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**ORGANIZATIONAL ALIGNMENT AS A MODEL OF SUSTAINABLE DEVELOPMENT IN THE PUBLIC SECTOR IN THE REPUBLIC OF MACEDONIA**

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**ABSTRACT**

This article presents a theoretical model for organizational alignment as well as an example of practical application of the model in one public institution in the Republic of Macedonia. Organizational alignment is a complex and hard to define concept and there are different theoretical views. However most of the definitions outline the organizational culture, the values and structure and strategy as main elements. Therefore the current theoretical model, Vox Organizationis, proposes that the organizational culture as seen by the employees and the values of the organizational leader as non-formal aspects of the organizational functioning, should be aligned with the strategy, structure and policies of the organization which represent the formal aspect. The paper presents a case study to show the application and usefulness of the model. The results point not only to the alignment in that particular organization but also how this model can be applied in general to achieve better organizational alignment.

**KEYWORDS:** organizational alignment, organizational culture, leaders' values, strategy and structure, public sector

**JEL CLASSIFICATION:** D, D2, D23, M, M1, M14

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## **1. INTRODUCTION**

Organizational alignment is seen as a way to enhance organizational effectiveness (Powel, 1992<sup>4</sup>; Tosti, 2007<sup>5</sup>; Biggs et.al., 2014<sup>6</sup>) and thus contributing to the successfulness of the organization (Andrews and Beynon, 2011<sup>7</sup>). It is a complex concept and there are various ways of looking at it and explaining it. However, despite the accentuated importance of the concept and its role in the success of organizations the efforts to actually measure the concept are rare. Very little empirical work has been dedicated to studying the relationship between culture and effectiveness (Dickson et al., 2000<sup>8</sup>; House et al., 2010<sup>9</sup>) and its relation with strategy (Baird, et al., 2007<sup>10</sup>). Another shortcoming of the research so far is that although a number of authors point to the need of adapting the measurements of culture to the broader cultural context (Choi, et al., 2010<sup>11</sup>; Dastmalchian et al., 2000<sup>12</sup>; Hofstede et al., 1990<sup>13</sup>) research has been sparse in the South-East Europe. Therefore, the purpose of this paper is to

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<sup>4</sup> Powell, T.C. (1992). Organizational alignment as competitive advantage. *Strategic Management Journal*, Vol. 13, pp. 119-134.

<sup>5</sup> Tosti, D.T. (2007) Aligning the culture and strategy for success, *Performance Improvement*, Vol. 46 (1), pp. 21-25.

<sup>6</sup> Biggs, A., Brough, P. and Barbour, J.P. (2014) Strategic alignment with organizational priorities and work engagement: A multi-wave analysis, *Journal of Organizational Behavior*, Vol. 35, 301-317. DOI: 10.1002/job.1866.

<sup>7</sup> Andrews, R. and Beynon, M.J. (2011). Organizational form and strategic alignment in a local authority: A preliminary exploration using fuzzy clustering, *Public Organization Review*, Vol. 11, pp. 201 – 218. DOI: 0.1007/s11115-010-0117-4.

<sup>8</sup> Dickson, M.W., Aditya, R.N. and Chhokar, J.S (2000) Definition and interpretation in cross-cultural organizational culture research in N.M. Ashkanasy, C.P.M. Wilderom and M.F. Peterson (eds) *Handbook of organizational culture and climate*. Thousand Oaks: Sage Publications.

<sup>9</sup> House, R.J., Quigley, N.R. and deLuque, M.S. (2010). Insight from project GLOBE: Extending global advertising research through a contemporary framework, *International Journal of Advertising*, Vol. 29(1), pp. 111-139.

<sup>10</sup> Baird, K., Harrison, G. and Reeve, R. (2007) The culture of Australian organizations and its relations with strategy, *International Journal of Business Studies*, Vol. 15 (1), pp. 15-41.

<sup>11</sup> Choi, Y.S., Seo, M., Scott, D. and Martin, J. (2010). Validation of the Organizational Culture Assessment Instrument: An application of the Korean version, *Journal of Sport Management*, Vol. 24, pp. 169-189.

<sup>12</sup> Dastmalchian, A., Lee, S. and Ng, I. (2000) The interplay between organizational and national cultures: A comparison of organizational practices in Canada and South Korea using the Competing Values Framework, *International Journal of Human Resource Management*, Vol. 11 (2), pp. 388-412.

<sup>13</sup> Hofstede, G., Neuijen, B., Ohayv, D.D. and Sanders, G. (1990) Measuring organizational cultures: A qualitative and quantitative study across twenty cases, *Administrative Science Quarterly*, Vol. 35, pp. 286-318.

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provide a way of measuring organizational alignment and show an example of such measurement in an institution operating in the public sector in the Republic of Macedonia. The paper will start by presenting the theoretical background and accentuate the new theoretical framework, Vox Organizationis – an instrument developed for looking at the level of alignment. It will then present the methodology of the study followed by the results of the applied methodology in one institution in the public sector in the Republic of Macedonia. The conclusion and recommendations for the future will be provided at the end of the paper.

### **2. DEFINING ORGANIZATIONAL CULTURE**

Organizational alignment is a concept viewed from many different angles and encompassing different dimensions according to different authors. It draws on notions from industrial organization, strategy and organization theory (Powel, 1992<sup>14</sup>) as well as Human Resource Development (Alagaraja, 2013<sup>15</sup>; Semler, 1997<sup>16</sup>). However, most models of alignment put emphasis on some sort of “systematic agreement between forces within organization”<sup>17</sup>. The precursor of alignment was the congruence model which stated that the successful functioning of the organization depended on the level of consistency or fit between various components of the organizational system (Nadler and Tushman, 1989<sup>18</sup>). After that, many different viewpoints developed emphasizing different elements that can be part of the organizational alignment and different processes and connections between different elements.

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<sup>14</sup> Powell, T.C. (1992). Organizational alignment as competitive advantage. *Strategic Management Journal*, Vol. 13, pp. 119-134.

<sup>15</sup> Alagaraja, M. (2013). Mobilizing organizational alignment through strategic human resource development, *Human Resource Development International*, Vol. 16 (1), pp. 74-93. DOI: 10.1080/13678868.2012.740794.

<sup>16</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>17</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), p.16.

<sup>18</sup> Nadler, D, A,, and Tushman, M, L, (1989). A model for diagnosing organizational behavior: Applying a congruence perspective. In D. A. Nadler, M. L. Tushman, C. O'Reilly (Eds,), *The management of organizations: Strategies, tactics, analyses* (pp, 91-106). New York: Harper & Row.

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For example, Semler (1997<sup>19</sup>) views organizational alignment as collaboration between the organizational design, strategy, and culture towards attaining the ultimate goal. Furthermore, the author notes that there are cultural aspects of alignment, performance aspects of alignment (ideal and actual behaviour) and environmental aspects of alignment. Labowitz (2004<sup>20</sup>) reinforces this thinking by emphasizes that "alignment is an optimal state in which strategy, employees, customers, and processes work in concert" (p.30). On the other hand, Powell (1992<sup>21</sup>) stresses that alignment is a balance between organizational differentiation and integration. Along the same lines, Merron (1994<sup>22</sup>) distinguished the following internal elements of alignment: purpose, strategy, objectives, structure, and culture, which should be working together and in the same direction. Zammuto, Gifford and Goodman (1999<sup>23</sup>) defined four types of organizational culture which are defined by two axes having flexibility and control on one hand and the demands of the internal and external environment on the other.

Little previous research on organizational alignment has been done in the public sector. Some (Parker and Bradley, 2000<sup>24</sup>) argue that there is a limited empirical understanding of the notion of culture in the public sector. According to their research, public agencies have a culture that focuses on rules and regulations and thus have little flexibility. However, their findings show that employees working for public organizations, although in general satisfied with their work, seek greater flexibility and have a more external focus than the one that is practiced in their organizations.

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<sup>19</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>20</sup> Labowitz, G.H. (2004) The power of alignment: How the right tools enhance organizational focus, *Business Performance Management*, pp. 30-34.

<sup>21</sup> Powell, T.C. (1992). Organizational alignment as competitive advantage. *Strategic Management Journal*, Vol. 13, pp. 119-134.

<sup>22</sup> Merron, K, A, (1994), Creating TQM organizations. *Qualify Progress*, Vol. 27 (1), pp. 51-54.

<sup>23</sup> Zammuto, R. F., Gifford, G. and Goodman, E. A. (1999). Managerial ideologies, organization culture and the outcomes of innovation: A competing values perspective. In N. Ashkanasy, C. Wilderom, & M. Peterson (Eds.), *The Handbook of Organizational Culture and Climate*. Thousand Oaks, CA: Sage.

<sup>24</sup> Parker, R., Bradley, L. (2000). Organisational culture in the public sector: evidence from six organisations. *International Journal of Public Sector Management*, Vol. 13 (2), pp.125 – 141.

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Holt (2014<sup>25</sup>) gives examples of how public organizations in the United States have attempted to recognize employees' strengths and to assist them in enjoying work and reaching their true potential. He refers to matrix teams and matrix management which was introduced in NASA and facilitates horizontal flow of information between different departments. Employees with specific knowledge in an area find matrix teams invigorating since they provide them with additional knowledge of a related area. This goes in line with the notions of 'learning organizations' of Schein (2004<sup>26</sup>) and Gaebler et al. (1999<sup>27</sup>) which mean that organizations should be proactive in anticipating and initiating changes in their environment. Holt (2014<sup>28</sup>) refers to 'fun' as a successful and inexpensive strategy that some local government agencies in the US implemented with great results. 'Fun' refers to having the time to do activities together with other employees, socialize and alike – small things that motivate employees and inspire employees to love their workplace.

Pulskamp and Benest (2003<sup>29</sup>) in a report for Preparing the Next Generation explains that among other challenges that governments face are the anti-government biases, lack of succession planning and different values in general. He proposes that government and public organizations should be reorganized in order to emphasize on talent development, providing employees with the opportunity to learn both hard and soft skills as well to provide with employees with a broader view on the organization by moving around the organization and obtain a view on line and staff job aspects.

One comprehensive theory that is also very conducive towards testing of organizational alignment has been proposed by Tosti (2007<sup>30</sup>). The model highlights

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<sup>25</sup> Holt, T. (2014). Creating a Great Organizational Culture in the Public Sector. Retrieved April 11, 2015, from <http://patimes.org/creating-great-organizational-culture-public-sector/>

<sup>26</sup> Schein, E.H. (2004). Organizational culture and leadership. San Francisco: Jossey Bass.

<sup>27</sup> Gaebler, T., Blackman, J., Blessing, L., Bruce, R., Keene, W., and Smith, P. (1999). Positive Outcomes: Raising the Bar on Government Reinvention, 1st ed., Chatelaine Press.

<sup>28</sup> Holt, T. (2014). Creating a Great Organizational Culture in the Public Sector. Retrieved April 11, 2015, from <http://patimes.org/creating-great-organizational-culture-public-sector/>

<sup>29</sup> Pulskamp, T., Benest, K. (2003). Local governments preparing for the next generation: successful case studies. Cal-ICMA California Consortium.

<sup>30</sup> Tosti, D.T. (2007) Aligning the culture and strategy for success, Performance Improvement, 46 (1), pp. 21-25.

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that the results than organizations achieve depend not only on the processes followed in the organization but also on the practices that people demonstrate within the organization. This means that the way people behave will make a difference between good results and outstanding results even in well-designed processes. Therefore, both alignment in the processes as the formal side of organizational functioning, and the practices as the non-formal side of the organizational functioning, are equally important. Those two aspects provide the overall alignment of the organization. The complete alignment model contains the goal processes and tasks on one side and the values, practices and behaviours on the other side (see Figure 1). What this means is that the structure and organizational design as seen by Semler (1997<sup>31</sup>) including the policies of the organization can be viewed as the formal side of the operational functioning when looking at organizational alignment. On the other hand, the organizational culture and leadership values as accentuated by Semler (1997<sup>32</sup>) can be viewed as the non-formal side of the organizational functioning.



**Figure 1** – Organizational alignment model (Tosti, 2007<sup>33</sup>)

<sup>31</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>32</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>33</sup> Tosti, D.T. (2007) Aligning the culture and strategy for success, *Performance Improvement*, 46 (1), pp. 21-25.



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A number of researchers have decided to develop their own idiosyncratic way for assessing organizational culture in the specific context of their project (Ashkanasy et al, 2010<sup>34</sup>). The present paper proposes a model for measuring the organizational alignment building on the thinking of both Semler (1997<sup>35</sup>) and Tosti (2007<sup>36</sup>). Therefore this paper uses a model of alignment looking at the organizational culture and leadership values on one side as non-formal part of the organizational functioning, and on the other side, the organizational structure, strategy and policies as the formal side of the organizational functioning. (see Figure 2.) (Tomovska-Misoska et al., 2011<sup>37</sup>). Each of the elements will be briefly explained in addition.

- Organizational culture is a much debated part of the organizational functioning. A number of authors have tried to provide definitions underlying components such as values, beliefs, practices and principles that are shared or common among members of one organization (Jaivisarn, 2010<sup>38</sup>; Singh, 2007<sup>39</sup>). Schein (2004<sup>40</sup>) and Hofstede (1998<sup>41</sup>) propose models of organizational culture which emphasize different levels of representation and analysis of organizational culture. Hofstede (1998<sup>42</sup>) views culture as an onion that has organizational practices as a visible representation of the second deeper level consisted of heroes, symbols and rituals, whilst the third invisible layer are

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<sup>35</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>36</sup> Tosti, D.T. (2007) Aligning the culture and strategy for success, *Performance Improvement*, 46 (1), pp. 21-25.

<sup>37</sup> Tomovska-Misoska, A., Bojadjiev, M., Stefanovska, M. and Nikolovska, Z. (2011). Vox organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture. Munich Personal RePec Archive Working Paper. Retrieved March 29, 2015, from <http://mpra.ub.uni-muenchen.de/42571/>.

<sup>38</sup> Jaivisarn, V. (2010) How organizational culture of Japanese multinationals in Thailand influences Japanese-speaking Thai employees' organizational commitment, *Journal of International Business and Economics*, 10 (1), pp. 106-120.

<sup>39</sup> Singh, K. (2007). Predicting organizational commitment through organization culture: A study of automobile industry in India. *Journal of Business Economics and Management*, Vol. 8 (1), pp. 29-37.

<sup>40</sup> Schein, E.H. (2004). *Organizational culture and leadership*. San Francisco: Jossey Bass.

<sup>41</sup> Hofstede (1998). Attitudes, values and organizational culture: Disentangling the concepts. *Organization Studies*, Vol. 19 (3), pp. 477-492.

<sup>42</sup> Hofstede (1998). Attitudes, values and organizational culture: Disentangling the concepts. *Organization Studies*, Vol. 19 (3), pp. 477-492.

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the values. This is similar to Schein's (2004<sup>43</sup>) thinking that puts artefacts as visible representations, values and beliefs as day to day operating principles, and underlying assumptions as the deepest level that actually guides behavior. Their research goes in line with later research done with regards to the relation between organizational culture and individual outcomes (Jaivisarn, 2010<sup>44</sup>; Nazir, 2005<sup>45</sup>; Singh, 2007<sup>46</sup>; Su, et al., 2009<sup>47</sup>). The culture is usually measured by asking the members of the organization about the current behaviors and practices (Hofstede, 1998<sup>48</sup>). According to Jex and Britt (2008<sup>49</sup>), the most direct way to measure organizational culture is to create a type of a self-reported measure that would be administered among employees of the sample organization and afterwards create a numerical index that would be used to assess and describe the different types of organizational culture.

- Leader's values are the second part of the model. They are quite important as the leaders set directions for and can intentionally influence the organizational culture. The values set the preferences and judgements about desirable and undesirable alternatives (Semler, 1997<sup>50</sup>). The leaders also influence the values and beliefs of the organizational members (Schein, 2004<sup>51</sup>). In addition, the perception that the employees have on the behaviour of the leader and the shared leadership influences

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<sup>43</sup> Schein, E.H. (2004). *Organizational culture and leadership*. San Francisco: Jossey Bass.

<sup>44</sup> Jaivisarn, V. (2010). How organizational culture of Japanese multinationals in Thailand influences Japanese-speaking Thai employees' organizational commitment, *Journal of International Business and Economics*, 10 (1), pp. 106-120.

<sup>45</sup> Nazir, A.N. (2005). Person-culture fit and employee commitment in banks, *Journal for Decision Makers*, 30 (3), pp. 39-51.

<sup>46</sup> Singh, K. (2007). Predicting organizational commitment through organization culture: A study of automobile industry in India. *Journal of Business Economics and Management*, Vol. 8 (1), pp. 29-37.

<sup>47</sup> Su, S., Baird, K. and Blair, B. (2009) Employee organizational commitment: the influence of cultural and organizational factors in the Australian manufacturing industry, *The International Journal of Human Resource Management*, 20 (2), pp. 2494-2516.

<sup>48</sup> Hofstede (1998). Attitudes, values and organizational culture: Disentangling the concepts. *Organization Studies*, Vol. 19 (3), pp. 477-492.

<sup>49</sup> Jex, S.M. and Britt, T.W. (2008). *Organizational psychology: A scientist-practitioner approach* (2nd edition). Hoboken: John Wiley and Sons.

<sup>50</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

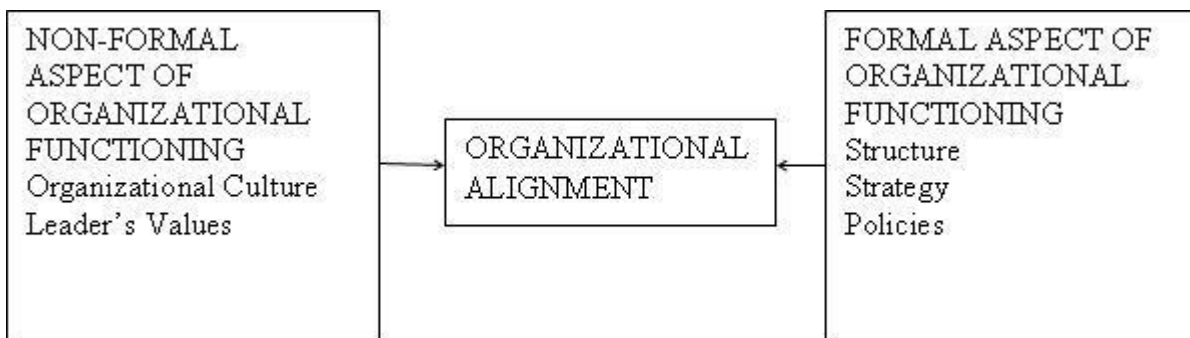
<sup>51</sup> Schein, E.H. (2004). *Organizational culture and leadership*. San Francisco: Jossey Bass.

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the organizational citizenship behaviour – OCB (Khasawneh, 2011<sup>52</sup>; Greene-Shortridge, 2011<sup>53</sup>).

The measurement of the values is done through asking the leaders about desirable or ideal situation in the organization as suggested in the GLOBE approach (Dickson, et al, 2000<sup>54</sup>; House et al, 2010<sup>55</sup>).

Organizational structure, strategy and policies represent the formal aspect of the organizational functioning. As such they define the goal-directed behavior (Semler, 1997<sup>56</sup>). They set up the goals and objectives of the organization, and set up the processes and tasks of the employees (Tosti, 2007<sup>57</sup>).



**Figure 2** – Vox Organizationis Organizational Alignment Model

These four elements of the model are measured on four dimensions connected to the organizational functioning developed through synthesis of dimensions previously

<sup>52</sup> Khasawneh, S. (2011). Shared leadership and organizational citizenship behaviour in Jordanian public universities: Developing a global workforce for the 21<sup>st</sup> Century. *Educational Management Administration Leadership*, Vol. 39(5), pp. 621-634.

<sup>53</sup> Greene-Shortridge, M. T. (2011). Leadership, employee wellbeing and organizational citizenship behaviors. Available online at <http://business.salary.com/leadership-employee-well-being-and-organizational-citizenship-behaviors>

<sup>54</sup> Dickson, M.W., Aditya, R.N. and Chhokar, J.S (2000). Definition and interpretation in cross-cultural organizational culture research. In N.M. Ashkanasy, C.P.M. Wilderom and M.F. Peterson (Eds.) *Handbook of organizational culture and climate*. Thousand Oaks: Sage.

<sup>55</sup> House, R.J., Quigley, N.R. & DeLuque, M.S. (2010). Insight from project GLOBE: Extending global advertising research through a contemporary framework, *International Journal of Advertising*, Vol. 29(1), pp. 111-139.

<sup>56</sup> Semler, S.W. (1997). Systematic agreement: A theory of organizational alignment. *Human Resource Development Quarterly*, Vol. 8 (1), pp. 23-40.

<sup>57</sup> Tosti, D.T. (2007) Aligning the culture and strategy for success, *Performance Improvement*, 46 (1), pp. 21-25.

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used by other authors and adapting them to be used in context to South Eastern Europe. The dimensions are bipolar (Tomovska-Misoska et.al. 2011<sup>58</sup>):

- Decision making and behaviour – connected to the democratic or bureaucratic approach to decision making. On one end it has strict policies and procedures and on the other shared culture and common understanding between members;
- People versus task – it accentuates care for the tasks on one end and care for the people and personal relationships on the other;
- Innovativeness and risk taking – this dimension measures instigating of innovations and risk taking by the company and its employees;
- Open versus closed system – connected to the collaboration between the members of the organization as well as the cooperation between the organization and its environment.

### **3. METHODOLOGY**

The study was performed in an institution operating in the public sector in the Republic of Macedonia in February 2014. The data collection lasted for one month using questionnaires specifically designed to measure the Vox Organizationis model (Tomovska et.al., 2011<sup>59</sup>).

There were three different instruments used, two of them measured the non-formal part of the organizational functioning and one measured the formal part. The employees received printed questionnaires containing 35 questions related to the four dimensions of the model for measuring the organizational culture (what are the practices and behaviours valued in the organization) and six questions with demographic data. The leaders received a questionnaire containing 35 questions

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<sup>58</sup> Tomovska-Misoska, A., Bojadjiev, M., Stefanovska, M. and Nikolovska, Z. (2011). Vox organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture. Munich Personal RePec Archive Working Paper. Retrieved March 29, 2015, from <http://mpra.ub.uni-muenchen.de/42571/>.

<sup>59</sup> Tomovska-Misoska, A., Bojadjiev, M., Stefanovska, M. and Nikolovska, Z. (2011). Vox organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture. Munich Personal RePec Archive Working Paper. Retrieved March 29, 2015, from <http://mpra.ub.uni-muenchen.de/42571/>.

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related to the four dimensions which were equal to those of the employees but measured the leaders' values (how would an ideal organization look like). These two instruments measured the non-formal part where: questions 1 to 9 measured the dimension decision making and behavior so a high score on this dimension points to a more democratic approach; questions 10 to 17 referred to people versus task and high scores outlined care for people; questions 18 to 24 measured the dimension innovativeness and risk taking and a high score indicates encouraging of risk taking and innovativeness; and questions 25 to 35 measured open versus closed system where high scores indicated a more open and transparent organization. All four dimension were measured using a four point Likert scale and some of the questions were reverse coded to prevent response set.

To assess the formal aspects of the organizational functioning interviews with the leaders using the third instrument were performed. The interview protocol contained questions about the structure, the strategy and the policies of the organization. The questions were again grouped into the four dimensions. Seventeen questions were designed for the dimension „decision making and behavior“, eight questions referred to „people versus task“, three questions were dedicated to „innovativeness and risk-taking“ and ten questions referred to the dimension „open versus closed system“. The results were then assessed to see whether the formal aspect leans towards one or the other pole of each dimension.

After the responses for each type of instrument were collected and the scores for each dimension were obtained, they were then compared to check for the overall level of alignment. This approach also allows us to see whether there is particular problem in a certain area, since each question set points to a specific area of organizational functioning.

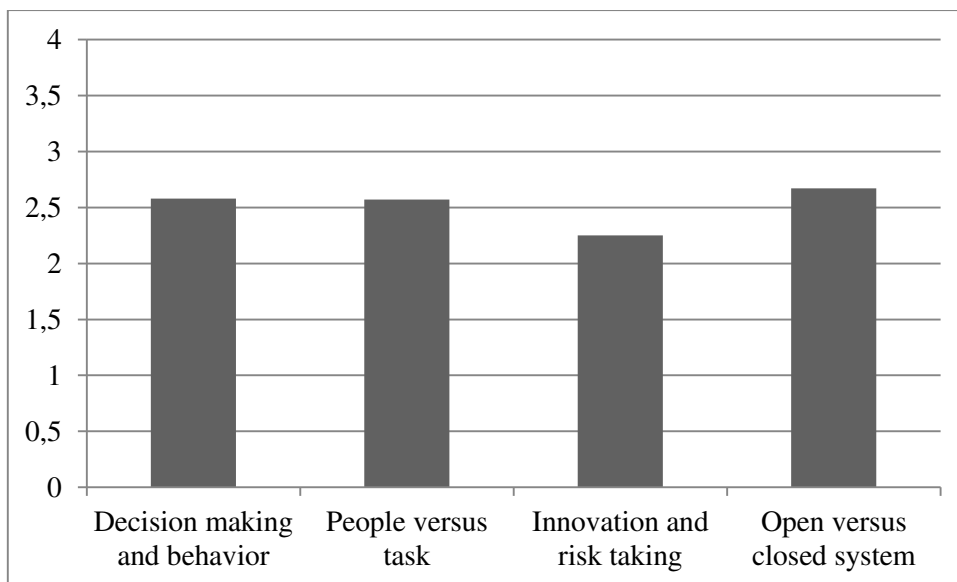
The response rate for the employees was 75%, and in total 30 useable responses were collected. In addition, the two leaders of the institution took part as well. Of the total number of employees 60% were male and 40% were female. Half of the employees have been employed in the institution between 5 to 10 years and

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another 25% were in the institution between 1 and 5 years. Most of the employees had bachelor degrees (70%) followed by Masters/PhD (22%) and secondary education (7%). When it comes to the leaders they were both male with bachelor degrees. They were both working in that position between 1 and 5 years, but have been working in the same sector for more than 10 years.

### 4. RESULTS

Based on the employee answers the scores for each dimension of the organizational culture instrument were calculated first. The results are presented in Figure 3.



**Figure 3** – Organizational culture results

As it can be seen from Figure 3 the results for the 'decision making & behavior' dimension (2.63 out of 4.00) indicate that the employees view the organization as leaning towards a democratic rather than bureaucratic way of decision making. This means that the employees feel that the organization involves them in decision making and there is shared understanding for "acceptable" organizational behavior without the need for strict policies and procedures. For the 'people versus task', the results (2.53 out of 4.00) indicate that the employees view the organization as caring slightly more for the well-being of their people as opposed to the accomplishments of tasks. This suggests that the organization, in the employees' eyes is somewhere between the

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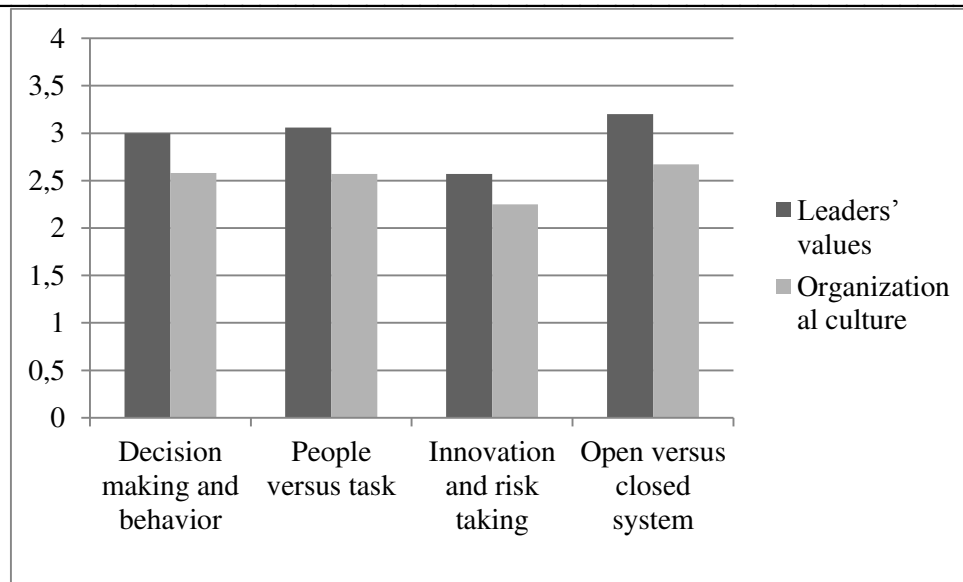
spectrum of work oriented and people oriented. When it comes to 'innovation and risk taking' employees (2.42 out of 4.00) view the organization as moderately innovative and risk taking. The scores for the fourth dimension indicate that the employees view the organization as more open than closed (2.56 out of 4). This means that the employees appraise that the organization supports both intra-sectoral and inter-sectoral collaboration as well as collaboration with people and organizations from the broader environment.

The scores of the leaders' values instrument were calculated next. They were then compared with the scores of the organizational culture instrument to assess the general alignment of the non-formal aspect of the organizational functioning. The results point to the alignment of how the leaders envisage the „ideal organization“ and work towards establishing such values in the organization and what is the actual behaviour and practices present in the organization as experienced and expressed by the employees. Table 1 and Figure 4 present side by side comparison of the scores on each of the four dimensions on the organizational culture and the leaders' values.

Table 1 – Comparison of the organizational culture and leaders' values scores on the four dimensions

	Decision making and behavior	People versus task	Innovation and risk taking	Open versus closed system
Leaders' values	3	3.06	2.57	3.2
Organizational culture	2.58	2.57	2.25	2.67

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**Figure 4** - Comparison of Leaders' Values and Organizational Culture results

As can be seen in Figure 4, leaders have slightly higher appraisal of the dimensions „decision making and behaviour“, „people versus task“ and „open versus closed system“, whilst they have lower values than the employees on the dimension „innovation and risk taking“. This means that the leaders would like to see the organization as striving more towards stability and not so much risk taking and employees feel that the organization is slightly more risk taking at the present time. However there is general agreement between the employees and the leaders when it comes to the non-formal aspect of the organizational functioning. This means that the non-formal aspect of the organizational functioning shows good alignment except for the „innovation and risk taking“ where the alignment needs to be improved.

The formal aspect of the organizational functioning was calculated last. The results were then compared to the results of the non-formal aspect to appraise the overall organizational alignment. Table 2 shows side by side comparison for the overall appraisal of each dimension as gathered by the three different instruments.



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**Table 2** – Comparison of the formal and non-formal aspect of the organizational functioning on the four dimensions

	Decision making and behavior	People versus task	Innovation and risk taking	Open versus closed system
Leaders' values	Democratic	People oriented	Innovative	Open
Organizational culture	Democratic	People oriented	Indecisive	Open
Formal aspect	Bureaucratic	People oriented	Innovative	Open

As can be seen, the organizational alignment is quite good in the public sector institution used in this study. There is one dimension that needs slightly more attention and that is the dimension „innovativeness and risk taking“. Whilst the organizational culture encourages taking risks and innovating as seen by the employees' answers, the leader's values point to indecisiveness when it comes to this dimension. The results of the analysis of the formal aspects also point to balance between maintaining stability and promoting risk taking. This means that the leaders need to pay more attention to building a culture that will be aligned with the other aspects of the organizational functioning on this dimension. What is more important however, is that on certain questions regarding the formal functioning of the organization the two leaders had slightly different opinions which might pose bigger issues and problems. For example they had different views on how the strategic plan is drafted. This might be due to how they got the position: one was promoted to the position and the other one politically appointed. Regardless of this, more attention should be paid to aligning their views and positions before turning to the employees.

## **5. CONCLUSION**

This paper focused on a very important aspect of the organizational functioning and that is organizational alignment. The concept is much debated and although there are many different theoretical models, the concept is still under-researched especially in South Eastern Europe. Therefore this paper is of special importance as it proposes a model for measuring the organizational alignment, as well as illustration of how the model works in practice through a case study of one public sector institution in the Republic of Macedonia. The results point to a high degree of alignment within the institution and outlines areas of improvement. The instruments can be useful for looking at specific areas within the organization that are misaligned and provide guidelines as to how alignment can be improved. Each dimension can be viewed more in depth by looking at particular answers in all three instruments to gain ideas for future actions leading towards alignment. It can also serve as a viewpoint and in consultation with the leader; a decision can be made whether the formal or the non-formal aspect should be the area of intervention to achieve alignment.

Although the results of the study are quite useful and show the applicative value of the model the results are still based on one case study example. In the future more studies using the same approach should be done to test the validity of the model. The model should also be tested in different sectors and different countries to show the applicative and theoretical value.

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