CALIFORNIA MANAGEMENT REVIEW
Vol. 25, No. 1, Fall 1982

Linking Strategic Planning and Management Manpower Planning

by Laurence J. Stybel

A corporate strategic plan is merely an expensive report until it is put in the hands of a manager who can execute it. A pairing of Maccoby's management classification scheme and a product-life-cycle concept yields a model that can match strategic-business-unit operational requirements and the leader most likely to succeed.

A well-developed strategic plan is merely an expensive report. It becomes a viable tool when it is placed in the hands of a manager competent to execute the plan. While the link between corporate strategic planning and management manpower planning seems obvious, a recent *Business Week* article suggests that companies are only now seriously trying to develop formal ties between the two systems.[1] The purpose of this article is to outline a conceptual model which can be used by companies in the high-technology sector to achieve this type of linkage.

Management manpower planning refers to the identification of current and future job requirements, assessment of internal human-resource capability in relation to those requirements, and institutionalization of management development/management succession framework.

Maccoby's Scheme

In his book, *The Gamesman*, Harvard University researcher Michael Maccoby provides a useful framework for the high-technology sector.[2] The material was based on a series of interviews with 250 high-technology managers who worked for two of the industry's major firms. Maccoby's research format involved extensive interviews with these managers, including psychological assessments. In addition, the research team interviewed colleagues, superiors, subordinates, and spouses. This methodology allowed Maccoby to obtain more in-depth material than most high-technology companies could feasibly expect to collect on their own people.

According to Maccoby, high-technology managers can be classified as "types." Each personality type represents an ideal and most managers exhibit varying degrees of personality combinations. Nevertheless, Maccoby argues that his classification represents a well-defined scheme, capable of differentiating managers. His four types are Craftsmen, Jungle Fighters, Company Men, and Gamesmen.

Craftsmen—They are technically proficient individuals who enjoy the process of creation or innovation. They want to "build the best" and are perfectionists. Craftsmen in research and development are the foundation for survival in the high-technology sector since they create future products. Nevertheless, they tend to make relatively poor senior management material. Their desire for perfection results in a tendency towards inaction when business requirements demand quick reaction time. While they have a valued depth of knowledge, they fail to develop the conceptual breadth necessary to plan and control different functions with sometimes conflicting goals.

Jungle Fighters—The goal of Jungle Fighters is to achieve personal power and to be admired by others as superior. They also derive satisfaction in being feared. There are two types of Jungle Fighters. "Lions" are courageous, charismatic managers who lead by example. They are willing to take major risks and will be persistent in the face of obstacles. While they are highly effective in terms of developing empires where none had existed, they are poor organization builders. The development of an organization requires a willingness to share power, something which Lions are reluctant to do. They tend to staff their organizations with "Yes Men" and to stifle truly independent thinking. "Foxes" are another breed of Jungle Fighter. They lack the Lion's charisma, although they also seek to dominate their environment. Foxes achieve their goals through manipulation of others, secrecy, and betrayal. Given the highly interdependent nature of the high-technology industry, Foxes seldom achieve true organizational power. They do, however, manage to instigate minor and major internal political crises.

Craftsmen seldom trust Jungle Fighters, although they do form useful short-term political alliances with them. Jungle Fighters will allow Craftsmen to become prima donnas within their technical area of expertise if they obey Jungle Fighters in all other areas.

Company Men—Most of the 250 managers studied by Maccoby were classified as Company Men. Such people have the goal of being an integral part of a powerful, protective organization.

Company Men are good team members and will take the necessary time to create a viable organizational structure. They can be trusted to follow the corporate game plan according to the rules which have been established. Company Men enjoy implementing formal management systems and keeping the people on their team happy.

They are, however, chronic worriers who are afraid to fail. High-risk situations tend to scare them. They would rather play it safe. Because of this, relations between Company Men and Craftsmen pushing innovation tend to be strained.

Gamesmen—Maccoby believes the present and future leadership of large organizations rests with Gamesmen. Such people view business as a competitive contest, and their personal objective is to be a winner. But it is a different type of winning than that which is defined by Jungle Fighters. Jungle Fighters seek personal glory. Gamesmen want to be superstars on a winning team. Because of their team orientation, Gamesmen are willing to allow for the development of subordinates and to encourage aggressive risk taking. Craftsmen tend to enjoy working for Gamesmen because of their openness to subordinate growth and new ideas.

As mentioned earlier, few managers are stereotyped in terms of only one style. Most will exhibit various combinations, with one style being paramount most of the time and under most circumstances.

Weaknesses of Maccoby's Framework

One of the strengths of Maccoby's classification scheme is that it is comprehensive. Few companies have the time or money necessary to conduct such an extensive psychological investigation. But Maccoby's psychological orientation also contains weaknesses which limit the practical utilization of this model.

Maccoby views organizations as complex "psychostructures." Different personality types are required at different levels of the organization, and he believes there is an undescribed "natural selection" process at work which helps to insure that the right personality reaches the right level. Thus, Craftsmen tend to stay in technical or staff areas, Company Men tend to dominate middle management, Gamesmen achieve the highest positions, and Jungle Fighters either dominate their organizations or are shunted aside. There is, in fact, nothing "natural" about this selection process. It was probably preplanned through a management selection system. Selection systems can be formal or informal. Companies that elect to postpone a formalized management manpower planning system are, in effect, opting for an informal management planning system which dictates seniority as the basis for promotion. Seniority is, after all, the least objectionable basis to make promotion decisions. Such an informal system tends to insure the Company Men will achieve the highest levels of power, since they are the ones most likely to have the persistence to maintain their time in grade. The utility industry is a classic example of where this has occurred, and it could happen to certain large, high-technology companies in time.

A second problem with Maccoby's framework is that he views "psychostructures" as complex hierarchies frozen in time. Given the rapidly changing nature of business conditions in the high-technology sector, this picture is unrealistic. Such organizations are managerially dynamic systems with changing requirements over time. This idea is best illustrated by an overview of strategic planning and the role of the product life cycle (PLC) as a conceptual tool in strategic planning.

Strategic Planning and the PLC

Bruce Henderson describes strategic planning as the process of relating the firm to its competitors in terms of a competitive system in equilibrium. The plan should include a means of upsetting the competitive equilibrium and reestablishing it again on a more favorable basis. It is a dynamic framework which changes through time.[3] Under strategic planning, products or strategic business units (SBUs) are identified in terms of market share and growth potential. Long-range capital allocations and short-term operational goals are based on individual PLCs.

The PLC is a well-known tool used by marketers and strategic planners to identify the relation of product to marketplace and what must be done to maintain or destabilize market equilibrium. According to Harvard professor Theodore Levitt, there are four stages of the PLC: development, growth, maturity, and decline.[4]

Market Development—During this phase, a product has been brought to the market before there is a proven demand for it, and often before it has been fully proven technically. A demand for the product must be created.

Most new products never go beyond the market-development phase. Sometimes this is because the company fails to provide the necessary capital resources; sometimes it is because the SBU manager lacks the persistence necessary to keep subordinates and superiors motivated in the face of initial obstacles.

Growth—The usual characteristic of a successful new product is a gradual rise in its sales curve during the market-development phase. At some point in this rise, there is a marked increase in customer demand and sales take off. During the growth phase, potential competitors introduce copies of the product or make functional design improvement over the existing product.

This highly competitive phase requires the development of an innovative management team, capable of expanding the sales force and distribution system, increasing manufacturing capacity, and developing product innovations. It is important that the SBU manager be someone capable of quickly altering the operational game plan in light of new competitive developments.

Maturity—During this phase, market share remains essentially stable, and sales growth is on par with the increase of the existing customer population. The strategic focus during this period tends to be on harvesting profits and protecting the product against competition. These objectives are usually achieved by holding costs of production down. It is particularly important during this phase to have strong financial control systems.

Decline—During this phase, market share begins to shrink due to oversaturation of the product. As demand declines, there is an endemic overcapacity. Production becomes concentrated in the hands of fewer competitors as profit margins are depressed.

In the absence of a likelihood of moving the product out of decline through product innovation or identification of new market segments, it will be necessary to find a buyer for the product or to begin shrinking production and sales capacity. During this phase, it is necessary that the SBU manager not be afraid to make necessary and sometimes painful business decisions. The manager will have to think and act boldly.

Matching Managers and Strategies

Integrating Maccoby's managerial classification scheme with a product-life-cycle perspective offers high-technology firms a model for placing SBU managers in areas where the business requirements are most likely to focus on management personality strengths. Because the PLC not only describes business requirements at one phase but also predicts managerial requirements when the product enters the next phase, the model can include the desired managerial type to become second-in-command of the SBU. In this way, a formal management manpower planning system can insure smooth management continuity as the SBU moves from one phase of the PLC to the next.

Market Development—This phase typically requires an SBU manager capable of brute persistence in the face of initial technical and market obstacles. The person should be eager to be on the forefront of a high-risk operation. A charismatic and persuasive leader is well suited to this role. Given the importance of the engineering function at this phase of the PLC, a Lion-type Jungle Fighter who is also a Craftsman is probably ideally suited for this role. Henry Ford is a classic example of this type of individual. Failing that, a Lion-type Jungle Fighter with sound back-up by Craftsmen would be appropriate.

Growth—Lions, however, are not particularly effective in terms of developing the integrated technical/managerial team needed in the growth phase. Gamesmen are probably best suited to this role. They will have the necessary orientation to develop an organization which can respond rapidly to a rapidly changing competitive environment. They have the additional advantage of being able to work well with Craftsmen.

Maturity—During the maturity phase, emphasis is placed on squeezing the greatest efficiency out of operations. Corporate Men are best suited for the task because they have the required persistence to effectively carry out a long-term game plan which focuses on control through formal administrative systems. Their inherent desire for stability corresponds well with the business requirements of a mature market. As Corporate Men do not relate well with Craftsmen, it is assumed that the business strategy employed during the maturity phase would be to focus on increasing efficiency of existing operations, rather than on technological innovations.

Decline—As market share declines, it may be necessary to achieve a smooth exit from the marketplace. Plants may have to be shut down, sold off, or allocated to other SBUs. The ideal SBU manager for this phase is someone capable to making potentially painful decisions or someone crafty enough to negotiate a profitable sale for the SBU. Since the focus of this phase is on the dissolution of an organization, not the development or maintenance of one, Gamesmen may not be suited to this role and Corporate Men may lack the emotional stamina necessary to make risky and unpopular decisions. This type of situation is well suited to the Lion Jungle Fighter.

Another options for the SBU in the decline phase is to augment products through the introduction of novel or path-breaking technologies. This would bring the SBU back to the introductory phase and the Lion-type Jungle Fighter.

Neptune Computers

The following case illustrates applications of corporate strategic planning and management manpower planning in relation to the hardware R & D department of "Neptune Computers."

Neptune Computers is a minicomputer firm with 1982 hardware sales of $150 million. For the past ten years, Neptune's hardware R & D department prided itself on being on the cutting edge of technology. It had managed to attract and retain some of the country's best, high-level engineering talent. Most of them were Craftsmen, in the sense of being perfectionists about their work, and not particularly sensitive to financial or marketing constraints. Neptune was in the midst of a major growth period, where projected sales would reach $700 million within five years. In response to an increasingly competitive environment, a strategic decision was made to change focus of the company. In the past, Neptune was known as a firm which was always on the cutting edge of technology in minicomputer hardware. The new emphasis would be to develop the strongest and most creative software R & D group in the industry. R & D technological breakthroughs in minis would be replaced by innovations of existing Neptune products.

This change of strategy required that the R & D department culture be altered from that of a collection of brilliant prima-donna Craftsmen to that of a cohesive team of scientists committed to achieving the new game plan. The cost of such a requirement would be that Neptune would probably lose some of its most creative technical people. The full impact of the change would not be felt for another year. In the meantime, it was important to integrate a manpower planning program for the R & D department to achieve the objectives of the corporate strategic plan.

A program was established for a select group of R & D professionals. Those in the program would be given an opportunity to gain first-time experience in sales, field and engineering, assembly operations, and software R& D through a six-month series of short-term rotations. These professionals would have an opportunity to see the impact of their ideas in a broader corporate context. The goal of the program was to help insure a cadre of R & D hardware professionals who perceived themselves as less isolated from what would be the new corporate mainstream and to identify those people likely to assume leadership of hardware R & D within the next thirteen years. Seven professionals volunteered for the program, and the R & D manager identified three whom he felt would be the most suitable. These three were the least technically proficient, and therefore the most expendable in terms of the R & D manager's present project.

Given the strategic goals for the hardware R & D department, it was important that those selected for the program be Gamesmen or be Craftsmen with the potential of becoming Gamesmen. The seven volunteers' personnel records were reviewed for evidence that they had been team leaders or team developers. In addition, psychological assessments were performed on the seven volunteers to determine those most likely to be Gamesmen/Craftsmen. Of the seven volunteers, two of the R & D manager's candidates had the necessary traits. One of the volunteers not selected by the R & D manager also had the capability. These three completed the rotational program; one year later, they were three of six professionals who volunteered to attend in-house management development workshops. One of the three managers was eventually selected to become the new R & D manager when that manager resigned to accept a high-level position with another firm more interested in staying on the cutting edge of hardware technology.

The elements of the project at Neptune included a clear strategic game plan for the company and how it would impact on the hardware R & D department. This impact was then translated into a job-related management classification scheme capable of differentiating those qualities necessary for successful leadership of the R & D department. A skills inventory of existing personnel was taken to identify those engineers with the required leadership qualities. Psychological assessments were used to provide back-up data since some of these engineers' jobs did not provide them with many opportunities to demonstrate Gamesmenlike behavior. Finally, a development program was installed to insure that those with the desired qualities would have the necessary background to assume leadership positions.

Conclusions

Just as the product life cycle is a useful conceptual device in corporate strategic planning, Michael Maccoby's managerial classification is a useful conceptual device for management manpower planning. When linked together, these two frameworks provide senior management with a powerful tool for insuring that the execution of corporate strategy is entrusted to the SBU managers most likely to carry it out. The high-technology sector has been the major focus in this article because Maccoby's classification scheme is based on interviews with managers in this sector. It is, however, quite likely that his classification scheme might be appropriate for other industries as well.

The model, while useful, does not begin to scratch the surface of the difficulties involved with implementing it. In the case of management manpower planning, there are three major difficulties in implementing the model.

The first difficulty rests with an implicit assumption that it is acceptable to pull an SBU manager from an organization and replace the manager with someone else as the SBU enters a new phase of the

PLC. While it is acceptable practice for baseball managers to change pitchers midgame in response to new developments, this philosophy of management succession flies in the face of a traditional assumption made by many chief executives and boards of directors. That assumption views senior managers as magical renaissance leaders who ought to be able to lead the SBU under any circumstances. If they cannot do so, it indicates a failure on the manager's part. The model described here assumes a finite set of managerial capabilities. It is very doubtful that there are many managers capable of performing competently under all PLC phases. Management removal is not so much a sign of personal weakness as it is a recognition that managers have finite capabilities.

A second and related difficulty rests with career assumptions made by SBU managers themselves. They, too, tend to see themselves as renaissance leaders capable of meeting the challenges of all PLC phases. There is also a natural tendency to want to remain in one's leadership position in order to finish the job. The model described here assumes that there is an organizational climate and a compensation system which encourages high internal management mobility from one SBU to another as circumstances change. Such an organizational climate will be difficult to foster and will likely meet with stiff initial resistance.

A third difficulty focuses on the available technology to identify managers in terms of Maccoby's classification scheme. Self-reports are notoriously inaccurate. Performance appraisals are useful but can be distorted for political reasons or by the desire of superiors to justify salary increases for their people. In addition, the situational or technical nature of some jobs may not allow for the full expression of latent capabilities. Psychological assessments or assessment centers can provide management selection committees with useful second opinions, along with evaluation of formal track records and self-assessments.

These problems are very real, and there will be many chief executives who will cogently argue that the potential benefits of this approach to management manpower planning do not outweigh the costs of possibly destabilizing the status quo. But there are managerial types who would probably view the same situation as an enormous opportunity.

References

1. *Business Week*, "Wanted: A Manager to Fit Each Strategy" (25 February 1980), pp. 166-168.
2. Michael Maccoby, *The Gamesman* (New York: Bantam 1976).
3. Bruce Henderson, *On Corporate Strategy* (Cambridge, MA: Abt Books, 1979).
4. Theodore Levitt, *Marketing for Business Growth* (New York: McGraw Hill, 1974).