the organizational alethiometer and/ or changing/ loss of organizational focus changed their market dynamics (Newman, 2010).

⁷www.advancebusinessconsulting.com/advance!/strategic-alignment.aspx

Robert and W. Lucas suggest losing customer focus, adopting an approach of one-size fits all, failure to allow front line problem resolution, ignoring measurement of return of investment, service providers and a reactive approach vis-à-vis pro-active approach are some of the key factors and therefore organizations need to focus so as to remain competitive in the market. Leader's need to create workplace environment that provides people road map and makes them want to achieve translating strategy into results; integrating internally and externally for improving the chances of success (Lucas, 2012).

2.4 Creating a fit

Literature suggests leadership is the ability limited to few people more often than not perceived to be at the top in an organization. Collins however postulated multiple levels of leadership because leadership happens at every level in organizations destined for sustained and exceptional performance; highly capable people, team member contribution, competent managers, effective leaders and executives respectively. When top management formulates strategy, business uncertainty and challenges emphasize implementing strategy through relevance and importance of communication and interpretation, marshaling resources and inspiring and motivating people because leadership needs to connect people with the organization in realizing strategy; creating a fit. Middle level managers are most critical contributors to implementation of strategy because of the need to understand information, assimilate, align people and also trigger creative and innovative ideas alongside business opportunities (Collins, 2001). Leadership channels strategy and keeping the right focus defines and distinguishes effective leaders from others. Leaders create and leave an imprint in the development of organization by strong, achievable and sustainable strategy.

Leaders through their knowledge, skills and abilities gain and keep organizational commitment in the desired strategic direction and change when necessary. Adrian Haberberg and Allison Rieple conceived different leadership approaches in understanding and making strategy happen; change agent approach, expertise approach, box approach, strategy approach and human assets approach (Adrian Haberberg, 2008). With strategy in place, leaders develop the architecture to execute and monitor accomplishment of objectives. Conventional architectural designs have always focused on controlling people behaviour and encouraged furthering organizational strategy; maximizing profits. Creating organizational focus based on strategy therefore demands; strengthening and enhancing uncertainty avoidance index and overcoming ambiguity by way of; objectives, goals, targets, KPIs, ROI and finally creating a fit with the environment – content with context. Leadership needs to; communicate, clarify and cascade strategy. Business environment will continue to offer competition and challenges in implementing strategy and give competitive advantage too (Edinger, 2012).

Many organizations duplicate advantages already achieved by competitors, however, restoring balance and competition demands rethinking on focus. Organizations need to go beyond common strategies; western model concept. Revitalizing competitiveness requires strategic intent that drives the entire organization; winning at all levels of organization. Western model is reactionary as against proactive eastern model. Strategic intent creates organizational focus, sets goals, captures the essence of winning and is stable over time; vision that defines leadership focus desired by which success will be assessed; active management process to organizational focus – vision, mission, people efforts, situation and business outcome. Strategic intent is developed by organizations so that they can focus in formulating/ articulating strategic plans that allow them to realize strategic intent. Strategic intent opens innovation opportunities and creates space for improvisation (Prahalad, 1989). In a study by Kamlesh Kumar et.al of 159 organizations pursuing a differentiation strategy, business environment awareness had a stronger and positive impact on organizational performance; customer orientation and competitor orientation of business environment (Kamlesh Kumar, 2001).

Michael Beer postulates over forty years of research brings out in moving ahead organizations evolve their design; management processes, human resource system, values, work systems (structure), principles and leadership behavior so as to create a fit; strategy with business environment. Businesses are therefore able to develop on their organizational capabilities/culture creating this fit and alignment; skills, attitudes, behaviour and knowledge to compete successfully; business habits translate into institutionalized processes and practices. Shift in business environment brings in new business habits that lead to success. To this end, Miller also identified highly successful firms often fail because they adhere too long to a pattern of behavior that is no longer effective; become misfit.

Challenges of each firm are different and need to be dealt with a total systems approach for organizational transformation; developing strategy from the inside out by discovering how existing capabilities can be augmented with new capabilities to meet new challenges and this centrally depends on organizational focus; reading the organizational alethiometer by leaders. Sustaining high performance depends on the willingness of top managers to confront their organizational fit challenged by the demands of a competitive environment and leadership behavior required of the organization. In an action research study many managers preferred to avoid the truth about their business, organization and leadership behavior; courage to learn was seen to be limiting organizational focus (Beer, 2002).

2.5 Strategy, Alignment, Results

Gary Hamel and CK Prahalad opine three time investors determine the ability to read the organizational alethiometer – time spent on; understanding external issues and scanning the environment, looking outward and looking forward - building a shared perspective on the future and re-aligning as future unfolds. Their study identified it as 40/ 30/ 20 rule; 40% time is spent looking outward, of this, 30% is spent peering into the future and not more than 20% is spent in building a collective view of the future. Thus, on an average less than 3% of time is spent in building organizational focus⁸.

2.5.1 Looking around and beyond. Bob Egan recommends being future ready is a commitment and successful organizations think beyond. For organizations to be future ready it requires understanding - people (readiness); canvassing employee base akin to Face book, Starbucks and Uber, processes (value of change); designing process flow not around devices but around people and outcomes. Future ready organizations evaluate existing processes to make them better and new ways business can be done and products (enabling infrastructure); infrastructure readiness and evolution⁹. S. Bala recommends future ready organizations will have to implement smarter analytics, technology and processes. Organizations with the ability to anticipate needs, agile in adapting change strengthened with innovation will be effective in diverse markets; ready for tomorrow. Operating landscape for business is being reshaped and how intelligently leaders can read the organizational alethiometer to move forward for success is important. Being Future Ready is about developing the capacity to anticipate and address emergent employee, vendor and customer needs proactively and pre-empt to eliminate problems; leveraging smarter analytics, technology and processes by integration. Future ready organizations need to be; globally effective, connected, innovative and adaptive (Bala, 2012).

Donald Sull, Rebecca Homkes and Charles Sull observed while strategy has been researched widely and with clarity, impetus on translating strategy into results has been inadequate. Available literature on strategy adopts a generalist approach with tactical lessons derived from a particular case. Survey of more than 400 global CEOs indicated executional excellence as the top most challenge for corporate leaders in United States, Europe and Asia; execution is difficult. Studies suggest almost 2/3rd to 3/4th large organizations struggle to implement strategies formulated. Another on-going study with more than 40 experiments measuring the impact on execution studying 8,000 managers in more than 250 companies produced some relevant results; most important being widely held wrong beliefs by organizations on how to implement strategy - translate strategy into results - execution means alignment, execution implies adhering to the plan, communication equals understanding, execution is derived from performance culture and only the top can drive the execution impacting strategy. Organizational focus thus enables re-visiting execution to pinpoint grey areas and identify what matters most in translating strategy into results (Donald Sull, 2015); removing barriers.

2.5.2 Driving the future. An African proverb; *if you go fast you will go alone, if you have focus and take everyone together, you will go far*¹⁰ aptly fits in reading the organizational alethiometer; true measure of leadership - people and organization. Strategy with way points acts as a road map for organizations to focus; implement strategy and achieve results (Fleming, 1991). Moving from strategy to focus to results helps create commitment and enables organizations move forward fulfilling vision and mission; organizational focus assumes greater importance and relevance! Vision is a dream and organizational focus is more than that; translating vision into reality – moving from theory to practice.

⁸<https://hbr.org/2005/07/strategic-intent>

⁹<http://www.sepharimgroup.com/future-ready-business/#sthash.JHa8VOeQ.dpuf>

¹⁰<https://blog.asana.com/2015/.../work-style-developing-organizational-focus...>

Organizational focus is based on insights; technology trends, demographics, practices and globalization for customization of organizational culture - creating competitive space and reading its true measure. Given the potential implications in reading focus; organizational alethiometer requires creativity and imagination – initiative (people) and alignment (strategy). It is for this reason; organizational focus is synthesizing strategy and vision of people¹¹. Organizational processes vary from one strategy to another (Snow, 1980) and this difference in terms of relative emphasis placed on different strategies is to create a strong alignment between the strategy and organizational processes (Miles, 1978) for a strong influence on organizational focus. Primarily the focus is external (Pelham, 1999) due exploitation and exploration of new opportunities; continually redefining the domain.

2.6 Steering the right course

Do organizations have the right focus; strategic intent is realized and equipped to deliver future business results? Mark Gottfredson and Michael C. Mankins cite 47% of CEOs and human resource executives admit their talent management strategy is not aligned with their business strategy and 54% acknowledged senior managers do not spend enough quality time on talent management. Myriad of organizations are dealing with strategic/discontinuous inflection point change primarily to stay competitive; new realities and choices to build capability. Recommended pathways are; nodes– organizational elements must interact. Nodes expand geometrically because every new element adds a new set of nodes, hierarchy – management layers translate in ever-increasing hierarchy, clarity on roles and decision making and swirling - everyone keeps seeking more information creating a swirl culture generating work and cost without results. Creating organizational focus therefore warrants; decide – where work needs to be done enables organization to simplify structure and reduce the number of nodes, determine – de-layer roles for decision making - a time-honored fix for rigid organizations and define and reinforce behaviors - create new processes and incentives for behavioural change.

Top performing organizations leverage and are more effective; derive over 64% more profit per employee (Mark Gottfredson, 2013). Marcia W. Blenko, Michael C. Mankins and Paul Rogers opine many CEOs assume organizational structure is key determinant of performance. 2008 survey report at Bain & Company of executives from 760 companies cites; decision effectiveness and financial results correlated for every country, industry and company size. Top-quintile companies scored an average of 71/ 100 in decision effectiveness, while companies in the other four quintiles scored 30 and below; a typical organization has the potential to more than double its decision effectiveness (Marcia W. Blenko, 2010). Chris Groscurth opines organizations that are mission-driven are able to maximize employee engagement as a key driver of organizational performance; strong predictor of business success - mission clarity boosts organizational performance, inspires and fosters stakeholder and employee engagement. Leaders instill passion and commitment bringing together vision, mission, people empowerment and culture through focus. 2013 Gallup research reinforced; while leaders are skilled at creating value through process improvements, aligning mission and purpose with business strategy, culture and performance measures demands organizational focus; ability to read the organizational alethiometer. The meta-analysis outcome of 49,928 business units across 192 organizations in 34 countries representing 49 different industries indicated employees move beyond engagement and view their contribution to the organization at the macro level translating in higher retention benefitting the organizations.

2.7 Reading organizational alethiometer matters

CEOs come and go but an all-inclusive organizational focus endures. There have been cases of new CEOs at HP, Yahoo, Apple, Flip kart and brand ambassadors of prominent companies; were they not able to pull it off? Studies suggest enduring business performance is driven in length, breadth and depth; focus on people and strategy.

Success in business happens because of leadership alongside careful and continuous reading of organizational alethiometer at all levels. Josh Bersin opines effective strategy takes holistic and integrative view of organizational needs over contiguous time horizons and maps portfolio of initiatives to transform the organization from its current state to desired state¹². Expertise in strategic organizational design and conscientious gap analysis together combine to form an integrative transformation; way forward translating strategic intent into desired and sustainable results. Gary Hamel and CK Prahalad posit maximum focus on people and strategy; building new core competencies, pioneering product concepts, engaging developmental programs and pursuing long-term initiatives.

¹¹www.leadershipnow.com/leadership/4716-1.html

¹²www.forbes.com/.../joshbersin/.../its-not-the-ceo-its-the-leadership-strategy/focus...

Such an approach has unfortunately received mixed attention in many organizations (Gary Hamel, 1994) due absence of focus; inability to read the alethiometer. The urgent drives the important and difficult questions compelling the view of an organization's focus go unanswered. In this mere capacity to act rather than think and imagine therefore becomes the sole measure. In the absence of answers w.r.t future direction as also when answers are not significantly different from present day answers, there is little chance that organizations will be able to sustain and retain their presence; ability to compete is continuously experiencing significant shift due challenges and complexities and hence needs to be regenerated and re-visited again and again - initiative and alignment in reading the organizational alethiometer and chartering the right direction with greater focus.

3. Research Methodology

Descriptive research design was used for this research. Glass and Hopkins suggest descriptive statistics tells "what is." Descriptive research involves gathering data that describe events and then organize, tabulate, depict and describe the data collection¹³. Descriptive statistics is important in reducing the data to a manageable form. Borg and Gall share survey methods are frequently used to collect descriptive data¹⁴. Descriptive statistics utilizes data collection and analysis techniques with focus on specific types of research questions, methods and outcomes. Opinion poll and a key informant survey comprising 210 respondents from more than 30 sectors/ industries was conducted for statistical analysis; means, standard deviation along with t-test and factor analysis to study reading of organizational alethiometer by present day leaders. Self-administered questionnaire with seventeen parameters was developed for the purpose of collecting primary data from key informants to study the objective on a five point Rensis Likert scale. In using key informants, one chooses them strategically, considering the structure of the society and content of inquiry. While the researcher has the latitude to choose own order and manner of presentation there is a systematic attempt to cover the objective under analysis. Selective sampling w.r.t specialized knowledge of characteristics is undertaken in key informant technique survey (Tremblay, 1957). Key informant sample for the research comprised of managers, senior managers, CEOs, MDs and Vice President; leaders at policy making level and/ or those implementing policies. The key informants served as source of primary data and secondary data was collected from research papers, articles, web site and books.

4. Rationale

Organizational models have typically focused on behavior, structure and/ or technology. Various approaches and models have been evolved and developed in considering these variables. Proponents of developing organizational focus on vision quotient, emotional quotient and/ or business quotient exist in equal numbers. However, present day business environment is different due globalization, demographic diversity, leadership and technology. Changing priorities to compete and maximize output are bringing about a shift in focus; reading organizational alethiometer matters to successfully charter the course of action and bring about greater efficiency. Organizations need to be driven about the future of business; shaping business for future, maximizing advantages and evolving the organization - knowledge, skills and capabilities required to occupy future high ground and reorganizing opportunities that may not fit within current business boundaries. A majority of organizations do not start with a shared view of the future; focus in developing collective vision within the organization; understanding change, identifying opportunities and concern for future are not the province of a single individual (Dysart, 2011); people at all levels can help define the future – reading the organizational alethiometer for moving true north.

A challenging and complex business landscape; expanding and constricting at the same time triggered the interest in seeking a key informant survey from present day policy makers and implementers; what is the true measure of organizations for success and sustenance, what is important to create alignment, smooth and even work flow, absence of bottlenecks, support goals with tasks and the way organizations function, self-correct and change direction to improve and make results visible - reading the organizational alethiometer when faced with multitude of challenges and complexities.

¹³ newmedia.nenu.edu.cn/.../41%20%20Descriptive%20Research%20Meth...

¹⁴ apjee.usm.my/JPP_17_2001/Jilid%2017%20Artikel%2010.pdf

5. Results and Findings

A total of 210 responses were received. Sample comprised of leaders working at middle and senior level across 30 different sectors/ industries. Responses were subjected to statistical analysis; means, standard deviation, t-test and factor analysis using IBM SPSS version 20. Internal consistency; reliability of scale by way of Cronbach’s alpha value obtained was 0.842 which was above 0.7 (acceptable) suggesting and confirming reliability of measures. High Cronbach’s alpha value suggested higher internal consistency. Kaiser-Meyer-Olkin (KMO) for sampling adequacy and Bartlett’s sphericity test was also conducted. Objective was achieved by a set of 17 items. Kaiser-Meyer-Olkin measure of sampling adequacy was measured as 0.825 which was above 0.5 (acceptable limit) with chi square value of 1133.739, 136 degrees of freedom and significance level of 0.000. This indicated that the questionnaire developed had appropriate items and chi-square value of Bartlett’s test of sphericity indicated acceptability of factor analysis.

5.1 Reliability Test

Cronbach’s Alpha of > 0.7 is considered satisfactory and acceptable (Hair J. F., 1998). Overall reliability statistics with Cronbach’s Alpha of 0.842 was categorized as very good.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.842	17

5.2 KMO and Bartlett’s test

KMO and Bartlett’s test statistics for sphericity and reliability for factorization was measured as 0.825 with chi square value of 1133.739, 136 degrees of freedom and significance level of 0.000 indicated factor analysis was appropriate technique for analysis. Bartlett’s test of sphericity was significant and indicated variables were correlated in the population; population correlation is an identity matrix.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.825
Approx. Chi-Square	1133.739
Bartlett's Test of Sphericity df	136
Sig.	.000

5.3 Confirmatory Factor Analysis

Confirmatory factor analysis was performed based on theoretical expectations about the factor structure. Principal component analysis extraction method with Varimax and Kaiser Normalization Rotation method was used. Results obtained indicated three factors validating parameters identified and supported by the conceived theory model. Scree plot for factors obtained is as placed. This validated and confirmed correctness of tool developed to study reading of organizational alethiometer in present day business environment.

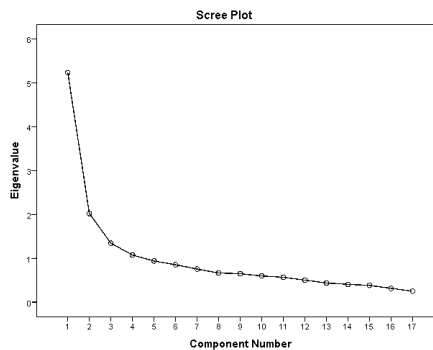


Figure 3: Three factor scree plot – confirmatory factor analysis

Rotated component matrix with three factors; **business quotient, vision quotient and emotional quotient** explained a total 73.570 % cumulative variance.

Table 3: Total Variance Explained

Component	Initial Eigen Values			Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	17.231	52.772	52.772	17.231	52.772	52.772	12.253	41.134	42.134
2	6.021	13.888	66.660	6.021	13.660	66.660	10.017	16.916	59.050
3	2.345	6.910	73.570	2.345	6.910	73.570	6.204	14.520	73.570

Leadership deliverables, business acumen, implementation, understanding business competition, decision making, communication and encouraging sub-ordinates constituted for the business quotient. Process driven leadership, participative leadership, articulating and realizing vision, integrating strategy at all leadership levels, passion and commitment and ethics constituted for the vision quotient and inspiration, mentoring, people driven leadership and empathy constituted for the emotional quotient in reading organizational alethiometer.

Table 4: Rotated component Matrix

	Component		
Leadership Deliverables	.721		
Business acumen	.677		
Implementation	.726		
Understanding business competition	.527		
Process driven leadership		.586	
Decision making	.654		
Participative leadership		.610	
Articulating and realizing vision		.632	
Integrating strategy at all leadership levels		.593	
Passion and commitment		.730	
Communication	.537		
Ethics		.711	
Inspiration			.715
Mentoring			.736
People driven leadership			.517
Encouraging subordinates	.562		
Empathy			.626

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization
a. Rotation converged in 6 iterations.

5.4 Descriptive Statistics

The mean scores for variables were calculated and are as shown. Mean scores indicated; difficulty to integrate business needs or strategy at all levels of practicing leadership was identified with lowest mean of 3.5905 and articulating and realizing organizational vision was identified with the highest mean of 4.3095 re-emphasizing need for organizational focus and developing the ability to reading the organizational alethiometer.

Table 5: Descriptive Statistics

	N	Mini	Max	Mean	Std. Deviation	Variance
Leadership Deliverables	210	1.00	5.00	4.1190	.83013	.689
Business acumen	210	1.00	5.00	4.0333	.87158	.760
Implementation	210	1.00	5.00	3.9381	.75202	.566
Understanding business competition	210	1.00	5.00	4.0000	.96345	.928
Process driven leadership	210	1.00	5.00	3.9571	.90879	.826
Decision making	210	1.00	5.00	3.8286	.91198	.832
Participative leadership	210	1.00	5.00	4.2000	.89014	.792
Articulating and realizing vision	210	1.00	5.00	4.3095	.74782	.559
Integrating strategy at all leadership levels	210	1.00	5.00	3.5905	.95542	.913
Passion and commitment	210	1.00	5.00	4.1857	.87975	.774
Communication	210	1.00	5.00	3.8524	1.00816	1.016
Ethics	210	1.00	5.00	3.6048	1.09849	1.207
Inspiration	210	1.00	5.00	3.8762	.89331	.798
Mentoring	210	1.00	5.00	4.2095	.83231	.693
People driven leadership	210	1.00	5.00	4.0952	.92311	.852
Encouraging subordinates	210	1.00	5.00	4.2190	.91223	.832
Empathy	210	1.00	5.00	3.8762	.93517	.875
Valid N (list wise)	210					

5.5 One sample t-test

- Ho: Business quotient is not significant in reading the organizational alethiometer.
- Ha: Business quotient is significant in reading the organizational alethiometer.

One sample t-test was carried out to test the significance of organizational focus based on business quotient in reading the organizational alethiometer at 95% confidence interval ($p < 0.05$). The t-value of 99.767 with 209 degrees of freedom was found to be significant with $p = 0.000$, hence null hypothesis was rejected and alternate hypothesis that organizational focus based on business quotient is significant in reading the organizational alethiometer was accepted.

Table 6: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Business quotient	99.767	209	.000	25.07619	24.5807	25.5717

- Ho: Vision quotient is not significant in reading the organizational alethiometer.
- Ha: Vision quotient is significant in reading the organizational alethiometer.

5.6 One sample t-test was carried out to test the significance of organizational focus based on vision quotient in reading the organizational alethiometer at 95% confidence interval ($p < 0.05$). The t-value of 90.023 with 209 degrees of freedom was found to be significant with $p = 0.000$, hence null hypothesis was rejected and alternate hypothesis that organizational focus based on vision quotient is significant in reading the organizational alethiometer accepted.

Table 7: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Vision quotient	90.023	209	.000	16.54286	16.1806	16.9051

- Ho: Emotional quotient is not significant in reading organizational alethiometer.
- Ha: Emotional quotient is significant in reading the organizational alethiometer.

5.7 One sample t-test was carried out to test the significance of organizational focus based on emotional quotient in reading the organizational alethiometer at 95% confidence interval ($p < 0.05$). The t-value of 81.837 with 209 degrees of freedom was found to be significant with $p = 0.000$, hence null hypothesis was rejected and alternate hypothesis that organizational focus based on emotional quotient is significant in reading the organizational alethiometer accepted.

Table 8: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Emotional quotient	81.837	209	.000	17.27619	16.8600	17.6924

5.8 Survey results suggested 61.4% considered focus on business quotient as key to business success with 31.3%, and 7.3% considered focus on vision quotient and emotional quotient respectively. Statistical analysis also revealed while all three; *business, vision and emotional quotient* are significant in reading organizational alethiometer and drive business environment, business quotient is most significant with stronger t value of 99.767 in reading organizational alethiometer; focus on people and strategy

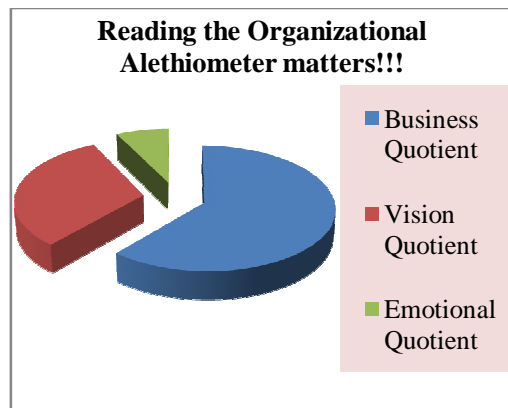


Figure 4: Survey results in reading organizational alethiometer in present day business environment

6. Lessons Learnt

Review of literature and statistical analysis of key informant survey suggested; identifying challenges, improving quality of life, newer products and services, delivering benefits, employee contribution to organizational success and dominating business space by re-inventing and evolving unconventional strategy will define success of organizations in future – organizational focus on business quotient to be able to understand how the future will be different and what different needs to be done by the people and organization. *Business quotient* with stronger t-value and survey results was identified as most critical in reading the organizational alethiometer; assessing constraints and opportunities created by the environment for people to bring out their best. Organizational success and failure based on business decisions made can be influenced by people, processes, practices and/ or absence of strategy. Organizations struggle for operational efficiency and effectiveness and find it difficult to adapt change. In order to move forward and succeed organizations need to become decision-centric¹⁵. Themes emerged as focus on people and focus on strategy.

To this end, a two-dimensional model was therefore proposed based on the need to focus on strategy and people. Alethiometer of decision driven organizations reads business quotient with high focus on people and high focus on strategy; communication, clarity and cascading of vision and mission by taking aligning people and strategy. High focus on people with low focus strategy translates in alethiometer reading emotional quotient. High focus on strategy and low focus on people translates in alethiometer reading vision quotient and low focus on people with low focus on strategy translates in organizational myopia.

¹⁵ www.sixsigmaiq.com/.../why-organizations-need-to-focus-on-decisions-...

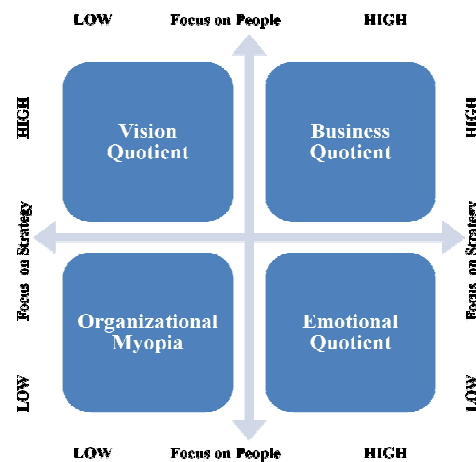


Figure 5: Reading the Organizational Alethiometer

Organizations need to adapt, see things differently, scan the environment, listen, be curious, think critically and create a positive vision with an implementable strategy. Organizations need to focus and convert business strategy into actionable plans; insight and assertiveness on implications. The answer to a pertinent question – simple and common; how do successful organizations create focus lies in looking within, around and beyond. Organizations need to take initiative and align creative and passionate future ready individuals with strategy; share common goals, communicate and collaborate effectively and align priorities for desired outcome/ output¹⁶. Organizations need to understand micro and macro dynamics in a pacing business world because reading the organizational alethiometer matters. Vision and emotional quotient independently although significant need to grow outward, integrate, support and strengthen compositely with business challenges. Inability to read organizational alethiometer leads to; poor and short term effects and over emphasis on strategy – declining overall performance. It is like doing what everyone else is doing.

On the contrary developing the ability to correctly read the organizational alethiometer; true measure with focus on business quotient enables capturing market, integrating systems, aligning and bringing initiative to the fore front – thinking beyond business assumptions. Strategy with digitally sophisticated leadership, workforce development and a culture of innovation and collaboration sets the organizational focus in the right perspective. If organizations want to be successful they must shape their leaders to be flexible and quick, more networked and less hierarchical; trained and organized in delivering value to people and business with focus on key emerging business revolutions -talent, authenticity, sustainability, agility and authenticity. A characteristic leadership framework by organizations need to be created to define business success quotient which gives direction to people and organizations; how can we shape the focus to be able to lead in the future; poised to anticipate and drive change through creativity and innovation; collaborating and inspiring people. Organizations need to build on their competitive strength that will make them different in business by harnessing and maximizing power of their people; going beyond defining career paths and development opportunities.

Organizations need to train leaders and develop them in reading the organizational alethiometer set to business quotient in fostering business; focus on strategy and focus on people. 2009, James Zenger survey of 60,000 employees to identify how different characteristics of a leader combine to affect employee perceptions of leader examined focus on results and social skills. Results focus implied strong analytical skills with motivation to move forward and solve problems. Success rate for a leader with results focus was 14%. Social skills implied communication, encouraging creativity and innovation, people participation and empathy. Success rate for a leader with focus on social skills was 12%. However, leaders who were able to integrate and strengthen focus on people and results success rate translated to 72% (Lieberman, 2013).

¹⁶ 99u.com/.../be-unapologetically-focused-why-having-a-great-strategy-m...

7. Conclusion

Organizational focus is critical to implementing strategy; translating vision into reality. Leadership exists at all levels and everyone has a specific role. Organizations thrive by communicating and implementing strategy for creative and innovative solutions. Leaders need to address focus; holistic awareness through policies, processes and practices because organizations are experiencing unprecedented change; business revolution across sectors. To this end, organizations have two options; become future ready or resist change and become anonymous. Being future ready merits creating strategy, innovative priorities, alignment and taking initiative with clear directions in reading and pointing the organizational alethiometer focused on business quotient; *being aware of the context and environment, being adaptable and open to seeing things differently, listening and being curious, practicing a good strategy, critical thinking and creating a positive future vision with an implementable strategy.*

8. Limitations and Scope for future Study

The value of current study lies in its present day statistical examination and formulation of framework rather than generalizability. Data has been collected from the perspective of leaders doing leadership and/ or making policies. Present study contributes to a measurable and workable understanding and model of relationship between focus on strategy and people. Present study is based on leader key informant survey across diverse sectors and the same can further be studied from the perspective of followers to strengthen and support the findings because reading the organizational alethiometer matters at all levels. Organizational focus for a specific sector based on available talent and vision/ mission would be able to define impact and desired business outcome and hence a comparative study can also be undertaken to identify clusters w.r.t focus and industry type in reading the organizational alethiometer correctly.

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