Course Learning Outcomes for Unit II

Upon completion of this unit, students should be able to:

2. Evaluate the role of strategic planning in organizations.

8. Relate resource management to strategic planning in an organization.

Reading Assignment

In order to access the following resource(s), click the link(s) below:


Unit Lesson

YouTube Video for Unit II

Click [here](#) to view the video for Unit II (1m 20s).

Click [here](#) to access a PDF of the video transcript.

Would you agree that, for managers performing the five components of management, if they change a local feature of their business, then it is an *operational change*, and if they change how their whole business works, it is a *strategic change*? In the required reading for this unit, you will see how McDonald’s restructured their strategy after their earnings fell short.

As noted in Unit I, *planning* as a management component is the skill of systematically determining when, how, and who is going to perform a specific task (Rao & Pande, 2010). In the last unit, we explored decision-making and the fact that we all make decisions in our lives every day. For some decisions, we follow a deliberate and organized process, but other decisions we make on the spot with, at times, regrettable results. Managers make strategic decisions with sometimes far-reaching impact, and those definitely should follow a deliberate and organized procedure.

Managers also plan. For many of the tasks they handle, they need a deliberate and organized process that takes into careful account all the information available. Practitioners and scholars studying organizations have devised processes and steps to follow for good planning. We will explore one such model in this unit. Should we just start trying to plan? Not usually. Organized and effective planning must take into account the organization’s mission statement, vision, and goals, as well as the role of strategic planning.

Developing and adopting a mission statement and vision are key for sustaining a long life for the organization. People count the most, so mission statements should focus on people as an organization’s first priority. A great example of a people-first mission statement would be McDonald’s mission statement:

> McDonald’s brand mission is to be our customers’ favorite place and way to eat and drink. Our worldwide operations are aligned around a global strategy called the Plan to Win, which center on an exceptional customer experience – People, Products, Place, Price and Promotion. We are committed to continuously improving our operations and enhancing our customers’ experience. (Jurevicius, 2013, Mission section)

Mission statements and visions will change as time passes (and we know from Industrial Age experience that they must), but better plans are made when they are based on an existing mission statement and vision. Chaneski (2015), director of the New Jersey Institute of Technology, reminds us that goals are the desired endpoints that the organization’s managers have decided are best for the organization. Of course, these will change over time as conditions change. The author further states that the mission statement, vision, and goals all need to fit each other for the organization to be efficient and successful. If one or more of these tools is missing or the wrong one is chosen for the time and place, mistakes occur more frequently, efficiency...
drops, and the organization loses effectiveness in shaping events around it. Planning makes more of a difference if these other parts all fit.

**Strategic Planning**

Strategic planning gets away from snap decisions and crisis management and relies instead on deliberate research and decisions to determine how to get to strategic goals. Like decision-making, strategic planning is deliberate and orderly so that effort is not wasted in haste, and the planning actually contributes to achieving the intended goals. Also, as in the case of decision-making, scholars and practitioners have offered help to present and future managers by suggesting deliberate or strategic planning steps such as the following:

1. Review the situation and mission. These will include organizational mission and vision, goals, policies, SWOT (i.e., strengths, weaknesses, opportunities, threats) analysis results, market position for businesses, and environmental factors that affect the organization. Included in environmental factors could be an overview of stakeholders, noting that all organizational stakeholders do not necessarily belong to the organization (such as nearby residents to an organization’s buildings).
2. Develop alternative actions to get the organization to the goals in order of priority. These are effective and real choices when specific, showing who will do what. Note that when the senior executive declares that every goal is a priority, then by definition and reason no goal is a priority.
3. Analyze alternative actions planned. They should be prepared so the planning group sees them treated generally the same, and show advantages and disadvantages of each, including required resources for each alternative.
4. Select the best alternative. Only one feasible alternative may have been seen as practicable, which is not bad strategic planning but carries additional risk than other (but less popular) alternatives that might not have been considered.
5. Decide, implement, and follow-up. Sometimes these steps get missed or last only as long as the manager who is enthusiastic about planning has the position. This is a risky strategic planning process because even if a strong manager oversees the planning effort and decides promptly and wisely, implementation of the plan may be delegated to other leaders who do not immediately grasp the plan’s significance to the organization. Effort and exercise of leadership is key at this last strategic planning step to ensure preparation efforts and decisions lead to actions. Follow-up observations may show that the strategic plan no longer fits the situation or was not as effective as hoped. When this happens, strategic planning should begin anew and is why this is also called a planning cycle (Gray, 1989).

**Human Resources (HR) Management**

Strategic planning focuses on what will be done. As groups, committees, or task forces are planning, they can get enthusiastically caught up with the efforts and achievements of the group and not focus enough on the organization’s personnel who will implement the plan. These vital human resources must be properly managed or the organization will ultimately fail.

People are human resources from the organization’s point of view and are needed to support its actions, just as supplies, a physical plant location, and funding do. Human resources are exactly that: our fellow human beings, and we cannot rank them below the other needs of the organization. This is why human resources management is generally the most important and sophisticated form of management and where the practice of good leadership is vital for success and sustainment. We will explore leadership as a key human resources element in later units.

Effective human resources management is important in all facets of an organization, including strategic planning. Certainly, approaches to hiring, emplacing, and supervising people as well as seeing to their welfare have changed since the early Industrial Age brought a surge of employee opportunities in larger-than-family-run organizations. In short, human resources management today is a completely cyclical effort.
begins by planning the organization’s needs and crafting fair and fitting hiring criteria; it then moves through progressive development and flexibility in employee choices and equally fair policies for retention, separation, transition, and retirement. There is more to human resources management than giving employees benefits. A professional human resources (HR) manager must constantly focus on two directions: welfare of organizational members and support to the organization’s goals, which includes strategic planning.

In a strategic planning effort, the HR manager represents all employees and their needs, and in that regard serves as everyone’s champion. The HR manager often coordinates and cooperates during planning development, maintaining a long-term view of fair human resources policies to support action plans. As other planning managers may underestimate a plan’s effect on people, the HR manager’s role includes being their advocate. Flexibility is important in management, but sometimes in this advocate role the HR manager has to stand firm among strategy planners on a point, even if he or she is the lone holdout (Munde, 2014).

According to an old army saying, a plan never survives the first shot in battle. Be ready to change not only your plan but your assumptions and goals if new circumstances warrant it.

References


