

What “Alignment” Looks Like

Tushman & Nadler Congruence Model — Three Worked Examples

The Core Idea

Alignment means all parts of the organization push in the same direction. Not just good strategy, or good structure — but **they fit together**.

Not enough on its own:

- ✗ Great strategy with misaligned structure
- ✗ Strong culture that contradicts formal systems
- ✗ Good people in the wrong roles

Alignment requires fit between:

- ✓ Strategy ↔ Formal structure
- ✓ Strategy ↔ Informal culture
- ✓ Formal structure ↔ Informal norms

Example 01		Cost Leadership	COST (ALIGNED)
Strategy	Formal Structure	Informal Structure	Why It's Aligned
Low-Cost	<ul style="list-style-type: none"> • Functional structure • Centralized decision making • Standardized processes 	<ul style="list-style-type: none"> • Culture of frugality • Discipline and cost awareness • Norms around efficiency 	<ul style="list-style-type: none"> ✓ Structure supports efficiency ✓ Culture reinforces cost discipline ✓ Controls emphasize cost metrics <p><i>“Everything in the organization pushes toward efficiency.”</i></p>

Example 02		Innovation Strategy	INNOVATION (ALIGNED)
Strategy	Formal Structure	Informal Structure	Why It's Aligned
Differentiation	<ul style="list-style-type: none"> • Cross-functional teams • Decentralized decision making • Flexible processes 	<ul style="list-style-type: none"> • Culture that tolerates failure • Norms of experimentation • Psychological safety 	<ul style="list-style-type: none"> ✓ Structure enables experimentation ✓ Culture encourages risk-taking ✓ Controls support learning <p><i>“Everything in the organization supports experimentation.”</i></p>

Example 03		Customer Experience	SERVICE (ALIGNED)
Strategy	Formal Structure	Informal Structure	Why It's Aligned
Differentiation	<ul style="list-style-type: none"> • Empowered frontline employees • Decentralized decision rights • Service-focused processes 	<ul style="list-style-type: none"> • Customer-first mindset • Ownership of problems • Pride in service quality 	<ul style="list-style-type: none"> ✓ Employees can act quickly ✓ Culture supports going above and beyond ✓ Metrics reinforce satisfaction <p><i>“Everything in the organization serves the customer.”</i></p>

The Alignment Test

If an employee follows the structure, culture, and incentives — do they naturally execute the strategy?

YES ✓ → Aligned

NO ✗ → Misaligned

Key Teaching Line

*Organizational effectiveness is not about having great components — it is about how well they **fit together**.*

The manager's job: Not just to design good parts, but to ensure the parts reinforce each other in the direction of strategy.

Adapted from David A. Nadler and Michael L. Tushman, "A Congruence Model for Diagnosing Organizational Behavior," in *Organizational Behavior*, ed. J. Richard Hackman, Edward E. Lawler III, and Lyman W. Porter (New York: McGraw-Hill, 1977).

*The central management task is not to design the perfect component — it is to manage the **fit between components**.*