
STRATEGIC PLANNING AND MANAGEMENT DEVELOPMENT: AN INTEGRATED APPROACH

*Larry R. Smeltzer, Patricia Moran Silverman,
and Thomas A. Sylvest*

Department of Business Communications and Office Systems
Louisiana State University - Baton Rouge

Effective human resource utilization, particularly in the area of management, has become an increasingly significant concern as a result of a national decline in the productivity rate, a shortage of good general managers, and a growth in the complexities of our organizations (12). These problems have forced many organizations to respond to the productivity challenge with a greater emphasis on the identification and development of management talent (1, pp. 27-39). This response has resulted in a proliferation of training programs estimated to cost government and industry over \$137 billion annually with a large percentage of this going to Management Development activities (6, p. 116).

Management development, however, has not been approached with the ardor of other business planning activities. Consider the exhaustive analysis and planning when introducing new products or developing new markets for a firm. Much thought and numerous questions must be answered long before the first product is placed on the shelf. Certainly, the time and resources involved in such a project exceed the time and resources devoted to planning for the management development process. But management development is a lasting impact on the firm and as such should be integrated with the firm's planning process.

There has been a recent increase in awareness among both practitioners and academics that the state of the art in human resource planning significantly lags the sophistication of current management planning in other spheres of activity (3, p. 97). Firms are just now beginning to re-evaluate management development issues as a function of business strategy (11, pp. 47-61). One reason for this is research has verified that firms which are more committed to strategic human resource planning have higher levels of productivity than those firms which have no such planning (7, pp. 27-33).

Planning for management development would intuitively seem to be similar to other aspects of business. For instance, if the result of the manage-

ment development process were thought of as a product, the same considerations would be addressed as in product planning. Comparing the management development process to more traditional aspects of business planning helps conceptualize this process although differences naturally exist.

An integration of the elements of business planning and the management development process is presented in this article. The matrix which is presented in Figure 1 embraces a comprehensive set of concerns and allows the emergence of specific questions which must be answered in the planning process. These concerns and questions directly or indirectly influence the effectiveness of the management development process. Each of the components are discussed in this article in order to clarify the matrix as a planning tool. Once each of the components are understood, the full integration of general business decisions and planning for management development can be appreciated.

FIGURE 1

MANAGEMENT DEVELOPMENT PLANNING MATRIX

COMPONENTS OF BUSINESS PLANNING

		Objectives	Commitment	Resources	Strategy Stability	Risk
COMPONENTS OF MANAGEMENT DEVELOPMENT	Definition of the Manager					
	Selection of the Manager					
	Extent and Purpose of Development					
	Approaches to Development					
	Evaluation of Management Development Programs					

COMPONENTS AFFECTING THE GENERAL PLANNING PROCESS

The following components affect all business planning (9) so they must be integrated in the management development planning process. When these components are considered, a "fit" between the management development process and business strategy will result.

1. Objective
2. Commitment
3. Resources
4. Stability
5. Risk

Each component at first glance appears to stand alone without relative influence on or by the other components; however, closer analysis reveals the interrelationships which naturally exist. It is necessary to define the components and their characteristics to fully appreciate all of the interrelationships which exist.

Objectives

All business planning must consider the objectives of the firm. Within the management development framework, a business knows that a need for more management personnel results due to retirement, turnover, reorganization, growth, and the general evolutionary nature of a business. Regardless of the reason, an inherent need exists and decisions must be made for obtaining management resources which match the firm's objectives. Typically, management development objectives are expressed in terms of functional area, time span and levels of desired capabilities.

Commitment

How committed are the decision makers to meeting management development objectives? How critical is the development of management according to the top decision makers? Certainly, a need which is not perceived as critical will receive far less attention or commitment than others. The level of commitment influences the objectives and amount of resources that can be allocated to a project.

Resources

Every astute decision maker considers resource constraints. Facilities, finances, faculties and time are included in the resources necessary for management development. Also, will the necessary human resources such as mentor, experts, trainers and support personnel be available when managers need to be developed? Finally, time needs to be considered as a resource because employee's will be paid while developing their potential. Also, how

much time can a firm afford to be without a totally developed manager? These questions must be addressed in the planning process.

Stability

This component of decision making is not easy to define. It may be best described as the frequency at which objectives, commitments, resources, and risk change over time. This suggests a measure of volatility which may not be easily quantifiable but nonetheless can greatly influence the decisions made. Executive attitudes, environmental fluctuations and perceived changes in need are factors taken into consideration. The entire spectrum of social influences must be considered when analyzing stability.

Risk

The potential for failure is the risk factor. How much can the firm afford to lose if the outcome of the decision and its implementation does not meet the objectives. A company of 10,000 employees, adequate fiscal resources, and a stable management group can afford a program that has a high risk factor. If potential managers were not developing in a short period of time, it is likely the results would not be disastrous. But if a company had a management group laden with employees near retirement, development may be critical to the survival of the firm. A high level of risk may be acceptable to some firms but not to others. Some firms may have a well developed succession plan with potential "back-up" managers while others may rely on one or two key individuals.

COMPONENTS OF MANAGEMENT DEVELOPMENT

As it is necessary to analyze the components of the planning process, it is equally important to consider the various components of the management development process. When all of these components and their interrelationships are integrated in strategic planning, a fit between the management development and planning process will result.

These and other components of management development are not isolated from the business. They are an integral element of any organization; thus, they must be analyzed within the social and technical environment of the business.

A brief examination indicates the direction they provide in planning the management development process and shows the relevance of the matrix as a planning tool.

Definition of Manager

When plans include a future management position, an attempt to determine the probable components of the job is critical. This analysis categorizes

the performance that will be expected, the resources necessary, the interactions involved, and the knowledge required to efficiently perform in this position.

Second, the skills used in this position must be identified. Historically, a manager's responsibilities to the organization include planning, organizing, and controlling. To accomplish these responsibilities a manager uses a variety of skills: technical, human, and conceptual (5, p. 395). The relative importance of the various skills depends on the manager's rank in the organization so the managerial level of the position should also be closely analyzed (4, p. 24). In turn, this means that the future organizational structure must be considered. It should go without saying that the development program should meet the skill needs of the managers. A close examination of social, technological and organizational trends are all necessary to assure a clear definition of "manager" for the firm exists.

Selection of Managers

Internal and external sources are available for selecting potential managers. The future relative strength of these two sources needs to be considered. In order to use the external source, a long range recruitment plan must be developed; and it is necessary for the organization to be able to attract a pool of qualified individuals when they are needed. A question which must be addressed is, "Will the firm have a positive image among potential managers when recruitment is necessary?" When internal sources are being considered, it is necessary to consider both vertical and horizontal movement of employees, the skills level that will be present, age levels, and mobility of the employees.

Whether selecting internally or externally, entry-level standards for the managerial position need to be established. Depending on the resources available, it may be decided to select a candidate with either complete or varying levels of qualifications. The management development process must then be adapted to the competency level of the individual.

Extent and Purpose of Development

When planning the design of the actual development program, numerous questions must again be addressed. The planners may ask first, what skill or ability must the manager learn: technical, human or conceptual? Second, is the focus of the program organizational or individual? In an organizational context, the programs are concerned with procedures, rules and techniques. An individual focus concerns attitudes, values and perceptions. A third question asks why an organization conducts management development: improvement of human resources, avoidance of stagnation, traditional manager trainee program, and reward mechanisms.

As with any endeavor, time is a valuable resource or a powerful con-

straint. An organization must ask how much time can we allocate to management development in order to satisfy the objective. Depending on the time available, management development can be scheduled as hire-to-retire, sporadic, response to a trend, or reaction to an emergency.

An organization must also question the number of employees to be involved at any one time. Is an individualized management development process superior to group programs or would a combination of both approaches satisfy the corporate objective? This must be answered in relationship to the time constraint. If a corporation has the time to design a hire-to-retire program for each manager, then an individual program may be best. However, an individual program may not be adequate if the training is in response to an emergency. Here, many managers may need to learn new information, such as how to use a revised management information system, in a period of two weeks. Group training will be necessary in this situation. So an additional question must be addressed, "How many rapidly changing events will affect the future manager?"

Approaches to Development

No specific list of training approaches is readily available because of the numerous possible techniques. Each organization must plan on using approaches that blend with business objectives. Therefore, at any one time a business may utilize numerous and varied approaches.

Selecting the approach is a difficult task. Various choices exist such as internal or external location, internal or external instructor, on-the-job or off-the-job programs, traditional or innovative instruction, or any combination of these.

A cadre of specific techniques such as T groups, mentors, role playing, assessment centers and continuing education credits are also available. Again, a complete analysis is required to make the correct decision (5, p. 395). However, it is critical that the techniques match the objectives which means that planning must account for adequate resources.

Evaluation of the Management Development Process

Evaluation of any process, unfortunately, is usually an afterthought; however, evaluation should be considered early in the planning process. It provides a cyclical connection that constantly changes and improves management development. The evaluation aspect keeps the process on track with the business objective, makes corrections when problems arise and ensures that the organization and individual objectives are reached (8, p. 11). In planning the appropriate means of evaluation, an organization must look at the quantity and quality of the results against predetermined standards, as well as analyze the participants' reaction to the program. Also, the planning component of stability must be considered. If the organization

and environment is not stable, more frequent management development may be required to assure the program fits the needs of the managers.

Components of business planning interact with the management development process influencing one another to various degrees. Questions, ranging from simple to complex, result from considering the possible interactions. Such questions assist executives responsible for planning management development by focusing attention upon relationships influencing the effectiveness of the program.

APPLYING THE PLANNING MATRIX

Management development planning should receive treatment similar to other types of managerial planning. Components of planning such as objectives, commitments, resources, stability and risk must be examined in relationship to management development factors which include definition of the position, selection, extent and purpose of development, approaches to development and evaluation of the process. This integration will lead to the appropriate fit between the general business planning process and management development. Strategic fit is generally thought of as a product, market fit or operating fit but a management development fit is also required (10, p. 37).

The Management Development Planning Matrix (figure 1) provides structure and helps to obtain a "fit" in the planning process. Planners may utilize this framework to consider the scope of interrelationships, recognize variables influencing the program, and formulate effective questions and answers pertinent to the program. The goal, clearly stated, is to efficiently and effectively develop managers to meet the needs of the organization and minimize resources utilized.

Specific answers do not naturally emerge when applying this planning matrix to a situation. Rather, this matrix helps managers focus upon relevant concerns during the planning process. Ignoring the issues and whimsically approaching a design undoubtedly offers many inefficiencies and inadequacies (2, pp. 1-7).

The matrix tool encourages creative and thorough utilization. As a focusing device, the matrix facilitates attempts at clarifying alternatives available when planning the management development process. The "right" questions emerge rather than questions haphazardly formulated.

The matrix forces the planner to examine numerous factors at one time and to design a feasible, if not optimal, management development program. An unlimited number of development programs can be designed based on the interrelationship. The Management Development Planning Matrix will not contain the answers to the analysis but rather the matrix will provide the correct direction in the planning process.

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