

<b>Institution:</b> University of Oxford		
<b>Unit of Assessment:</b> 17 – Business and Management		
<b>Title of case study:</b> Improving Organisational Performance Through Strategic Alignment		
<b>Period when the underpinning research was undertaken:</b> 2015-2019		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Jonathan Trevor	<b>Role(s) (e.g., job title):</b> Associate Professor of Management Practice	<b>Period(s) employed by submitting HEI:</b> 01/09/2015 – present
<b>Period when the claimed impact occurred:</b> September 2015 – July 2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<p><b>1. Summary of the impact</b> (indicative maximum 100 words)</p> <p>The outputs of Trevor’s strategic alignment research have been applied extensively by public and private sector boards in the UK and internationally to identify and prioritise areas for strategic change to improve organisational performance. Using a combination of action research, consultancy and executive education as channels for research engagement and impact, Trevor has worked with senior leadership teams from over 25 global companies (including IBM, Shell and Serco) to help them to align their purpose, strategy and organisational capabilities for improved business performance, agility and resilience. The Strategic Alignment Framework (SAF) has been used by Essex County Council to reformulate its public service strategy and transform its organisational capabilities and human resources. The British Army used SAF to improve the decision-making capability of its senior leaders and to help them to envision long-term strategic and organisational priorities. Ricoh Europe, a market leading multi-national company used Trevor’s research to support its transformation from a hardware provider to a digital services company. The government-owned Development Bank of Japan has applied the SAF to help its leaders make sense of an increasingly complex operating environment, its diversified business portfolio and to align its people, structure and culture to its long-term vision.</p>		
<p><b>2. Underpinning research</b> (indicative maximum 500 words)</p> <p>Since 2015, Trevor’s research has centred on the principle that organisational performance is secured through an “enterprise value chain”, in which an enterprise’s enduring purpose, business strategy, organisational capability, architecture (including organisational structure, culture, processes and people) and management systems should be as closely aligned as possible. The value chain is only as strong as its weakest link. Informed by developments in contingency and configurational theory, Trevor’s research indicates that the best-aligned enterprises are also the best performing. The integration of these key elements into a coherent conceptual framework provides a novel contribution to existing strategy and organisation literatures, and a valuable system of thought for practitioners to apply to their own setting, regardless of sector.</p> <p>The quality of leadership decision-making regarding the form and function of each linkage in the enterprise value chain determines the degree of alignment overall, and whether an organisation succeeds or fails [R1, R2]. High levels of environmental complexity and dynamism make the task of securing alignment considerably more difficult, but also potentially a source of competitive advantage. In a distinctive line of enquiry, Trevor’s research identifies organisational capability as a critical but neglected integrative variable in the enterprise value chain, uniting strategy formulation and organisational design. His research also incorporates recent advances in network theory (e.g. ecosystem thinking), post-bureaucracy and complex adaptive systems to recognise the increasing requirement for organisational connectivity and agility for information-age competitiveness and customer loyalty.</p> <p>In R1, Trevor sets out the Strategic Alignment Framework (SAF), a decision-making tool enabling leaders to make sense of how to strategically align the key elements of the enterprise value chain to fulfil their long-term purpose. The SAF is the “golden thread” connecting each dynamic link of the value chain. Developed and validated using a multi-method protocol of desktop and action research, semi-structured interviews and a diagnostic survey tool, the SAF is constructed from two dimensions of organisational capability required for market competitiveness: the first dimension compares organisational stability with organisational agility;</p>		

the second compares organisational autonomy with organisational connectivity. Each dimension represents a continuum of competing values with multiple points of trade-off in between. These combine to form a matrix in which complementary values from each dimension form distinctive – and aligned – configurations of business strategy, organisational capability, organisational architecture and management systems. These are referred to as “strategic approaches”, and they define how enterprises can strategise and organise to compete and win in an aligned way. **R1** complements key concepts with a selection of empirical case studies illustrating the practical application of the framework’s core principles.

In **R2**, Trevor reviews potential gaps in the capabilities of leaders operating in complex and dynamic operating environments and synthesises new competencies and leadership development strategies. Varcoe contributes to the core concepts, as well as practical application of the work and framing in the context of challenges facing fast-changing corporations. **R3** draws upon Trevor’s research with Western and Japanese firms to provide novel insights on approaches to the management of human resources, and their alignment to industry and organisational priorities. Kotosaka provides a review of literature on developments in Japanese employment. Both synthesise the application of Trevor’s frameworks and results to the changing context of Japanese and Western firms and employment structures.

### 3. References to the research (indicative maximum of six references)

**R1.** Trevor, J. 2019. *Align: A Leadership Blueprint to Align Enterprise, Purpose, Strategy and Organisation*. London: Bloomsbury. Available on request [output type: A]

**R2.** Varcoe, B., J. Trevor. 2017. Leading the Aligned Enterprise. *Developing Leaders*, 26: 35-40. <https://www.developingleadersquarterly.com/fb/Developing-Leaders-issue-26-Spring-2017/35/> [output type: D]

**R3.** Trevor, J., M. Kotosaka. 2017. Strategic Human Resource Management: An Agenda for Japanese Companies in the 21st Century. *Harvard Business Review*. <https://www.dhbr.net/articles/-/4820> [output type: D]

### Awards and prizes

**[R1]** was a Financial Times (FT) Business Book of the month in November 2019, shortlisted finalist for the Business Book Awards 2020, and longlist finalist for the Chartered Management Institute Management Book of the Year 2020.

### 4. Details of the impact (indicative maximum 750 words)

Trevor’s published research has had a significant impact on organisational practice both at a sector and enterprise-level internationally. The concepts in **R1** have informed his work with senior leadership teams from over 25 global companies, including IBM, BNY Mellon, HSBC, Shell and Serco. Three Harvard Business Review (HBR) articles, written by Trevor, part of the same body of work as **R1**, have together received almost 130,000 unique page views within 3 months of publication; twice the average, according to HBR’s Executive Editor **[E1]**. These practitioner-oriented articles have led directly to Trevor’s engagement at organisations such as Essex County Council where the Strategic Alignment Framework (SAF) decision-making tool precipitated a change in the Council’s public service strategy, investment in organisational capability and corporate change. Trevor’s research has had sector-wide impact in the UK Further Education (FE) sector, with Strategic Alignment (SA) included in the ‘FE Preparing for CEO Programme’ at the Saïd Business School. Over a quarter of the 71 participants are now in CEO roles and the remainder in deputy CEO roles **[E2]**. His research has also had impact at the enterprise-level in many different sectors. This case study highlights 4 multi-sectoral examples of his research impact during the assessment period: ECC and the British Army in the UK; and Ricoh Europe and Development Bank of Japan, internationally.

### UK Government Sector: Investing in organisational capability at Essex County Council

The SAF was used by the Corporate Leadership Team (CLT) of Essex County Council (ECC) in 2016 to review the Council’s enterprise purpose, business strategy and organisational capability

in the context of 21st century challenges. Serving 1,440,000 citizens and directly employing around 7,000 staff, ECC is one of the largest and most demographically diverse local authorities in the UK. According to the Director of Organisational Development and People, a key problem for ECC was that *'prior to the Strategic Alignment workshops, our senior leadership team had very diverse views on what our core purpose was.'* [E3] The prevailing strategic focus had been on *'service delivery to small cohorts of hard-pressed individuals – we spent 50% of our budget on 5% of our population.'* As a result, the Council failed to engage the wider population in its goal of promoting economic and social well-being. Signalling a shift in focus, ECC's new CEO approached Trevor in 2016 after reading his article on strategic alignment in HBR, based on the same body of work as R1 [E3]: *'The idea was to take the ECC value chain and use Strategic Alignment to envision what the future of the Council might look like and to build a practical pathway towards a new articulation of priorities.'* [E3]

Trevor led an intervention over an 18-month period involving a series of 5 workshops with ECC's 15 most senior executives – its executive board and their direct reports – and a whole day session with 150 of ECC's top managers. Senior executives reflected on ECC's core purpose and undertook enterprise-level mapping using the SAF to understand which organisational capabilities were required to implement the Council's ambitious new strategy. The result was a reformulation of ECC's purpose: *'Jonathan's work helped us crystallise our core purpose as an organisation [...] This was a significant change.'* [E3] The use of Trevor's research guided a reformulation of the strategy, capability, and shape of ECC organisationally, including its approach to public service provision. Externally, ECC broadened its focus to a much wider section of the community. Hard-pressed working families with children below the minimum income standard became a new strategic priority: *'This was a new cohort of approximately 140,000 households...the Council agreed to an initial [text removed for publication] investment to support initiatives to address the needs of this group.'* [E3]

Internal mapping of all ECC directorates using the SAF indicated that ECC's new business strategy required a radical shift in organisational culture, structure and people capability. The Council's existing "Efficiency Maximiser" approach was not fit for purpose; the new business strategy required enhanced organisational connectivity and agility - the "Network Exploiter" approach [R1]. ECC's CLT used the results to initiate a fundamental and enterprise-wide transformation to develop the organisational capabilities required to better serve its communities and their complex needs.

Starting in 2018, ECC invested [text removed for publication] in its workforce strategy - "Our People Plan" - and organisational redesign, aimed at transforming its human resources to be better capable of leveraging internal and external networks of innovators, partners and suppliers. ECC's 2019-20 Annual Report [E4, p.37-8] refers to the introduction of a new performance development system, a review of working culture, and the launch of a digital learning platform to support innovation exchange between 700 employees across 9 different internal and external community groups. *'Through the Strategic Alignment framework, we could systematically diagnose ECC's prevailing organisational culture, structure, processes and people capability, and the extent to which these key organisational components support strategic goals and priorities and identify further any potential barriers to organisational effectiveness. Jonathan's framework was instrumental in driving fundamental organisational redesign.'* [E3]

ECC's 2017-2021 Organisation Strategy [E5, p.30] indicates the impact of Trevor's research as a 'golden thread' in the Council's strategic planning process. ECC's Director of Strategy, Insight and Engagement confirms that *'the Strategic Alignment framework guided our approach to developing business planning, including aligning functional business plans to the Organisation Strategy (assisted by moving to 4-year business plans in alignment with the 4-year strategy); aligning activity in business plans with the budget; and aligning activity in business plans with the organisational capability needed to deliver it...[allowing] the Council as a whole to better align the budget to strategic priorities, deliver a more integrated approach to developing our workforce, property and technology, and focus on delivering fewer major programmes but with greater strategic alignment and therefore impact.'* [E3]

**UK Government Sector: Developing senior leadership capability in the British Army**

In the context of a dramatically changing and unstable global landscape, and the impending Integrated Security, Defence and Foreign Policy Review 2020, the SAF has provided the British Army (BA)'s most senior leaders with a common language and system of thought, enabling them to: (i) review BA's purpose in the current political and social climate; (ii) prioritise the allocation of scarce resources behind a shared set of strategic priorities; (iii) evaluate the fitness of the BA's current organisation and capability; (iv) and identify opportunities for positive change.

Since 2015, Trevor has helped to apply the SAF to the Army Generalship Programme (AGP), organised through the Royal Military Academy Sandhurst. The programme is aimed at one, two- and three-star Generals drawn from across the BA's divisions. The objective is to help them think differently about how the BA can operate successfully in future as one enterprise with multiple moving parts. As of the end of June, 2020, over 60 two-star Generals and Civil Servants have been through the programme to review the BA's long-term purpose, strategy, and organisational capability, using Trevor's strategic alignment concepts and the SAF.

Major General (retired) [text removed for publication] comments: *'Prof Trevor has provided support to, and commensurate impact upon, the personal and professional development of 4 annual cohorts of Army Generalship, influencing over 60 individuals as they progress into the highest ranks. It is a key element of the development of the British Army's leadership capability, recent examples of which include - all officers and civil servants who have attended the AGP to date will be at least indirectly involved in the 2020 Integrated Review. At least 11 of those graduates of the course will be directly and intimately involved in the Integrated Review, either from an Army perspective, or a wider Defence perspective.'* [E6]

**International Private Sector: Guiding Ricoh Europe's digital services transformation**

The Chief Operating Officer (COO) of Ricoh Europe – part of the Japanese multinational printing and digital management company – credits the company's use of the SAF with significant business improvements during Ricoh's rapid evolution from hardware provider to digital services company. More than 25% of Ricoh's global revenue now comes from office services and not print. This has required a significant shift in the company's business strategy and organisational capability – from stable and autonomous to agile and connected – placing new demands on its 30,000 strong workforce. According to the COO, *'The SAF has provided the sensemaking device for our corporate board when making enterprise-wide decisions relating to both strategic and organisational design. It has helped us overcome culture, people and technology challenges whilst transforming as a business.'* [E7]

Ricoh Europe used the SAF in 2016 to support a new approach for their 3-year mid-term plan and to disseminate a clearer vision for their business strategy. They also introduced a new programme to retrain their network of over 4,500 engineers across Europe to better align their capability to their strategy. The company also sought to change its culture, shifting from a "command and control" management approach to more open structure. *'The benefits...have been wide-reaching. We now have a more customer-focussed workforce, with employees reporting a feeling of ownership for success of the group...A better cascade of information has led to more informed, collaborative decision-making and an increase in trust throughout the organisation.'* Overall, changes have significantly improved the firm's performance over previous years – *'our financial results over the past two years are the best they have been in years'*. [E7]

The SAF has also been used to structure Ricoh's Future of Work Customer Advisory Board (CAB), bringing together 25 global companies over the past 4 years to envision the future of work in a facilitated academic environment. Every 6 months, a 3-day summit is held in which senior executives from [text removed for publication] exchange knowledge and share insights about the impact of emerging customer trends, new technologies and business environment changes on business strategy and alignment of work organisation. Outputs of discussions are captured, disseminated and used to inform individual company practice. For example, this includes the SAF being used as the toolkit to better align [text removed for publication] 500-

strong EMEA corporate real estate function, responsible for billions of pounds of corporate real estate and physical capital [E7].

#### **International Public Sector: Improving performance at Development Bank of Japan**

Trevor has worked with Japanese government-owned Development Bank of Japan (DBJ) since 2016, using the SAF to help to develop the bank's business strategy and organisational capability to improve performance and impact. The Head of the Bank's Human Resources Management Department confirms: *'Professor Trevor's strategic alignment action research has provided DBJ leaders with a valuable framework to make sense of the diversification of our business portfolio and associated organisational changes to be fit for purpose and high performing...the strategic alignment research has helped us to systematically choose business strategies and develop organisational capabilities, resources, and management systems that improve the performance of DBJ whilst supporting our long-term purpose.'* [E8]

In 2018, DBJ commissioned the University of Oxford (and Trevor specifically) to create the Global Strategic Alignment Leadership Programme (GSALP), a custom executive education offering founded on SA concepts, and intended to support the development of high potential future leaders from across DBJ's divisions. 45 employees have been through the programme to date. *'Informed directly by Professor Trevor's strategic alignment research, the purpose of GSALP is to create a cadre of global leaders within DBJ to lead business transformation in line with our Long-Term Vision 2030 and implement our midterm business plans.'* [E8] Beyond the development of its human resources, GSALP has led to targeted improvements in the bank's organisational structure, people and culture for improved innovation: [text removed for publication][E8].

DBJ's 2019 Integrated Report [E9, p.54-5] features interviews with 4 GSALP participants, who describe how the programme has benefitted their day-to-day work. Among the benefits they list are: *'engaging in daily work with DBJ's long-term vision always in mind,'* and *'helping expand DBJ's fund procurement base through discussions with peers about DBJ's "Now" and "Future".'*

#### **5. Sources to corroborate the impact** (indicative maximum of 10 references)

- E1.** Email from Executive Editor, Harvard Business Review.
- E2.** Supporting written statement from Associate Director – Leadership, Education & Training Foundation.
- E3.** Supporting written statement from Director of Organisation Development and People and Director of Strategy, Insight and Engagement, Essex County Council.
- E4.** Essex County Council Annual Report 2019-20.
- E5.** Essex County Council Organisation Strategy, 2017-21. Chelmsford: ECC Corporate Development, p.30.
- E6.** Supporting written statement from Major General (retired), British Army.
- E7.** Supporting written statement from Chief Operating Officer, Ricoh Europe
- E8.** Supporting written statement from Executive Officer, Head of Human Resources Management Department, Development Bank of Japan.
- E9.** DBJ Group. "Integrated Report Main Part 2019." October 2019.