FACTORS FOR SUCCESSFUL STRATEGIC PLANNING IN

THE HUMAN RESOURCE MANAGEMENT FUNCTION

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A report discussing three primary factors in strategic planning for human resource organizations. The objective is to recommend planning capabilities that will lend to greater levels of successful implementation. The study was designed to investigate whether the politics of planning, planning process, and measurements were primary factors in strategic plans that were successfully implemented for the human resource organizations of a large corporation. Historically, strategic plans for the human resource organizations were not often implemented successfully. The literature and research support the finding that all three factors stated above are primary factors in the development and successful implementation of a strategic plan for the human resource organizations.

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SECTION I

INTRODUCTION AND OVERVIEW OF REPORT

Introduction

"Would you tell me please which way I ought to go from here?" "That depends a good deal on where you want to get to," said the cat. "I don't much care where," said Alice. "Then it doesn't matter which way you go," said the cat.[1]
Human resource (Human Resources Management) functions or departments (See definition of terms later in this section.) need strategies and plans to manage their business activities in an effective, cost-effective fashion while still being able to react to the needs of the organization that they support. Based upon the information gathered from human resource managers and human resource professionals over the past thirty five years by the author it is obvious (and generally an accepted fact in the human resource profession) many strategic plans for the human resources function have not been implemented successfully. Human Resource Managers are unable to predict their own resource needs, and it makes integration of the human resource function an ideal that is never realized. Twenty years ago a study was conducted to investigate the usefulness of human resource planning. Today, over twenty years later, leaders in the human resource management profession find that the results and learning from the study are just as accurate, and that the conclusions are just as timely in today's global modern world.

Overview of Report:

Two questions are addressed in this report: (1) Do measurements and concepts for business strategic planning apply to the human resource function? If so, (2) what are the factors that are most important to developing an effective strategic plan?

To answer these questions, a group was studied in 1986 that was a large 7500-person multi-product, multi-location manufacturing organization of a large 100,000 employee computer company. The Group had been in a constant state of rapid change during the previous ten years; first growing as rapidly as it possibly could to meet market demand and then shrinking as business and the industry matured and cost and competitive product cost became more and more important to the health of the enterprise. There was never a great need for strategic planning since the strategy was simple ... GROW, GROW, GROW! However, when the need became more concerned with competitive product cost the pressure was considerable for the manufacturing parts of the company to manage its resources (especially people, since they represent the largest cost factor) more effectively. In order to do that they needed to begin predicting more accurately the needs based on a strategy that allows human resource managers to be proactive rather than reactive in the areas of Human Resources Planning, Organizing, Staffing, Leading, and Control. The Human Resources Management organization should be able to apply that same planning and predicting process to its own business. Otherwise the human resource function is at risk of being either too costly for the benefit that it adds to the organization or unable to meet the needs of the business because of insufficient skill or resources. "The greatest change ahead for the human resource function may be in its mission."[2]

The purpose of this study was to determine what the primary factors are that contribute to the successful implementation of the studied human resource organizations strategic plan. A result of this study was to provide some integral pieces of a foundation of knowledge upon which to construct a

process for the development of a strategic planning process for the human resource functions in the studied group. In fact, by participating in this study the human resource organizations had actually begun the process of strategic planning. Whether they continued the process would be decided in large part with the help of the results of this study. The significance of this study was that there was a lack of knowledge in this area as to why strategic planning in the human resource function in the studied environment was not effective. Without additional information, analysis, and conclusions, the human resource function in each of the studied organizations would continue to go through an exhaustive strategic planning process with minimal impact on their business or return on their effort.

Most strategic plans for the human resources functions of the manufacturing organizations that were studied had not been implemented successfully even though strategic plans were done annually. As a result it had been impossible for the human resource managers of manufacturing plants and functions to effectively create and implement operational business plans that anticipate and meet the functions enterprise needs. Evidence of the lack of implemented strategic plans was found in the reactive orientation of most human resource department work and the inability of most human resource managers to predict their actual resource needs for more than several fiscal quarters in advance. As a result it was never clear whether or not the human resource function was overstaffed or understaffed; had the right kind of skills to deliver the expected contributions to the client organizations and company as a whole; had arranged for or acquired the needed support resources (such as computer hardware and software, accounting, facilities, advertising, purchasing, etc.); or was being successful and effective. It made integration of the individual functional specialties within the human resource function an ideal that was never realized. Much of the literature on the subject of strategic planning attests to a need for the requirements of the business of which the human resource function is a part to be clearly stated before effective business planning of any sort may begin. Writers such as Odiorne[3], Fitz-enz[4], Biles[5], Steiner[6], Deasatnick[7], Burack[8], and Walker[9], among others, support the process of planning and the translation of plans into programs and measurable activities.

While strategy is essential to successfully managed change, it is too often defined after the fact and given credit for the success. It is often "experience first making a strategy out of it second."[10] "Much too often the process for reaching the business goal subverts the goal - the activity becomes more important than the objective"[11]

The question that needed to be addressed in this instance was (assuming that the commonly proposed processes, measurements and concepts for business strategic planning apply to the human resource function of a computer manufacturing organization) what primary factors were most important in developing a strategic plan that would provide the framework necessary for action planning that would lead to the human resource function being successful and effective.

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[1] Lewis Carroll, Alice's Adventures in Wonderland,(New York: The MacMillan Co., 1966), p. 59.

[2] Peter F. Drucker, "Good-bye to the Old Human Resource Department", The Wall Street Journal, (22 May, 1986), p. 1.

[3] George Odiorne, The Change Registers (New York: Prentice-Hall, 1965), p. 37.

[4] Jac Fitz-enz, How To Measure Human Resources Management, (New York: McGraw-Hill, 1984), pp. 91-92.

[5] George E. Biles and Stevan R Holmberg, Strategic Human Resources Planning, (Glenn Ridge, N.J.: Thomas Horton and Daughters, 1980), p. 300.

[6] George A. Steiner, Strategic Planning, (The Free Press, 1979),pp. 163-197.;

[7] Robert L. Deasatnick, The Business of Human Resource Planning, (New York: Wiley, 1980), pp. 1-5.;

[8] Elmer H. Burack and Nicholas J. Mathys, Human Resource Planning: A Pragmatic Approach to Manpower Staffing and Development, (Lake Forest, Il.: Brace-Park Press, 1980),pp. 1-5.;

[9] James W. Walker, Human Resource Planning, (New York: McGraw-Hill, Inc., 1980), p. 13.

[10] Rosabeth Moss Kanter, The Change Masters, (New York: Simon and Schuster, 1983), p. 29.

[11] George Odiorne, "Human Resource Strategic Planning," New England human resource Network Seminar, (October, 1982)

SECTION II

The Study: Science Rather than Opinion

This study was conducted to determine if successful implementation of a strategic plan for the human resource functions of the business units studied and the manufacturing group to which they belong is primarily dependent upon:

- the process for the development of the plan itself,
- the performance measurements,
- and the political significance of planning.

Summary and Organization of Study

Section III summarizes the findings of an extensive literature review. The section is organized into parts that segregate the literature into areas covering strategic and long-range business planning human resources planning, management of the human resource function, and planning for the human resource function. Each part is further broken down into areas dealing with significant pieces of the relevant literature.

Section IV describes the actual data collected in the research and combines that report with an analysis and interpretation of what those findings mean. The section is divided into parts that describe the findings without interpretation; and analyzes the findings.

Section V summarizes the report in an executive summary fashion. It highlights the basic problem, the assumptions, key data collection activities, and important findings. The section makes recommendations for successful resolution of the problem addressed in the report; and recommendations for additional research questions that were raised by the study but not addressed.

Appendix A contains the data gathering instruments, relevant memos, etc. that were used in this study.

Definition of Terms

SUCCESSFUL IMPLEMENTATION of a plan is the achievement of an organizational state that is consistent with the goals or predicted outcomes of the plans as assessed by the human resource manager.

POLITICAL SIGNIFICANCE refers to the human intrigue or maneuvering within a group; and individual human resource managers' general position or attitude on the referenced maneuvering. It is generally reflected as a perception of importance or non-importance that is attached to the endeavor.

STRATEGIC PLANNING for the purposes of this paper refers to efforts aimed at developing broad vision statements, charter statements, and goals and objectives that are longer in term (three to five years) than normal business planning (usually one year).

HUMAN RESOURCE, HUMAN RESOURCES MANAGEMENT and PERSONNEL are terms used interchangeably for the most part in this paper. The terms are conventions of the human resource and management theorists and practitioners and are used interchangeably.

INTEGRATION OF THE HUMAN RESOURCE MANAGEMENT FUNCTION is the organizational state of balance and efficiency where the many diverse aspects of the work of the human resource function (Employment, Human Resources Planning, Training, Compensation, Benefits, Organization Design and Development, Employee and Management Development, Employee Relations, Labor relations, human resource Administration, Business Management, etc.) are executed in an interdependent and coordinated fashion consistent with modern systems (management) concepts and theories. In this report it is assumed that integration of the human resource function is desirable and ideally would be in accordance with a plan that allows for the greatest human resources utilization, efficiency and productivity in the human resource function.

Evaluation Methodology of the Study

Often, strategic plans created for the human resources functions of the manufacturing organizations studied have not been implemented successfully. It was, therefore, difficult for the human resource managers of these manufacturing plants and functions to create and implement operating business plans that anticipated and met the functions operational needs. This observation was confirmed in individual meetings with each of the human resource managers.

This study addressed the primary factors that were most important in developing the strategic plan. It was designed to investigate the hypothesis that successful implementation of a strategic plan for the human resource functions of the business units studied and the manufacturing group to which they belong was primarily dependent upon the process for the development of the plan itself, the performance measurements, and the political significance of planning. The studied group had been in a constant state of rapid change over the previous ten years; first growing as rapidly as it possibly could to meet market demand, and then shrinking as business and the industry matured and cost and competitive product cost became more and more important to the health of the enterprise.

The data necessary to address the primary question of this study were collected from the human resource departments of the manufacturing organizations that make up the manufacturing group responsible for the greatest portion of revenue shipped by the company. All twelve human resource organizations in that group were researched. The represented manufacturing organizations were diverse in the number of employees that they employ, their geographic location and type of products manufactured, engineered or distributed. Therefore, while many of the functional activities of each of the human resource organizations were similar, they also had very different client needs to address based on the uniqueness of the organization of which they were a part. The organizations surveyed were primarily located in Augusta, Maine; Burlington, Vermont; Salem, New Hampshire; Nashua, New Hampshire; Tewksbury, Massachusetts; Westminster, Massachusetts; Marlboro, Massachusetts; Franklin, Massachusetts; Westford, Massachusetts; and Phoenix, Arizona. There were employees in several other locations; and data were also collected from the human resource professionals located there.

The types of organizations that were supported by the surveyed human resource organizations included five hardware manufacturing organizations, an Engineering organization, a software manufacturing and distribution organization, a systems materials and distribution organization, and a Headquarters organization.

To arrive at the conclusions needed to answer the primary questions the study focused on a large computer manufacturing group (as described earlier in the section) of at least seven computer manufacturing plants or organizations(out of the total group of twelve) varying from 350 to 1100 employees. The primary source of input was the present and previous human resource managers of those organizations and the human resource functional managers who were part of the group staff, which was the next level of management. Interviews were conducted with the primary sources and their staffs, where appropriate, along with knowledgeable managers and professionals in the organization (non-human resource) who had reason to be able to evaluate the human resource strategic planning process and resultant plans. Each human resource organization was made up of from 13 to 35 employees. Many of the organizations included professionals specializing in the area of planning. Wherever possible these individuals were included in the surveys. Data were also collected from human resource and non-human resource management people external to the studied sample who had considerable expertise and experience in the areas of Human Resources Planning, human resource functional management, and Strategic Planning.

Data were collected from approximately 36 people pertaining to the history of planning done in and for the human resource function. It included data on what types of planning were done; the specifics of the planning processes and planning criteria; the reasons for the activity; the plan measurements; the environmental factors; significant cultural factors; and the significant political factors impacting planning. Data were also collected on the current state of any plans or processes that might be ongoing. Also, data were collected on the more subjective aspects of why the human resource managers believe that strategic planning had failed where it had and succeeded where it had.

The instruments used to collect the data included: a questionnaire (written and open-ended); in-person interviews and telephone surveys with each human resource manager and accessible former human resource managers; a record review of existing strategic plans; and a review of literature pertaining to Strategic planning, Human Resources Planning, and management of the human resource function.

The written open-ended questionnaire was specifically designed to collect data in a fashion that could be easily analyzed using standard statistical methods and tools. It was especially appropriate with this population because of its geographical dispersion in a fashion which made it economically inappropriate to conduct the survey in person at every location. The questionnaire was designed to answer the management question: Are the processes for the development of the plan itself, the performance measurements, and the political significance of planning the primary factors that lead to a successfully implemented strategic business plan for the human resource departments in the studied group?

The research question was: Are these three factors the primary causes of a strategic plan being implemented successfully? Some of the measurement questions that the questionnaire addresses are: What types of planning were done by the studied human resource departments?; If they did strategic planning, was the focus really strategic (at least 3 years)?; and how important were the three factors to successful implementation of the plan? There was also a final open-ended question that solicited additional inputs (See Final Written Questionnaire in Appendix A.).

In-person interviews were conducted with the human resource managers of eight organizations that represent over 80% of the population of the Group. Of the remaining four organizations one was too distant to visit in person and was new to the Group; one was just being formed and had no history or current strategic plan; and two were small organizations that were essentially included in the strategic and operating plans of one of the visited eight organizations. The in-person interviews were particularly appropriate to collect more subjective information than could be collected with the written questionnaire because these human resource managers had the most significant impact on the creation and implementation of strategic plans in their organizations. It was important to determine how the individual human resource managers truly felt about strategic planning for their own functions. The best way to accomplish this was in a face-to-face meeting where the reactions of the participants could be observed and answers to questions could be investigated more deeply. The written questionnaire was to be used as the format and content for the interviews. In addition, more open discussions of the basic questions were entered into. The telephone surveys were conducted with past Plant/Function human resource managers, Human Resources Planning and development Managers; and Corporate and human resource Group Functional Managers who had significant involvement in or impact on the strategic plans of the studied human resource organizations. It was necessary to use these telephone interviews to collect some preliminary information and to set the stage for the written questionnaire. The telephone survey was appropriate where it was not reasonable to conduct an in-person interview for cost, time, or other reasons. The management and research questions were addressed generally.

The questionnaire was piloted and tested by administering it to the studied manufacturing group human resource staff which includes those people responsible for the overall strategic plan creation and implementation. These people also had significant planning and plan implementation experience and expertise at the plant level. Each of the five people who participated in the test were asked for feedback on the instrument which was used to revise some of the wording of the questionnaire. The pilot included the introduction of the questionnaire followed by an in-person interview. The interview was used to refine the in-person interview technique; collect survey data; and get feedback on the written questionnaire. The questionnaire was also critiqued extensively by a group of Masters Degree students. The questionnaire was revised and then implemented.

The reliability of the instrument is to be found in its design which was concise and kept limited to the primary research questions. The instrument has stability (It was administered in a short time period to a controlled group.) and minimizes any impact of external sources of variation by concentrating entirely on internally controlled factors. The instrument reliably tests the hypothesis by collecting

sufficient data from the entire population. The research design may be reproduced with the same result. Of course, the result is time-dependent in that the level of successful implementation of plans will change over time and, therefore, could cause the data (responses) to change as a result in the future.

The internal validity of the research is likely to be high because the events and measures were, for the most part, empirical. Based on company documents, planning was either done or not done; implementation was recorded as either successful or not successful; the factors tested either correlated with success or not. To accommodate potential maturation (the changing opinions of the population) the study was limited to a specific population and data collected within a short period of time. After piloting the instrument for data collection and making revisions it was not changed; nor was it reused to collect data from the pilot group. Content validity was assured by including questions addressing all of the evidence needs and by including the entire population in the sample. There was substantial construct validity in that the aspect of political significance was inferential in its importance to strategic plan implementation. Criterion-related validity was suggested clearly in that the hypothesis itself was predictive and concurrent. The purpose of this study did not include claims of any external validity. It was designed specifically to test a hypothesis limited to a specific population and not to be generalized.

The procedures used to collect the necessary data were to first introduce the study as the initial part of the development of a new process and set of tools to be used to create strategic plans in and for the human resource organizations studied. A memo was sent (See the Study and Process Introduction Memo in Appendix A.) to the managers to begin the project; introduce it; solicit feedback; and garner support. Next, the questionnaire was developed and pilot tested. In-person interviews were scheduled and conducted. The questionnaire was administered to those interviewed in-person at the beginning of the interview period; and mailed to the rest of the participants both through the company mail and by the electronic mail system (See the Final Questionnaire Cover Letter in Appendix A.). The people who did not return the written questionnaire within ten working days were sent a second copy of the questionnaire followed up by a telephone call requesting completion and return of the instrument. The preparation and analysis of the data began by making sure that all of the questionnaires (where possible)were completed and returned. Where the response was unclear or there was any reason to suspect that the question was misinterpreted, the respondent was contacted by telephone for clarification.

The data were categorized into appropriate partitions so that relationships of data relevant to testing the hypothesis were easily compared and measured. The scales used were both nominal and ordinal. The analysis used interval and ratio scales of measurement. The data were coded using a classical approach to ease statistical treatment and analysis. The null hypothesis was that the three factors tested were primary factors with regard to successful implementation. The alternative hypothesis was that all of the three factors tested were not primary factors. A binomial test (nonparametric test) was used to test the null hypothesis. The decision rule was to accept the null hypothesis if 75% (overwhelming majority; nine out of twelve) or more of the primary respondents (human resource managers and HR Planning Managers) classified the three factors as being important or primary factors. A positive response for a factor was indicated by either a respondent checking the appropriate box or by entering a factor in the "other" field that clearly (as interpreted by the analyst) fell within an area covered by one of the three tested factors.
The research findings, analysis of the findings, interpretations, conclusions and recommendations presented in this paper are presented logically, readably, and comprehensibly with supporting evidence.

Limitations of Study

One of the limitations of this study is that the studied organizations were all part of one large manufacturing group in one company. This probably led to a great similarity in the impact of corporate culture on the opinion and experiences of the human resource managers who were surveyed.

Since the surveyor was a part of the Group staff to which the organizations all report, the responses of the organizations might be more positive and supportive than they would be if the data collection was by a non-interested third party.

Another limitation of this study is that the topic area often conjures up biases that include fruitless work, lack of success, low priority and inappropriateness of the tools and objectives of strategic planning itself. These biases were the result of the personal experience of many of the human resource managers. Those who had been involved in developing and implementing plans that had spanned a period of time longer than a year had not often been successful. The human resource managers, their line managers and functional management (human resource) supervisors, their own staffs and the business environments were always in a state of rapid change due to the market, product and external social and industry changes that impacted on the human resources of the group. This made it very difficult to provide continuity of visions, plans or client needs. The original plans were based on external data and inputs that had changed significantly since the plan was created. The technology of planning and especially strategic planning was not very well understood in the organizations or in the company. This might have made it somewhat harder for people to react to the study with complete understanding.

There had been limited research or writing on the subject of strategic planning for the human resource function itself. There was, therefore, a reliance on literature concerning the areas of strategic business planning and of management of the human resource Function. This did require that some assumptions were accepted: The human resource function was not unlike any other business function relative to planning needs and processes; and strategic planning could be applied to any organizational level (i.e., It was not only applicable to top company level planning activities.).

A final limitation is that the study assumed that strategic planning was an appropriate activity for the human resource function in the studied organizations.

SECTION III

REVIEW and ANALYSIS of LITERATURE

Introduction

The next step in this study was to review and consider the literature that has been written that is relevant to the study. While there is little literature written directly about the subject, there is considerable writing on subjects highly related to the subject. In order to determine what research and writing had been done in areas pertaining to this report an exhaustive search of books, periodicals, journals, newspapers articles, and other materials was made for information relating to the subject areas of strategic planning, human resources planning, human resource planning, human resource department management, and human resource.

Two independent organizations were contracted with to conduct exhaustive computer literature searches using National literature computer data bases. Over 150 abstracts were obtained and thoroughly reviewed for relevance to the study. Those found to be pertinent to the study topic were acquired for thorough review and study. Several large libraries were used to find additional books and journals from which information could be extracted. Additionally, this writer's extensive collection of books, journals, papers, articles and lecture notes was used.

The writings selected for the most stringent review and reference covered subjects most related to the above subject areas. Particular emphasis was given to writings that touched upon long-range strategic planning as it relates to the management of the human resource function. This study deals with long-range strategic planning for the human resource function. The hypothesis in this study states that there are three primary factors that determine the successful implementation of that plan.

This section is organized into sections dealing with strategic and long-range business planning; human resources planning; management of the human resource function; and planning for the human resource function. A summary will close the section.
Each of the sections summarizes a major segment of the literature as it pertains to the study. There has been very little written directly about the application of strategic or long range (or even operational) planning practices specifically to the human resource function itself. The preponderance of literature relates to top-level planning; and, in the human resource area, company human resources planning.

Strategic and Long-range Business Planning

Introduction

This section is a review of literature dealing with business planning of a long-term nature. Most of the literature, other than that dealing with human resources planning, that has a bearing on this study was found in this subject area. It is organized into parts dealing with the factors impacting on planning and plan implementation success. The factors discussed are Political, Planning Process, and Measurements. Most writing is aimed at top management readers; however all managers need to plan and consider the longer term. "The managerial function of planning is defined as the work of determining a course of action."[12] "You can't get ahead just thinking in terms of operations. You

won't become a top manager unless you think strategically."[13] That advice is consistently passed on to middle level managers from their mentors. It must be kept in perspective, however. There are some very real obstacles to developing and implementing strategic plans. "The strategic plan deals with the long-range future, which appears hazy and uncertain to executives accustomed to dealing with tangible, here-and-now problems."[14] It is very common for managers to concentrate on the short term performance. As is discussed in greater depth in the section on Human Resources Planning, however, this practice can actually reduce the levels of performance. "Strategic planning should not be confused with shorter range operational or tactical planning. Strategic planning is concerned with those decisions aimed at achieving a major change in direction or velocity of growth."[15] "Another problem area is the close identification that has developed between long-range planning and the annual budgeting process in many organizations."[16] As a matter of fact, many writers view planning as the primary skill of managers that makes their work "managing" rather than something else. "Strategic planning is inextricably interwoven into the entire fabric of management; it is not something separate and distinct from the process of management."[17] There are generally accepted definitions of what strategic or long range planning is. They are often worded differently; but the basic description of what kind of a picture of the future is being looked at is fairly consistent. "Long-range business planning (LRBP) was considered as forecasting for (at least) three or more years in the future and identifying corporate opportunities and threats in the light of organizational strengths and limitations. Strategic business planning (SBP) involved identification of activities and/or alternative approaches for the realization of the long-range business plans."[18] "Plans work only as well as people want them to. While standardization is necessary, flexibility is equally important. Procedures that encourage participation and generate creative inputs help people develop an emotional ownership of both the plan and its outcome."[19] Almost every management writer and theorist explores the necessity of planning. As a matter of fact "the relationship between strategic planning and organizational performance is one of the most extensively researched issues in the strategic management field."[20] However, the results of the above body of research are fragmented and contradictory.

The value of any plan is the impact that it has on the success of the enterprise. Certainly, the plan should be implemented successfully to be considered a successful plan. Managers "own" the plan; therefore, they must be the ones that make them work.

The Political Factor

"Because assumptions must be made about an unpredictable future (and the resources committed could be lost), strategic planning involves a significant amount of risk."[21] Much is written about the political factor; however, it is the most subjective aspect of the literature because it is influenced by the biases toward human behavior on the part of the writer. It is probably the most important factor in the successful implementation of the plan. "Very often managers try to find the minimum reasonable results rather than the optimal or maximal results. Frequently, this is done out of political necessity. "[22]Managers must not only be skillful politically; they must also understand the politics of the organization. When an organization is contemplating a strategic plan, the central issue may be what approach managers can use tot achieve the delicate balance between the organizations goals and those of key groups and individuals. "[23]In an organization where strategic planning is fully embraced and supported by top management the impact of the organizational politics on the planning or the plan itself is greatly lessened. "The quality of the strategic plan can be improved when the contributors to the strategic plan do not have to worry about their special interest goals or needs not being reasonably satisfied."[24] The reality inmost organizations, however, is not one of top management actively supporting planning activities. "Developers of the strategic plan may need the help or non-opposition of key individuals or groups."[25] Where understanding the politics of the organization is absolutely critical is in knowing who the players and power brokers are. They operate in the informal structure rather than the formal; so formal tools such as the organization chart have only limited value. A key part of the process must be to "identify the key groups and individuals whose support or non-opposition are important to the strategic plan."[26] Also, "discussion with the key groups and individuals should attempt to identify special interest goals / needs in terms of how they are related to a strategic plan"[27]. It is not enough to just know the players, however. There must be a substantial

understanding of the informal power structure and the individual needs within the organization. "A Manager needs to think through what the constituencies are that can effectively veto and block his decisions, and what their minimum expectations and needs should be."[28] When expectations are not met there is a high probability of resistance to the plan. Enough resistance within the plan will cause it to fail. "Thus resistance to planning appears to be a very important discriminator for objective fulfillment"[29] of the objectives of the plan.

Once the major areas of resistance are determined the relative impact of each must be analyzed. It would be impossible to develop a plan that makes everyone happy. "Clearly, all organizations have more stakeholder groups than any single strategy can assuage."[30] Each interest group will compete for its share of the available resources. They also know that resources are allocated in a plan and that once allocated, it is difficult to get them reallocated. "The degree of resistance or acceptance will vary with many factors such as the level of control in the organizational hierarchy, the degree of participation in setting standards and evaluating them, the nature of communications systems, the comprehensiveness of the control system, how performance is evaluated, how people perceive the control system, the subject of control, and the quality and style of management."[31]
A political process is ongoing in any enterprise; however, during the planning period it is especially intense since once the plan is agreed to people begin leveraging their position or influence within the constraints of the plan. "The context within which this process occurs is largely psychological, social, and political. Attitudes, values, and aptitudes of those involved in planning are critical to the planning effort. "[32] In discussing the disruptions of social and political structures as a result of planning Lentz pointed out that "the implementation or redesign of a planning system poses a threat to many people in an organization. The threat occurs as new power and status relationships are created by the design and required functioning of the planning process. "[33] Within the political arena, not taking into account all of the dynamics can be just as crippling as ignoring resistance. "Other factors are interpersonal relationships, authority processes, conflict resolution processes, ability to change organizational structures, readiness of managers and staff to engage in planning, relative emphasis in the company on strategy versus operations, availability information needed for effective planning, and anti-planning biases."[34] There are people who do not value planning. While they may not resist, they will not support or enable the effort. "Anti-planning biases must be understood and countered if planning systems are to be successful"[35]

As can be readily seen, the political factor is crucial to the successful implementation of the plan. It is clearly a primary factor. "Although the recognition of the political forces at work in the organization will help in developing a realistic program, there are often many other hurdles to overcome before successful implementation can be achieved."[36]
Two other primary factors that must be considered in conjunction with the political factor are the process of planning itself and the measurements of the results.

The Planning Process

The planning process itself is another critical factor. How you go about doing the actual work of planning can either facilitate development and implementation or can doom even the best strategy to failure. An integral part of the process must be to "discuss, evaluate, and negotiate the optimization of the institution's central strategic objective while reasonably satisfying special interest goals / needs."[37]

A large part of the process is determining who does the planning work and where the intelligence and planning inputs come from. "The notion that an effective strategy can be constructed by someone in an ivory tower is totally bankrupt."[38] The process should be designed in a way that allows for the participation of as many managers as possible. "Planning is the responsibility of every line manager."[39] After all, they are going to be primarily responsible for the execution of the plan. "Encouraging participation in planning means giving people an opportunity to offer their suggestions and recommendations. People whose ideas are incorporated into a plan become part owners of the plan."[40] "One of the most reliable methods for overcoming resistance to change and avoidance is to involve persons designing (or redesigning) the planning process. "[41] There needs to be a structure and

form in the process so that all of those involved are dealing with the same process. "Successful planning procedures must evolve from a logical and consistent structure."[42]

While planning should not be a communal activity, it is good to solicit and encourage as much participation as is manageable. "Delegation is also a potent factor in making people part of your plan."[43]   However, the process must be managed. To assign segments of the process and think that managing the process is simply to connect the segments into a whole plan is naive. "A plan is the future, but the process of planning itself must change and adapt effectively or it will inevitably fail."[44] If the activity is not well managed, the process becomes inflexible. Business strategies and plans must remain dynamic enough to adapt to internal and external change factors. A "living" process requires that the plan be evaluated periodically. "The strategy review is really the most critical element in determining the success of the planning process, and the implementation of its outcome."[45] The strategy will change as the environment changes. An adequate process will support this or the plan will not continue to support the business needs. "The plan must address the substance of the business."[46]

The planning process is a method of moving from one point to another. It should not be allowed to become so complex that the activity itself becomes the goal. "The purpose of planning is not the elegance of the process or the techniques. The purpose is to improve performance. Planning exercises must culminate in implementable decisions and actions which can be monitored and rewarded."[47]

The process must take into account what it needs to accomplish. The plan itself is a tool, not a product except in the sense that it is a goal of the planning process. "The purpose of five-year planning is not to cast in concrete what one will do five years hence. The purpose is to determine, after having thought through the possibilities, what to do this year which will maximize the chances of one's getting where one wants to be five years hence, considering the risks and reward consequences one is willing to take."[48] In designing a process that will be effective in a particular environment there are many important considerations. Who is involved is one. "To insure successful implementation, the plan must have the commitment of those who will be implementing it."[49] Dealing with politics and resistance are other considerations. "Another approach for managing resistance and avoidance is to experiment with decentralizing certain planning decisions."[50] Of course, without top management support the plan is surely doomed; so the process needs to solicit, reinforce and communicate that support. "The central importance of executive support for successful strategic planning has been known for many years."[51]

Perhaps the most important thing to remember about the strategic planning process is that it must move the organization from where it is to where it wants to go. "It is a process that begins with the setting of organizational aims, defines strategies and policies to achieve them, and develops detailed plans to make sure that the strategies are implemented so as to achieve the ends sought."[52] But beware! As soon as the process stops changing the activity will begin to take on a life of its own. Planners will become more interested in protecting the integrity of the process than in making sure that it is producing the desired results. "Since the organization is constantly changing so should the system."[53]

The Measurement Factor

"An integral part of the implementation process for any program is to monitor the key factors that signal success. This requires that predetermined targets or measures of success be established before implementation so that the results of the program can be tracked."[54] Each organization and each different goal will have different measures. Some will be consistent across industries (ROI, ROA, P&L); however, each should be specific to the goal that it is being designed to measure against. "These performance measures could be expanded or modified to fit more closely the strategic position of a firm and its individual circumstances."[55] Measurements should not only evaluate the outcome, they should also evaluate the efficiency and predictability of the process of getting there. While we

are stressing the critical contribution of strategy and planning, it is important that the organization accomplish its goals. "The key is in doing. Thinking is necessary, but insufficient in itself."[56] Obviously, a strategy without any means of determining whether it is succeeding or failing severely limits management options. "Strategy-making is usually thought of as consisting of three highly interrelated phases: formulation, implementation, and evaluation."[57]   A plan is not complete unless it contains measurements. "A comprehensive plan provides a basis for measuring performance."[58] The process should provide measurement of the process continually; often specifying benchmark or milestone points from which analysis and prediction can be made. Human resource planning is a good example because the variables are more dynamic and change is constant. "Evaluating and revising the human resource planning final effort is the final formal step, but you would be wise to evaluate the process continually."[59]

The most critical aspect, or contribution, of the measurement factor is that it provides information upon which management can make decisions while the plan is being implemented. Without these measurements there would be no ability to alter the process as changing variables would dictate. A process without measurements is like a ship without a rudder. You can't change course if you need to. A process must be controlled, not left to chance. "Such control involves a process of evaluating performance and taking corrective action when warranted. This process involves three basic steps - establishing standards, measuring performance against standards, and correcting deviations from standards."[60]

There are usually overall plan measurements that are included in the plan. When all is said and done, however, the plan either succeeded or it did not. "If a planning system is designed specifically to achieve one or a few purposes, the appraisal should be made in terms of the extent to which it achieves those purposes. "[61] Measure should be of what has been done, not what the planners believe should have been done.

Summary and Conclusion

It is clear from the literature that the Political, Planning Process, and Measurement factors are primarily critical to the successful implementation of any strategic plan. These factors have a very high level of interdependency because the potential for successful implementation is limited where any of these factors are absent. All of the literature included these three factors. While various authors included other factors that they deemed to be critical, each of the other factors could be included as subsets of one of these three primary factors.

Human Resources Planning

Introduction

This section is a review of literature dealing with human resources planning. Human Resources Planning is one of the most impactful aspects of business planning.
Based on a survey of 53 corporations in the U.S. and Canada and their approaches to business and human resource planning "the respondents, both human resource and business planners, emphatically endorsed the concept that strategic and long-range business plans should include a human resource component."[62]
Human resources planning in the broadest sense includes both strategic and operational human resource planning as a continuous process rather than an activity limited to a fixed segment of the business planning process.
In the human resource profession generally, and for the purposes of this paper, the terms human resource planning, human resource planning (HRP), and HRPD (human resource planning and development) are synonymous and used interchangeably.

Often HRP is considered to be a "human resource" program rather than a necessary business activity. Operationally driven managers often forget the real purpose of planning. "By definition, the strategically driven human resource function will be devoted to finding ways to help the organization gain important advantages over its competitors. "[63] Those advantages are often described in terms of the capacity that a business has with which to pursue its objectives. "The capacity of an organization to achieve its strategic objectives is influenced by human resources in three fundamental ways: cost economics; capacity to operate effectively; capacity to undertake new enterprises and change operations."[64]

This section is divided into parts covering planning, workforce planning, management resources planning and a summary.

Planning - A Business Strategy

There are numerous considerations that the HRPD professionals must take into account. For instance: "Inconsistencies between culture and strategy can severely impair the successful pursuit of a given course of action."[65] Often the political aspects of producing a viable plan are insurmountable obstacles to overcome; as are other primary factors such as the process itself or the plan measurements. Only the most seasoned corporate politician often has enough sensitivity and negotiating skill to achieve the pre-planning buy-in of the critical powers.

The concept of planning boiled down is that in order to determine the direction for human resource plans you must have "a series of questions that your organization needs to answer in order to predict and perhaps control some of the major change areas for the future. This means that you begin by asking the right questions - the questions which, if asked regularly and systematically, will force you to produce answers of maximum value in shaping your future human resources."[66]

It is also important to look at the planning activity from an activity standpoint. From an operational view human resources planning is the analysis of human resource requirements of organizations and the related needs for management policies, programs and resources to satisfy these requirements. As is shown by FIGURE A, human resource planning is critically interdependent with all aspects of the business. "A human resource strategy is a critical component of the firm's corporate and business strategies, comprising a set of well-coordinated objectives and action programs aimed at securing a long-term, sustainable advantage over the firm's competitors. A human resource strategy should be consistent with the firm's corporate and business strategies, as well as with the other managerial functional strategies."[67]

The primary objective of people responsible for doing human resources planning is to acquire, develop and implement the technology, tools, expertise and resources necessary to effectively do Human Resources Planning and Development as an integral part of the business planning processes. It must not be done in a vacuum. "Human resource strategies should be developed within a company's strategic business planning process."[68]
The strategy that is often the basis for the planning process is to build networks of internal HRPD professionals and external HRPD professionals that will promote the sharing of information, technology and tools to be applied to the Human Resource Planning and Development activities; Collect, evaluate and implement tools, processes and resources; and integrate tools and resources into a consistent strategy which uses existing resources whenever possible. Again and again it is important to make sure that the process is a legitimate piece of the company plan. "Human resource strategic planning takes place within the overall corporate / total organization strategic planning model."[69] They will consult with and to human resource and line management to achieve a high utilization of tools and resources to achieve the functional goals. Those goals include creating and implementing a workforce inventory and forecasting tool customized for Line Organizations; and creating and consulting on custom management planning tools and strategies for line Organizations.

FIGURE A is an overview of human resource planning from a strategic planning viewpoint. The model shows the relationships of internal factors and external factors as they relate to the human resources issues. They are factors that not only create; but also shape and change the issues. The business plan usually establishes the basic environment within which other variables impact in order to determine those issues. Out of those issues grow the human resources strategies and plans that are most often developed and implemented by and with the assistance of the human resource department.

Workforce Planning

"In exploring the strategic human resource issues, a basic step is to determine if the organization has the ability to execute its strategies."[70] Workforce inventory and planning is an integral part of human resources planning. It is where the greatest amount of energy is usually spent because it is the most quantitative part of the planning activity. People who view workforce planning as being the total work of HRP define human resources planning as "planning for the corporation so as to have the right numbers of people at the right time, at the right place and with the right skills."[71]

Figure A

HUMAN RESOURCES STRATEGIC PLANNING

```
                        ┌─────────────────┐
                        │  BUSINESS PLANS │
                        └─────────────────┘
        ┌───────────────────────┼───────────────────────┐
┌──────────────────┐  ┌──────────────────┐  ┌──────────────────┐
│  INSIDE COMPANY  │  │ HUMAN RESOURCES  │  │ OUTSIDE COMPANY  │
│                  │  │     ISSUES       │  │                  │
└──────────────────┘  └──────────────────┘  └──────────────────┘
                        ┌──────────────────┐
                        │ HUMAN RESOURCES  │
                        │    PLANNING      │
                        └──────────────────┘
                        ┌──────────────────┐
                        │ HUMAN RESOURCES  │
                        │   STRATEGIES     │
                        │      AND         │
                        │     PLANS        │
                        └──────────────────┘
```

- INSIDE COMPANY:
  - Growth
  - Profitability
  - Changing business / product mix
  - Competitive Positioning
  - Technology

- OUTSIDE COMPANY:
  - Economic
  - Demography / Labor Supply
  - Regulatory & Legal
  - Public Attitudes

- Multiple Issues / Multiple Years
- Strengthen Links between compensation and performance
- Improve quality of managerial talent
- Integrate various career development methods
- Provide improved information for line managers
- Strengthen one-company image among employees
- Redefine HR function to meet changing needs

*** The HR Plan MUST be Linked to the Business Plan

Necessary to any business success are strategies, components, and tool development. Workforce planning strategies that are necessary to success are to become a part of the business and operations planning teams; and to automate the collection, processing and analysis of quantitative data. It is apparent that any attempt at having the line management do useful and credible workforce planning is dependent upon the availability and use of automated capabilities that remove the "numbers crunching" aspect of the exercise and allow the manager to concentrate on the qualitative and forecasting part of the plan. "The two essential building blocks for human resource planning are: a comprehensive human resource information system; and a basic business plan."[72]

See FIGURE B for a snapshot picture of the integrated workforce planning process. Note that every aspect of the model is interdependent with every other aspect. The workforce planning components that make up the plan include a workforce forecast / business plan, current workforce inventory and adjustments, and workforce change needs. The forecast / business plan is a listing of all labor required to meet business plans. It is usually forecasted by fiscal year quarter and by job classification (long-term goals should be to do forecasts by skill needs instead of job classifications). The current workforce inventory and adjustments component is a listing of all employees by labor category, job classification and fiscal year quarter. Anticipated changes in the population and workforce due to attrition, college hiring, promotions, job rotation, etc. are accounted for.

The workforce change needs component is the part of the workforce plan that states the differences between employee workforce projections and planned business workforce needs by group, job classification, fiscal year quarter, etc.. "Human resource forecasting involves making projections of both the organization's human resource needs and the available supply of qualified and skilled people. To the extent that these projections of demand and supply are not fully compatible, detailed strategies will need to be developed to fill whatever gaps may exist."[73]

A workforce planning tools development program is usually necessary even in the most experienced organizations. It often includes steps such as: (a) Develop a capability for computer based human resource database manipulation and analysis;(b) Determine inventory reporting data and format needs of organizations; (c) Construct one set of reporting formats for workforce inventory and planning; and (d) Introduce and modify workforce planning tools to the line organizations; and consult to organizations on technology, process, tools and quality. "The more different technical skills there are involved in the design, manufacture, marketing, and sales of a product, the more vulnerable the organization will be to critical shortages of the right kinds of human resources. The more critical the process, the higher the interdependence among the various specialists. The higher the interdependence, the greater the need for effective integration of all the specialties because the entire process is only as strong as its weakest link."[74]

As can be seen in the model and suggested process in FIGURE B the process is continual and circular. Almost every aspect of workforce analysis and planning is subject to the changes made in any other aspect. The interdependencies of all parts of the process are important; but the external variables are just as important. Consider, for instance, the impact of something as unpredictable and simple as a flu epidemic on a workforce plan. The plan will need to change to reflect increased absenteeism, etc.. The driving business plan will probably change because of the changed human resource capacity; but even more certainly the people part of the plan will change.

Management Resources Planning

A good human resource plan will almost always include a management resources plan. The objective of such a plan is to provide strategies, tools, technology and expertise for the planning for and development of current and potential management human resources in order to allow for enhanced management of the business. See FIGURE C for a model of management resources planning. As Dessler points out: "Management development is important for several reasons. The main reason is that promotion from within is a major source of management talent."[75]

<u>Figure B</u>

<u>HRP - WORKFORCE PLANNING PROCESS</u>

```
BUSINESS          WORK FORECAST by          ANTICIPATED
PLAN              Quarter and by Job code   WORKFORCE
                                            REQUIREMENTS

CURRENT           ADJUSTED                  WORKFORCE
WORKFORCE         WORKFORCE                 ANALYSIS
INVENTORY
                                            WORKFORCE
HISTORICAL                                  CHANGE NEEDS
ANALYSIS &
PROJECTION                                  WORKFORCE
(attrition, training, etc)                  CHANGE PLANS

                                  Employee and        Workforce
                                  Management          Acquisition
REQUIRED WORKFORCE                Development         (Hiring, College,
Needed to meet                    (Training,          AAP, contract,
ANTICIPATED WORKFORCE             assessment, etc)    temporary, etc.)
REQUIREMENTS
of Business Plan
```

The primary strategy is to acquire and develop tools and resources to meet the long-term management needs; consult on the implementation and utilization of these tools; and to consult on the development of group and individual strategies and development. "The call for improved productivity from managerial professional and technical positions ultimately translates into improved individual performance."[76]

Very often, specific goals include to develop generic strategies and tools for needs assessment and inventory; develop and implement Management Development planning tools; identify and integrate Management technology and expertise; and to implement and institutionalize Management Development. Specific program plans may include using workforce planning results for parts of needs assessment; fostering integration of consultative expertise in Management theory and practice into planning efforts; consulting with Managers on Management Resources Planning and Development; and building a reference capability for management development programs and resources.
"Similarly, management development facilitates organizational continuity by preparing employees and current managers to smoothly assume higher-level positions."[77]

As FIGURE C shows, management resources planning is a segment of overall workforce planning; however, it is generally singled out in the planning models as a separate activity. There are some excellent reasons for this singular treatment. First of all, a company's management is commonly considered an important company resource and asset by itself. As a matter of fact, when companies are evaluated for mergers or acquisition their management assets are always an important factor in the decision formula. Second, when developing support for a plan, it is important to demonstrate that the

plan will attend to the vested interests of those who must approve and support the plan if it is to be successfully implemented. Third, the overall responsibility for the utilization and contribution of a company's human resources belongs to the management resources. Therefore, all of the impact of the human resources plan is the responsibility of the management.

Figure C

MANAGEMENT RESOURCES PLANNING

```
            ┌─────────────────────────────────────┐
            │ BUSINESS STRATEGIES and OBJECTIVES  │
            └─────────────────────────────────────┘
                              │
┌──────────────────┐   ┌─────────────────────────┐
│ Current Organization │ │ REQUIRED  MANAGEMENT    │
│ Management  Capacity │→│ SKILLS AND  COMPETENCE  │
└──────────────────┘   └─────────────────────────┘
                              │
            ┌─────────────────────────────────────┐
            │ MANAGEMENT  RESOURCES  PLANNING     │
            └─────────────────────────────────────┘
              │                              │
┌─────────────┐   ┌──────────────┐   ┌──────────────┐
│ ACQUISITION │   │ MANAGEMENT   │   │ MANAGEMENT   │
│ PLANS       │ → │ INVENTORIES  │ ← │ DEVELOPMENT  │
└─────────────┘   └──────────────┘   │ PLANS        │
                                     └──────────────┘
            ┌──────────────┐            ┌──────────────┐
            │ SUCCESSION   │ →          │ INCREASED    │
            │ PLANNING     │            │ INDIVIDUAL   │
            └──────────────┘            │ CAPACITY     │
                      │                 └──────────────┘
            ┌──────────────┐
            │ REQUIRED     │
            │ ORGANIZATION │
            │ MANAGEMENT   │
            │ CAPACITY     │
            └──────────────┘
```

Summary and Conclusions

Human resource planning is probably one of the most critical elements in linking the work of the human resources function to the business goals of the company. "It is important to recognize that certain aspects of human resource management tend to have potentially high strategic consequences."[78]

Especially in the areas of policy development and implementation it is "obvious and difficult to refute advice that effective human resource policies require human resource planning, which in turn, requires effective integration with an organization's strategic planning process."[79] It is evident that human resource planning is becoming more and more important in business circles. "Because business profits are squeezed by inflation and a weakened economy, management is also concerned with human resource costs and is seeking to achieve increased output with the same or fewer staff."[80]

Productivity concerns and material constraints also add to the emphasis on the ability to plan and fully utilize all of a company's resources. The human resources are right on the top of the list in most enterprises. "The current demands on the world's material resources and their spiraling cost are building pressure to increase the productivity of human resources."[81]

Government at all levels both nationally and internationally (Federal, state, local, etc.) is interested in how employers treat their employees. They, therefore, add factors that must be considered in any human resource plan (work and wage laws, labor laws, etc.). "The net impact of the expanding government intervention has been an increase in the attention given to human resource planning in all of the problem areas."[82]

Often, however, operating pressures move all of the planning from a longer term focus to a short-term one. That normally tends to create an environment within which the plan can not be fully successful. "Over-reliance on short-term planning can be quite costly. Ample lead time is required to recruit or develop talented human resource, and reaction management that responds to short term events or needs will usually limit the choices of options or endanger longer-range economic plans."[83]

As most planning models would indicate, the planning processes need to be circular and connected dynamically. "The link between human resource planning and business strategic planning is vital if human resource programs and systems are to be attuned to the changing needs of an organization."[84] The relationship between short and long term planning goals and activities are shown in FIGURE D. This is a dynamic model. If you consider each of the four boxes as analogous to the legs of a four-legged stool, you can see the impact of removing one leg of the process. The impact of not doing long-term human resources planning is to cause the overall business plan to be limited to current human resources in trying to accomplish the plan. To achieve most long term business plans requires some change in human resources from current state to the necessary state. The business goals achieved are often less than those possible with successfully implemented human resource plans.

Figure D

BUSINESS / HUMAN RESOURCES LONG RANGE PLANNING RELATIONSHIP
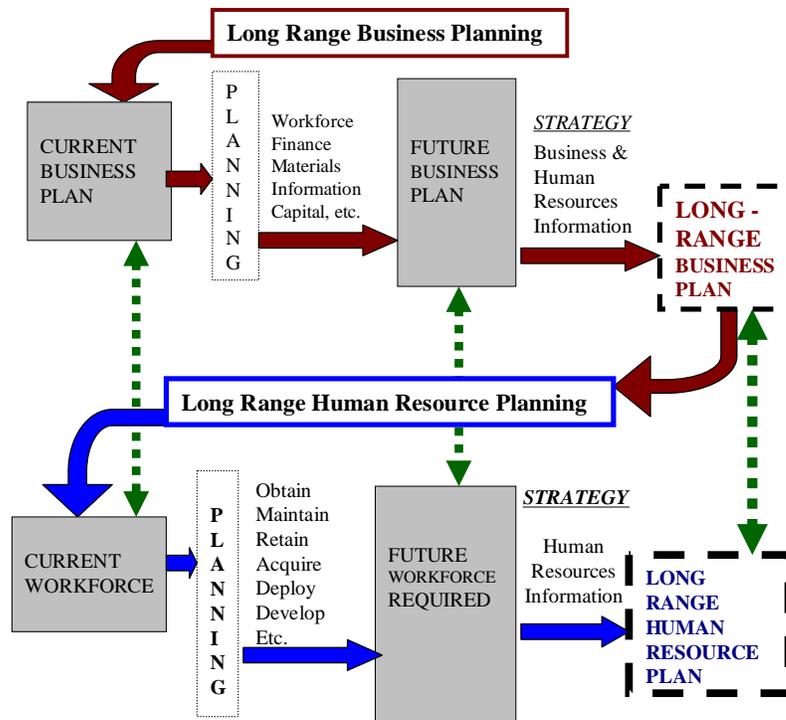
Management of the Human Resource Function

Introduction

Little has been written about the management of the entire human resource function. Much has been written about various aspects of human resource work; however, the treatment has generally been to relate the expertise and technology of the human resource profession to the general management activities of the enterprise. Rarely have the writers applied that same expertise to the human resource function itself. On the surface, there is a lot of information pertaining to human resource. From the standpoint of this discussion, however, most of the writing concerns human resource Management as a part of overall company management rather than as a discussion of the management of the human resource function itself. This is essentially "Human Resources Management" has become a shared body of work among all functions and all managers as opposed to being viewed as the work of only human resource.

Much has been written about the management of several of the individual activities within the human resource function. For example, there is a lot written about managing the employment function; but not much on managing the employment work as a part of the overall human resource function or system.

Most of the writing that relates to management of the human resource function is done from an analysis and measurement perspective. Perhaps this is appropriate due to the very great differences that exist between the human resource functions of different organizations.

The one area of agreement is in the process of measuring the function however it may be defined. Each writer has emphasized the importance to the human resource function of being able to establish measurable objectives and to measure them.

Managing Through Measurement

"A mythology has developed around human resource work. It has to do with the nature and purpose of the work, and more importantly, it deals with the outcomes or results of the labor. The fundamental belief is that human resource is something of a complex and mysterious art. Allegedly, the true and full value of the work can only be judged by those who perform it. Even then, the appraisal is bounded by subjective criteria. Many of the faithful believe that, like virtue, human resource work is its own reward. Terms used to describe results are satisfied, quick, better, interesting, good, important, creative, and other nonspecific terms. There is an ingrained notion that business type measures cannot be applied to this function."[85] There are several reasons why measurements of performance for the human resource function have historically been lacking. First, most human resource people do not know how to effectively measure their activity. Second, there is often a conflict of values in that some believe that objectivity is inappropriate for a function devoted to stimulating and developing human resources; and that outcomes can only be evaluated in humanitarian terms. A third reason is that there is sometimes a fear of being measured on the part of human resource managers. Fourth, top management has bought and reinforces the myth.

However, the reality is that a function is unlikely to get the resources necessary to be successful if it can not demonstrate a value added return on their utilization. "Finally, success depends on your ability to take measures of your performance and use them persuasively to obtain the resources you need."[86] For the human resource function it is more difficult to determine how to measure what are often abstract goals that defy precise definition. Information is key to being able to quantify results. "The critical element of a measurement system is the collection of data."[87]
There are also different kinds of measures. This is especially important to the human resource function where success is often a matter of perception and judgment rather than a finite, qualified measurement. "A direct measure is one which refers to cost. It could be the cost of hiring, the cost of

a benefit plan, or the cost of a training program. An individual measure is one which does not deal with cost. It could be a measure of time, quantity, or quality."[88]

One of the popular management styles in the human resource function is to manage through the establishment and analysis of measures. "A measurement system provides a frame of reference which helps management carry out several important responsibilities."[89] Those responsibilities include focusing the staff on important issues; clarifying expectations; Involving, motivating and fostering creativity; and bringing human resources management closer to line departments. In fact, many believe that these measurement systems actually account for the political and process factors additionally necessary for the successful implementation of a strategic plan. Critics of the function suggest more direct measures are necessary. "When the HR department stops reporting feelings and begins to report efficiency and productivity data it will be perceived as a mainline function and not as a nice-to-do activity."[90]

In order to achieve that kind of status, the planners must ask a series of questions about what they want the organizations results to be measured by. One of the questions to ask is: "Among all the activity occurring within this human resources function, what can we quantitatively measure?"[91] However, the human resource function does not have the luxury of being measured in only part of its activity. One commonly found measure for any function is cost. However, it is important to measure total cost. A formula defining total cost should be arrived at and agreed upon to ensure consistent measurement and comparison. The function will need to first determine what it wants to achieve. "If the HR department is a system, then planning must be the first formal input."[92] Some costs are easily measurable. For example, the cost of employment activity can usually be readily captured and measured. "No human resources department can claim to operate efficiently if it does not know how much it is spending to hire people."[93]

We don't want to measure everything; that wouldn't be efficient; but we do need to make sure that those needs that are critical to success are identified and measures established to determine if the need is met. "In human resource management, a critical need is one that is fundamental to the company's well being."[94] "A desirable human resource need, on the other hand, represents an improvement that, from a client or management perspective, would upgrade human resource services or establish new programs to provide more than the minimum requirements."[95]

Certainly, there are overall function measurements that can be used for the human resource function. Productivity and efficiency, for instance, are two measures that are applied to almost every function or activity. "The productivity and effectiveness of any function can be measured by some combination of cost, time, quantity, or quality indices."[96] The specific measures, however, are often difficult to achieve agreement upon. Also, it is important to recognize the efforts of different groups will need to be measured differently, even within the same function. "Professional and knowledge workers are best measured as a group."[97] "Managers can be measured by the efficiency and effectiveness of the units they manage."[98]

It is important to consider and evaluate the human resource product mix -- Employment, Compensation, HRPD, Employee Relations, etc.. A measurement process helps by giving the function a method of determining what is important and what is not. "A measurement system promotes productivity by focusing attention on the important issues, tasks, and objectives."[99] Too often, however, we lose sight of the overall measurement of the function. "The ultimate measurement is not efficiency, but effectiveness."[100] An overriding question must be whether or not human resource projects, programs, policies, procedures, and products are useful, usable and used.

Summary and Conclusion

The human resource function must be able to quantify its contribution to the enterprise. The only way to do this is to develop a systematic and acceptable system of measurement which points to the human resource function addressing critical organizational human resources issues and needs in an effective fashion.

The literature points to the difficulty in the human resource function it has in measuring itself. It seems highly probable that if a function is unwilling or unable to measure itself, it can not

successfully implement an overall functional strategic plan. This difficulty can also be reasonably interpreted as an unwillingness or inability to manage the critical political and process factors of planning.

Planning for the Human Resource Function

Introduction

There is little literature specifically dealing with doing planning for the human resource function itself. This has historically been due to the human resource function often being a reactive function. Most of the administrative work can be predicted and staffed without a very complex plan. Perhaps efficiency suffers; but the work does get done and the function is successful. The work of human resources management, however has gotten much more complex and impactful. The impact has migrated to one on company strategies, decisions and operating values. No longer is it sufficient to simply have enough human resource administrators to make sure that employees are paid on time. This section addresses the application of business planning to the human resource function as a business endeavor.

The Business of Human Resource Management

The human resource function has taken on an autonomous business aspect. It has become the keeper of the corporate culture. "Managerial values and business strategies in the context of specific environmental pressures of the past two decades have been the dominants of a set of policies and practices that we believe constitute a new human resource management system."[101] It is within this context that the human resource function must plan. Society, which is one of the most significant external influences on the work of the human resource function, through new laws and social pressure have greatly changed how a company must operate its human resource department. Civil rights legislation, workers welfare legislation, labor relations laws, pension and retirement laws, and other constraints have drastically changed the business of the human resource function.

Planning for Human Resource Management

As we have discussed previously in it is important to fully understand the starting point before any type of planning can really begin. This obviously also applies to the human resource function. "It is important to conduct a broad strategic audit of the human resource function prior to developing its functional strategies."[102] Within the human resource function a common desired outcome is a fully integrated human resource functional capability. However, determining what that integrated picture should look like is much easier to approach on the surface than when strategic directions are actually being established. "Underlying some of the integration issues are even more basic ones dealing with the effectiveness with which (a) strategic and long-range planning capabilities and processes are organized, and (b) the human resource function is organized."[103] One of the most important pieces of planning for the human resource function is to keep it connected to the company strategic and operating business plans. "Of critical importance is the integration of strategic planning with the human resource function."[104] Planning for the human resource function is very simply the application of the information found in previous sections of this section to the human resource function itself. It may sound elementary, but it has rarely been accomplished; and too often the function remains a reactive, administrative one. The underlying issue is the history of not applying the planning practices and tools that are used in a company or enterprise to the human resource function. The human resource function is often not thought of as a business function and, there for, not subject to the same rules of business as are other more quantitative functions. The reality is that the human resource function has a very real business impact on the success of the enterprise; and therefore must act in an

intelligent and predictable manner. The only way to insure that is to develop and implement business plans that direct the management and work of the function.

Summary and Conclusion

"Before plans can be implemented, there must of course be plans."[105]   That may seem obvious; but not following that bit of advice is the most common reason for not being able to successfully implement business plans.

This section has been a summary of the result of an extensive literature search and literature review dealing with strategic and long range business planning, human resources planning, management of the human resource function, and planning for the human resource function.

Early in this section it was shown that the literature overwhelmingly supports the political factor, the planning process, and the measurement factor as primary factors necessary for the successful implementation of a strategic or long range business plan. The interdependency of the factors and the extreme complexity of each factor was discussed at length to add clarity to the impact of each on the plan.

- One section reviewed the aspect of planning known as human resources planning. There is a great deal of literature on this subject; and the discussion is extensive. Many writers consider human resource planning to be the real work of the human resource function. In fact, many human resource professionals view the entire human resource function as a response to the human resources plan for the entire company. There seems to be a great deal of validity to, at a minimum, describing the work of the human resource function as being within the context of the overall human resources plan and the human resource planning process. There are several concepts and models discussed that may be applied to the human resource function itself. They are reviewed and explored as human resource planning tools; however, the intent is to consider them to be applicable to any function. Human resources planning literature is divided into planning, workforce planning, and management resources planning. Planning is a business strategy. Human resources planning is not something that is done independently. It is an integral part of the overall business planning process. Workforce planning is the most quantifiable aspect of human resources planning. A large percentage of literature related to human resources planning or the human resource function deals with this aspect. Management resources planning is the application of the human resource planning tools to the management part of a company's workforce.
- Another part of this section reviewed literature dealing with the management of the human resource function itself. While there has been a lot written about various disciplines within the overall human resource function, there is very little about the function as a whole. Some writing has addressed the measurement of the function. The function is certainly much more quantifiable than human resource managers generally accept. The issue is the agreement on the measures; and that often the organization is unable to determine whether or not it met its goals. A reliance on measurement does at least provide a structure for the human resource function to operate within. One could even infer a sort of planning process necessary to arrive at the measures.
- The last part of the section deals with planning specifically for the human resource function. There is minimal literature that directly addresses this. Essentially, planning for the human resource function is the application of the concepts, principles, practices, and tools that were outlined in the first three sections of the section to the human resource function itself.

There has generally been little written about planning for the human resource function. We have extensively explored many of the pertinent areas that can be applied to the human resource function. It is this application, then, that is the essence of developing and successfully implementing a strategic or long range business plan for the human resource function.

The preceding review of literature has supported this study by reviewing related areas of writing that can be directly applied to the subject of this study. Further, the review was designed to concentrate on areas most pertinent to the hypothesis.

The next section reports and analyzes the results of the data collected as outlined in section one.

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SECTION   IV

FINDINGS AND ANALYSIS

Introduction

This section describes the actual data collected in the research. Additionally, the data is analyzed and interpreted as to its relevance to the study in general and to the hypothesis specifically. The hypothesis states that the political factor, the planning process, and the plan measurements are primary factors in the development of a successfully implemented strategic plan for the studied human resource organizations.

The data were collected from the human resource departments of the manufacturing organizations that make up the studied manufacturing group. All twelve human resource organizations in that group were researched. The represented manufacturing organizations were diverse in the number of employees that they employ, their geographic location and type of products manufactured, engineered or distributed. The organizations surveyed were primarily located in Maine, Vermont, New Hampshire, Massachusetts, and Arizona.

The types of organizations that were supported by the surveyed human resource organizations included five hardware manufacturing organizations, an Engineering organization, a software manufacturing and distribution organization, a systems materials and distribution organization, and a Headquarters organization.

The primary source of data for testing the hypothesis was the present and previous human resource managers of those organizations (primary respondents) and the group level human resource Functional Managers who were part of the manufacturing group staff. Interviews were conducted with the primary sources and members of their staffs. Each human resource organization was made up of from 13 to 35 employees. Data were also collected from human resource people who had considerable expertise and experience in the areas of Human Resources Planning, human resource functional management, and Strategic Planning.

Data were collected from 36 people (90% of sample) pertaining to the planning done in and for the human resource function. It included data on what types of planning were done; the specifics of the planning processes and planning criteria; the reasons for the activity; the plan measurements; the environmental factors; significant cultural factors; and the significant political factors impacting planning. Data were also collected on the current state of any plans or processes that might be ongoing. Also, data were collected on the more subjective aspects of why the human resource managers believe that strategic planning had failed where it had and succeeded where it had.
The instruments used to collect the data included: a questionnaire (written and open-ended); in-person interviews and telephone surveys with each human resource manager and accessible former human resource managers; a record review of existing strategic plans; and a review of literature pertaining to Strategic planning, Human Resources Planning, and management of the human resource function.

The written open-ended questionnaire was especially appropriate with this population because of its geographical dispersion in a fashion which made it economically inappropriate to conduct the survey in person at every location. This instrument was used as the source of data for analysis and quantitative testing of the hypothesis.

In-person interviews were conducted with the present human resource managers of eight organizations that represent over 80% of the population of the Group. The in-person interviews were particularly appropriate to collect more subjective information than could be collected with the written questionnaire because these human resource managers had the most significant impact on the creation and implementation of strategic plans in their organizations. It was important to determine how the individual human resource managers truly felt about strategic planning for their own functions. The best way to accomplish this was in a face-to-face meeting where the reactions of the participants could be observed and answers to questions could be investigated more deeply. The written questionnaire was to be used as the format and content for the interviews; and the data were recorded on a questionnaire form. The telephone surveys were conducted with past Plant/Function human resource managers, Human Resources Planning and development Managers; and Corporate and human resource Group Functional Managers who had significant involvement in or impact on the strategic plans of the studied human resource organizations. The data collected were recorded on a questionnaire form.

The instrument collects sufficient data from the entire population. The data collected was limited to a specific population and collected within a short period of time. The aspect of political significance was inferential in its importance to strategic plan implementation. Where the response was unclear or there was any reason to suspect that the question was misinterpreted, the respondent was contacted by telephone for clarification.

The null hypothesis was that the three factors tested were primary factors with regard to successful implementation. The alternative hypothesis was that all of the three factors tested were not primary factors. A binomial test (nonparametric test) was used to test the null hypothesis. The decision rule was to accept the null hypothesis if 75% (overwhelming majority; nine out of twelve) or more of the primary respondents (human resource managers) classified the three factors as being important or primary factors. A positive response for a factor was indicated by either a respondent checking the appropriate box or by entering a factor in the "other" field that clearly (as interpreted by the analyst) fell within an area covered by one of the three tested factors.

Description of Findings

40 survey questionnaires were sent out or given to surveyed individuals from the 12 human resource organizations that supported the businesses (manufacturing plants and functions) of the manufacturing group studied. 36 of the questionnaires were completed and returned (a 90% rate). The respondents included the 12 Plant human resource managers (primary respondents); 6 Human Resources Planning and Development Managers; and 18 other professional human resource practitioners. The cumulative human resource organization which was made up of the 12 studied human resource organizations included 135 professional human resource practitioners involved in all of the functional specialties of the human resource function. Each of the human resource managers had extensive experience in the field of human resource and between one and twenty years of experience managing an entire human resource organization.

The survey information collected included data about the development and implementation of strategic plans for the studied human resource organizations; data about the political, process, and measurement factors; and other data supporting an intensive evaluation of the collected data.

The respondents had different levels of experience with planning. They ranged from being involved in day-to-day activity planning, budgeting, salary planning, and program planning to longer term organization planning, employee and organization development planning, human resource planning, and human resource department strategic planning. Twenty six of the respondents were involved in long-range planning. Only six respondents evaluated their last strategic plan as successful; however, ten viewed their current plan as being successful.

The responses of the human resource managers were mixed regarding the implementation of their last or current human resource department strategic plan. Through follow up conversations it was determined that there were differing opinions as to what constituted a strategic plan.

It was difficult for the human resource managers to create and implement operating business plans that anticipated and met the functions operational needs. This observation was confirmed in individual meetings with each of the human resource managers.

A review of the records from each organization showed that the studied group had been in a constant state of rapid change over the last ten years; first growing as rapidly as it possibly could to meet market demand, and then shrinking as business and the industry matured and cost and competitive product cost became more and more important to the health of the enterprise.

Eleven of the twelve human resource managers (primary respondents) listed the political factor, planning process factor, and plan measurements factor as important or of primary importance in creating a strategic plan for the human resource department that had a good probability of successful implementation (question 10 on the survey). Except for one "not important" answer for one factor, all of the respondents who answered question 10 (22 people) rated all three factors as "important" or "of primary importance". Twenty five respondents thought that strategic planning for the human resource function was important; four thought that it was not. See Appendix B for tables.
Twenty two of the respondents who claimed to have an involvement with strategic planning indicated that that involvement was in the development stage. Most of those twenty two also were involved in the implementation. About half were involved in administration.

Analysis of Findings

For analytical purposes questions one, seven through eleven, and fourteen were coded as yes or no responses; and only checked boxes were counted as responses (Questions not answered weren't counted as a response for the question.).
The majority of the respondents believed that strategic planning for the human resource function was important; and the majority believed that they were involved in, at least, the development of those plans.

Most of the responses supported the premise that past plans had not been successful; however, there was a 67% increase in the number of people who thought that their current plan was being successful versus the number who rated the last plan as successful. This change was due to people becoming more interested in and responsible for the success of their plans. There was also a growing demand from general managers that the human resource function become more responsible and predictable in its need for and utilization of company assets (people, space, capital, etc.).

Eleven of the twelve human resource managers (primary respondents) rated the three factors hypothesized as being of primary importance or important. This response exceeded the 75% decision rule for testing the hypothesis. The hypothesis was, therefore, accepted as proven. The primary respondents were human resource professionals who, because of extensive experience and expertise in the studied subject area, provided additional validity to the findings. The hypothesis was subjective in its construction and in its testing. The subjective nature of the inquiry was due to the lack of common understanding and definition of strategic planning in general, and specifically within the human resource function. Due to the fact that there had been little success with long-range planning in the past, it was difficult for human resource managers to decide how to define strategic within their own environment. What is strategic in one organization may be operational for another; and vice versa. The difficulty in evaluating factors was further compounded by the word "political" having a more negative connotation than had been anticipated. In several cases primary respondents listed other factors on the questionnaire that clearly were political in nature; however, they did not rate the political factor itself as important. In individual discussions with respondents they unanimously believed the hypothesis to be true.

Additionally, there was not a unanimous belief that strategic planning could or should be done for the human resource function. Several of the human resource managers believed that immediate success for their function would be measured against a one year operational plan; and, at best, a strategic direction would have to be agreed upon by top company management before they could develop plans to move in that direction. There was a strong desire to not do planning for the sake of planning; and, since the expectation was that considerable organizational change would continue to impact on the role and direction of the human resource function, the strategy was often to stay focused on the short-term and reactive plans and goals.

The more subjective information collected from the human resource managers was of particular interest in this study because it was the human resource managers who had to determine the strategic direction for their human resource organization; and, it was also they who determined whether or not a plan had been successfully implemented.

There was a common feeling that to attempt to create and implement a strategic plan for the human resource function without a guiding strategic plan for the business of which they were a part would be a fruitless exercise. This feeling casts suspicion on the assumption that strategic or long-range planning should be done for the human resource functions in the studied environment.

Conclusions

The most important conclusion arrived at as a result of the analysis is that the hypothesis was proven as stated. The successful implementation of a strategic plan for the human resource functions of the business units studied and the manufacturing group to which they belong is primarily dependent upon the process for the development of the plan itself, the performance measurements, and the political significance of planning.

It is clear from this study that strategic planning for the studied human resource function was important; however, there was considerable room for difference as to what was strategic and what was operational. That definition was highly dependent upon the business and environment of the individual organization.

The belief that most strategic plans had not been successfully implemented by the studied human resource organizations was reaffirmed; however a larger number of respondents believed that the current plan was being implemented successfully. That could mean that the human resource organizations were beginning to place more emphasis on planning and predictability.

Strategic planning should not always be done in a human resource organization. It is not always an appropriate endeavor.

It would take a much more extensive study to more finitely evaluate the value and return on investment of doing strategic planning in the human resource function.

SECTION V

SUMMARY AND RECOMMENDATIONS

Summary

Human resource (Human Resources Management) functions or departments were often unable to manage their business activities in an effective, cost-effective fashion while still reacting to the needs of the organization that they were apart of. In the studied environment many strategic plans for the human resources function had not been implemented successfully. They must predict more accurately their resource needs based on a strategy that would allow resource managers to be proactive rather than reactive in the area of Human Resources planning, organizing, staffing, leading, and control.

The purpose of this study was to determine if the three factors specified were the primary factors that contribute to the successful implementation of the studied human resource organization's strategic plan.
The question that needed to be addressed in this instance was what primary factors were most important in developing a strategic plan that would provide the framework necessary for action planning that would lead to the human resource function being successful and effective.

The study was designed to investigate the hypothesis that successful implementation of a strategic plan for the human resource Functions of the business units studied and the manufacturing group to which they belong was primarily dependent upon the process for the development of the plan itself, the performance measurements, and the political significance of planning. The hypothesis was proven.

The Group studied was a large multi-product, diverse manufacturing organization of a large computer company. The data necessary to address the primary question of this study was collected from the human resource departments of the manufacturing organizations that make up the manufacturing group. To arrive at the conclusions needed to answer the primary questions the study focused on nine computer manufacturing plants or organizations (out of the total group of twelve) varying from 350 to 1100 employees.

Data was collected from 36 people pertaining to the history of planning done in and for the human resource function. Also, data was collected on the more subjective aspects of why the human resource managers believe that strategic planning has failed where it has and succeeded where it has.

The instruments used to collect the data included: a questionnaire (written and open-ended); in-person interviews and telephone surveys with each human resource manager and accessible former human resource managers; a record review of existing strategic plans; and a review of literature pertaining to Strategic planning, Human Resources Planning, and management of the human resource function.

The survey instrument was reliable and stable. The instrument reliably tested the hypothesis by including the entire population and collecting sufficient data to clearly provide enough evidence to support the hypothesis.
The internal validity of the research was very high; however, this study did not include claims of any external validity.
The data were categorized into appropriate partitions of data so that relationships of data relevant to testing the hypothesis could be easily compared and measured. Interval and ratio scales of

measurement were used. The data was coded using a classical approach to ease statistical treatment and analysis.

A limitation of this study was that the studied organizations were all part of one large manufacturing Group in one company; and the surveyor was a part of the Group staff to which the organizations all reported. Other limitations were that the study was limited to a specific population; and that there had been limited research or writing on the subject of strategic planning for the human resource function itself.

An extensive literature search and review was conducted dealing with strategic and long range business planning, human resources planning, management of the human resource function, and planning for the human resource function.
The literature overwhelmingly supported the political factor, the planning process, and the measurement factor as primary factors necessary for the successful implementation of a strategic or long range business plan.
Many writers considered human resource planning to be the real work of the human resource function. In fact, many human resource professionals viewed the entire human resource function as a response to the human resources plan for the entire company. Several concepts and models were discussed that maybe applied to the human resource function itself.

Human resources planning literature was divided into planning, workforce planning, and management resources planning. While there was little written about planning for the human resource function there had been a lot written about the operations of various disciplines within the human resource function. Some writing has addressed the measurement of the function. The function is more quantifiable than human resource managers generally acknowledge.

There was minimal literature that directly addressed planning specifically for the human resource function. Planning for the human resource function is the application of planning concepts, principles, practices, and tools to the human resource function itself.

RECOMMENDATION

A primary recommendation is that any strategic planning should include consideration of the planning process, the plan measurements and the political factor to insure that the resultant plan has an increased probability of successful implementation

Another recommendation is that human resource functions should first determine their perceived and chartered roles as a part of the business of which they are a part. Once these roles are determined they may begin the process of planning.

Planning should not be done if it serves no purpose that contributes to the business. It must be done within the context of the business or enterprise that is generating the resources necessary to allow the human resource function to achieve its objectives. That is to say that the human resource function must deliver a measurable return on the assets allocated to it by the enterprise. If that return is acceptable, then the asset allocation will continue; if not, the function (most probably the human resource manager) will find itself without support. This "fact of life" has made the human resource function a highly politicized environment where the value of the function has become the "perceived" helpfulness of the human resource staff rather than an evaluation based upon goals, objectives, efficiency, productivity, asset utilization, and measured perception of service.

It makes the role of the human resource manager a very difficult one to survive. The constant fighting for resources and power are tiring and the result is often a human resource manager moving to another job. The constant tug-of-war between furthering the integrity and professionalism of the human resource function and "being perceived as being helpful" are often enough to demoralize even the most seasoned human resource professional.

It is important, therefore, to create a plan for the human resource function that meets the needs of the business. If a strategic plan is not what the function needs, then they should concentrate on a one year plan, a six-month plan, any plan; but, they need to have a plan! They should get agreement from the business as to how the plan is developed and measured; execute the plan and measure performance; and report on the plan and performance. Sometimes plans are great and performance is excellent; however, no one in the business knows about it.

Understand that the technology and role of the human resource function generally deals with the behavior of human beings as it relates to the business. It is difficult to quantify individual behaviors and motivations. Most of our understanding is based on group observation and generalization; therefore, it is hard to legitimize the "expertise" of the human resource specialist. Human Resources Managers have striven for decades to move responsibility (and necessary skills) for people management (other than the work direction part of people management) squarely into the hands of the people for whom employees actually work -- the supervisors and managers; not staff folks like human resource people. In some businesses that transition is clearly proceeding well while, in others, it hasn't begun. Where line management is responsible for the management if its human resources the human resource function does become more strategic. It begins focusing on new management technologies, policies, measurements, work and productivity technologies, employee and management development, and human resources planning. As the work of the function becomes more strategic, it must become more predictable in its resource needs and its impact on the business. Without a plan it is likely to become a confederation of competing human resource specialists rather than an integrated group of human resources management experts. Where human resource is still predominately responsible for the employee - company relationship other than work direction the plan is simpler because the role of the human resource function is primarily to provide defined services. If, however, that human resource department hopes to move into a more strategic and impactful role, it must plan for it. It won't happen by itself.

Perhaps the most important recommendation is that there needs to be a body of knowledge developed and shared that will give direction to the human resource functions in their quest for predictability, measurement, and professional equality with other business functions. Isn't it interesting that a Finance function in a company often carries more weight in the management decision making process than does its human resource counterpart? However, those same managers involved in the decision making process will invariably rate "people" issues as much more important than financial issues.

Human resource functions need to be able to predict what their resource and business needs are, and what metrics they are to be measured by. What is lacking, however, is sufficient information that may be used to establish standards for measurement and guidelines to be able to predict resource needs that track to the needs of the business. Massive amounts of data need to be collected from all sectors of the economy. The data needs to be sufficient for statistical analysis and correlations to be established between business needs and human resource department activity. The survey samples must be large enough to allow analysis at the smallest organizational level. Considering the scope and labor requirements of successfully conducting and compiling such a survey, I suggest that it be commissioned to a major academic or research institution.

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APPENDIX   A

** Study and survey process Introduction memo **
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+ + + + + +   I N T E R N A L         FROM: H.MICHAEL BOYD
+         +   CORRESPONDENCE                HUMAN RESOURCE MANAGEMENT
+         +
+         +
+ + + + + +
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DATE: OCTOBER 7

TO: HUMAN RESOURCE MANAGERS

SUBJECT: HUMAN RESOURCE LONG RANGE (STRATEGIC) PLANNING

Hi. One of the goals of the Business Management function is to develop a strategic planning process for human resource and to create and publish a long range plan for human resource.

To this end I am beginning a 5-phase program to introduce the effort and garner support; collect information about previous and current planning efforts; develop the necessary processes, instruments, etc.; do the plan and publish it; and automate the work.

Shortly I'd like to sit with each of you individually; outline the direction that I've drafted so far; and get your inputs, feedback and support.

I'll give you a call soon to set up a meeting. My desire is to set up meetings on the same day with the other folks in your organization that I should meet with or who would like some help that I might be able to offer.

Thanks.
Regards,
Mike

** Final Questionnaire Cover Letter **

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+ + + + + +    I N T E R N A L          FROM: H.MICHAEL BOYD
+         +     CORRESPONDENCE           HUMAN RESOURCE MANAGEMENT
+         +
+         +
+ + + + + +
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DATE: NOVEMBER 1

TO: (individually addressed to each participant)

SUBJECT: ATTACHED QUESTIONNAIRE ON STRATEGIC PLANNING IN HUMAN RESOURCE MANAGEMENT

Attached is a questionnaire designed to collect information about the process and history of strategic planning in human resource. This information is being collected from human resource managers and other human resource folk who have knowledge of strategic (long-range) planning as it has been done in the human resource organizations.
The data will be consolidated and used as a primary input into the development of a process for the human resource Organization to use to create their human resource LRPs which will roll up into the Group human resource LRP.

The questionnaire should only take a few minutes to complete. If you have any questions, please give me a call.

Please complete and return it to me by December 1

Thanks for the time and information.

Regards,

Mike

** Final Written Questionnaire **

Name:_____

<u>HUMAN RESOURCE MANAGEMENT DEPARTMENT STRATEGIC PLANNING SURVEY</u>
In an effort to determine what is a successful method of creating and implementing a strategic business plan for the human resource function that successfully achieves the plan goals and vision we need to collect some basic information about the history of planning in and for the human resource function; the successful or lack of successful implementation of those plans; and those factors that are primary in creating a planning process and resultant plan that has a high probability of being successfully achieved.

THE BASIC QUESTION IS:
ARE:
> 1.the PROCESS for the development of the plan itself (the actual process for creating the plan -- tools used, who does it, the planning schedule, what it should contain, etc.);
> 2.the performance MEASUREMENTS (those used to determine whether or not the goals or vision of the plan were achieved); and
> 3.the POLITICAL SIGNIFICANCE of planning (whether or not strategic planning is viewed as a worthwhile and important activity in the Plant/Organization); the PRIMARY FACTORS to consider in the development of a strategic business plan (Strategic is defined as three years or more.) for the human resource departments and the human resource Group as a whole? (human resource department is defined as the whole Plant or Organization human resource department; not a sub-group such as HRPD, Employment, etc.)

Please answer the questions below and return the questionnaire to
MIKE BOYD before December 1

1.... What types of Planning for the human resource department are (or were) done within the human resource department of which you are a part? (CHECK ALL THAT APPLY)
> __ Financial (budget or other) planning
> __ Capital Equipment planning
> __ Organization planning
> __ Employee & organization development planning
> __ Human Resource Staffing Planning
> __ Salary Planning
> __ Affirmative Action Planning
> __ **human resource department Strategic (LRP) planning
> __ human resource department Operational (for 1 year) planning
> __ Program / Project planning
> __ OTHER (List) _____
> __ OTHER (List) _____
> ** *IF YOU DID NOT CHECK __ human resource department Strategic (LRP) planning SKIP TO QUESTION # 13*

2.... If you have a current human resource department strategic plan, What period of time is your strategic plan for ?
> __ Less than 1 year
> __ 1 year
> __ 2 years
> __ 3 years
> __ More than 3 years

3.... When was your current (or last) human resource department strategic plan created?
   __ Plan still in effect -- List approximate year and month that plan was created:
   _____

   __ Last plan has expired. There is no current plan.   List approximate year and month that
   plan was created: _____

4.... How often does your human resource department :

	ANNUAL	SEMI-ANNUAL	QUARTERLY	OTHER (List)
a. Create a new strategic plan?				
b. Review your strategic plan?				
c. Revise your strategic plan?				

7.... How would you evaluate your last human resource department strategic plan?
   __ I can not offer an evaluation.
   __ There was no last plan.
   __ The department successfully met the goals of the plan.
   __ The department did not successfully meet the goals of the plan.
   __ The department never implemented the plan.

8.... How would you evaluate your current human resource department strategic plan?
   __ I can not offer an evaluation.
   __ There is no current plan.
   __ The department is successfully meeting the goals of the plan.
   __ The department is not successfully meeting the goals of the plan.
   __ The department is not implementing the plan.

9.... How would you rate the importance of the listed factors in creating a strategic plan for the human
   resource department regardless of any probability of successful implementation?

FACTOR	OF Primary Importance	Important	Not Important	Can Not Rate
The Political Significance of doing strategic planning				
The process used to develop the plan				
The performance measurements of the plan				
Other Factor(List)				
Other Factor(List)				

10... How would you rate the importance of the listed factors in creating a strategic plan for the human
   resource department that has a good probability of successful implementation?

FACTOR	OF Primary Importance	Important	Not Important	Can Not Rate
The Political Significance of doing strategic planning				
The process used to develop the plan				
The performance measurements of the plan				
Other Factor(List)				
Other Factor(List)				

11... How would you rate the importance of the listed factors in creating a strategic plan for the human resource department relative to being a potential cause of failure of the plan?

FACTOR	OF Primary Importance	Important	Not Important	Can Not Rate
The Political Significance of doing strategic planning				
The process used to develop the plan				
The performance measurements of the plan				
Other Factor(List)				
Other Factor(List)				

12... What other factors would you include as being important to creating and successfully implementing a strategic plan for the human resource department?

FACTOR	OF Primary Importance	Important	Not Important	Can Not Rate
Other Factor(List)				
Other Factor(List)				
Other Factor(List)				
Other Factor(List)				
Other Factor(List)				

13... What is (or was) your primary responsibility in the area of strategic planning for the human resource department?

__ Development of the process
__ Process Management
__ Plan Implementation (overall)
__ Plan Implementation (partial ... one specialty)
__ Performance measurement
__ Reporting
__ Other (List _____)
__ None

14... Overall, how would you rate strategic planning in the business organization of which your human resource department is (or was) a part?

__ Not important
__ Important; but not a priority
__ Very important
__ It is not an activity

15... What else can you add about strategic planning for the human resource function that might help determine what factors are most important in developing a plan that will succeed ?

APPENDIX   B

TABLE 1
Demographics of Questionnaire Returns

	Number Returned	% of Questionnaires returned	% of returned questionnaires
Questionnaires Sent out	40		
Questionnaires Returned	36	90%	
Number of HR Managers	12		33%
HRPD Managers	6		17%
Other HR Professionals	18		50%

TABLE 2
L R P Involvement and Evaluation

	Number of Responses	Percentage of responses in Category
INVOLVEMENT in HR - LRP STRATEGIC PLANNING		
People Responding to LRP Question	36	
People who are involved in LRP	26	72%
EVALUATION of IMPORTANCE of STRATEGIC PLANNING for HR		
People who evaluated LRPs	16	44%
People evaluating LAST LRP as being SUCCESSFUL	6	38%
People evaluating CURRENT LRP as being SUCCESSFUL	10	63%
EVALUATION of IMPORTANCE of STRATEGIC PLANNING for HR		
People evaluating the Importance of LRP for HR	29	81%
People evaluating LRP as Important for HR	25	86%
People evaluating LRP as NOT Important for HR	4	14%

TABLE 3
Importance of the Three Tested factors   (Question # 10)

	ALL RESPONSES			Human Resource Managers	
	Number	% of all Responses		Number	% of HR Manager Responses
Total Number of Responses	22	61		12	100
Positive response to POLITICAL Factor	21	90		11	92
Positive response to PROCESS Factor	22	100		12	100
Positive response to MEASUREMENT Factor	22	100		12	100
Positive response to ALL THREE Factors	21	90		11	92

Biography

Dr. H. Michael Boyd is a full-time Professor of Management and Human Resource Management at Bentley College; President of Boyd Associates, a HR strategy consulting firm; content consultant to major research firms; and consultant and advisor to numerous organizations. Dr. Boyd is an internationally recognized expert in the field of human resources with over 30 years of corporate and consulting experience.

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