

Strategic Planning? And what for?

Many people try to understand, why some commercial enterprises created under equal conditions remain alive, but others fall short. There are many reasons for this. Some of the companies have not coped with the impact of competitors; others, have not found the niche or did not have time to make a reform and start a new step of development, and also many more reasons that could go on forever.

The strongest and most viable companies, as a rule, use high technologies and are guided by fair principles, have thought over purposes, are highly motivated, and have competent personnel which are practically identified with the company. These companies are versatile developing firms which grow quickly and confidently. Are these examples for imitation or as optimum models?

Certainly, you can study for a long time and with detail of the experiences of this or other successful organizations, but will most likely become unsuccessful when copying someone's strategy. More likely, it will lead to negative results because there are not identical conditions for different organizations.

For the good adapting to quickly changing conditions, which dictate the modern market, the company should have precise purposes, visions of the future, missions, values that correspond to interests of clients, and the strategic principles that developed on their basis. It is necessary to note, that the purposes can be set by double: for external observers and consumers of production of the company, on the one hand, and for her own employees - with another. All other elements are necessary to construct according to the strategic plan, necessarily taking into account all spheres of interaction of the organization with staffers and organically to combine with the general strategy of the enterprise, or more likely proceeding from her. Actually it means that the purposes of personnel planning should be a derivative of the purposes of the company. Hence, the strategic plan of management of the personnel is a component of the strategic plan of the organization (*a fig. 1 http://vik-birkus.narod.ru/strategia_firmi.jpg*).

Hence, the mission and the purposes of company will be a rod or axis, on the basis of which to develop a personnel politics and personnel strategy (i.e. those methods which in long-term prospect will be used by at the Human Resources Department). About the *politics of personnel* here, it is necessary to understand the system of general provisions, ideas, principles, and the requirements determining all aspects of management of personnel in the organization. Much depends on what type of personnel politics are used by the company: Passive Type - With such a policy, the management has no precise program of actions in relation to the personnel, and the staff's work is reduced to registration and the account of employees. Top-managers work by principles of immediately reacting to all arising situations which they try to solve in many ways, and often do not understand the reasons for their occurrence and do not understand all the possible consequences. If these kinds of companies wish to have a future, it is necessary to reflect on activation of all processes by the management of personnel.

Reactive Type - Top-managers supervising negative reactions of some workers and collective as a whole. The management of personnel frequently has means of tracking and controlling

situations and makes efforts to correct positions. There are programs of development of personnel. Here, more attention is necessary to give to the intermediate planning.

Preventive Type - The Company plans the needs of personnel and the qualitative and quantitative structure for short-term and intermediate prospects. There are programs of development of the personnel. The companies with such type of personnel politics the management was analyzing the situation, however it is not always capable to influence the development. Development of the programs of target management by the personnel in this type company can change a situation for the best.

Active Type – These types of companies not only prognosticates, but also has leverage of influence on arising problems with various reactions. Situations are being monitored and corrected as inside the enterprise, and also in the direction of the external environment. But even the best of the foregoing variants, which is the active type, can have many weak points and the omissions, which can be the influence on the process as a whole and then head in the direction of a deadlock. Assume, the company aspires to realize the active politics of personnel and attempts to have influence on a situation, the service of management of personnel develops a plan for progress, determines the purposes, but with the absence of an exact analysis and correct long-term forecast of the situation(s), the plans will dissipate because they were constructed on unstable ground. With that, although this method is active it is an adventurist policy which may lead to poor outcomes.

The purpose of a personnel policy, as a rule, is to maintain the optimum balance of processes of inflow, the preservation of quantitative and qualitative structure of workers, motivation and development of the personnel according to needs of the enterprise, requirements of the legislation, and condition of the labor market. We tried to light up the most essential components of personnel policy.

Principles of construction of a control system for personnel - It can be rules, basic regulations, and norms to which should follow the heads and experts of company. On this basis, in the future, must be formed for priorities and tasks of the personnel policy.

Priorities and tasks of personnel politics - Here are created the systems of development the procedures and actions for the achievement of the purposes or the so-called "personnel technologies" which is fixed in documents and forms. Sure, you should take into account existing state and possible changes. Here, a lot of influence have a imagination about the allowable leverage and coordination with the organization policy. For example, at the passive personnel politics, instead of a set of personnel through personnel agencies and mass media, Human Resources Managers orient themselves to the acquaintances, friends, relatives. For the personnel politics that cultivate spirit of monolithic family is not appropriate measuring by the use of strict and rigid psychological tests or in other words "stressful interviews". They mainly pay attention to the procedures of interviews, group actions, modeling of industrial case, and etc...

The general principles of payment and motivation of personnel - There, drafting the global principles of financial stimulation of workers, and also conditions and the order of use of the means outlined for these purposes.

Basic requirements to the personnel - To them belong the general requirements to the employees of the company, their education, qualifications, and the quality of work. In basic

requirements, that are the general expectations, should also be determined by the principles of communication, subordination in the company, opportunities of growth, and the requirement to develop certain abilities.

The strategy of personnel, or strategy of management of personnel, is a system of methods of realization of personnel politics. To this includes more specific problems and questions, the elaboration, which, actually are the **strategic planning** of the management of personnel. All elements of the strategic plan are mutually interrelated with each other and quite often execute double or triple the function although they may be located in various sectors. So, for example, planning of a career can and should be present simultaneously in motivation, in certification, formation of system of recruitment of the personnel, plans of improvement of organized structure, corporate culture, and in the formation of a personnel reserve.

In the strategic plan of management of the personnel are the next apparent and important sections:

The formation of a system for updating human resources and the management of them

This section of the plan may include such points:

- Forecasting necessary quantity and qualitative structure of employees (the study of the internal needs of the organization);
- Monitoring the labour market and wages;
- Accumulation of a databank of potential candidates and the studying of personnel structure of competitors as a source of possibly updating your own resources;
- Regulation of a system of searching and inviting candidates (search by mass media, the Internet, recruitment agencies, personal contacts, etc...);
- The creation of a mechanism to constantly replenish staff (internships of students, etc...);
- Adaptation of accepting workers (special procedures for the introduction of new employees in a position which help the prevent problems from arising at the beginning of work). The procedure can include the official attachment of the new employee to the skilled instructor (mentoring program), manufacturing of jotting - booklets, with main principles and the rules existing at the business or workplace, and to introduce them at first work day);
- Career planning (definition of a direction and provisional term of career coordinating with interests and opportunities of the company and the worker. Stages of the position need constantly modified, traced, and corrected);
- Formation of a personnel reserve (developing a system of moving personnel on a career ladder, matrixes of filling vacancies on a long-term period, rules of the replacement of posts, drawing up of the normative documents regulating the given process, the organization of training, internship and provisional replacement of workers).

Development of plans and programs of stimulation and motivation of personnel -

The motivation of personnel in management is a key element. Here it is better to use a mechanism of creation of "regulations for motivation of personnel" in which to unite criteria and principles for the increase of motivation and stimulation of employees. Regulations can contain points about financial interests and non-material motivation for short or long-term conditions. It is possible to include planning the career of workers, monitoring their personal aspirations, problems, desires, and expectations. The motivation and retention of especially valuable and perspective experts are possible to write into separate subparagraphs of a plan.

Formation and development of the corporate culture - As a matter of fact, the corporate culture is one of the chief cornerstones on which the HR management system is constructing. In fact, the process of productions depends too much on basic mutual relationships in the collective and on what kind of corporate culture we have. It is difficult to imagine a neutral corporate culture (not good or bad). Usually, it is for the company, for her functioning and development, advantage or harm. The typical corporate culture in times of socialism, that continue to some extent, more in the government enterprises, where the basics of principles are "the state pretends, to pay us, we pretend, that we work." It is and was normal to receive the salary, but not earn it. It is very difficult to eradicate this principle in the companies where all is impregnated with a formalism and indifference to the assigned work. Any innovation here meets furious resistance and sabotage. Otherwise, when necessary principles are pawned initially at formation of collective, it becomes corporative culture. At first, it is very important to make an estimation of available corporate culture, to define concrete positive and negative aspects, to develop variants of their correction. For this purpose it is necessary to develop methods of revealing and accentuating specific features and traditions, to discuss opportunity and necessity for the introduction of bringing together of new useful traditions, developments and immersing into the rules of behavior and the laws of the company which are inherent. The components of element of this part should be part of the plans and the programs that become consolidation of a collective, and creation of a monolithic team.

Improvement of organization and staff structure -

Importance of organization and staff structure for the company can be compared to the importance of circulatory or nervous systems of a person. From what is rationally built and function for the structure, depends on speed and efficiency of each unit and the company as a whole.

This section may include:

- Procedures for monitoring the operation of the company with the existing structure and its analysis;
- Monitoring the processes of interaction units, motion and the effective execution of teams;
- The tracking mechanism for the elements of duplication in the systems of management units;

- Development of regulatory documents to ensure accuracy for the timeliness of receipt and fulfillment of orders and instructions, personal responsibility for carrying out assigned tasks;
- Principles for correcting the organization and staff structure in case of detection of any disharmony for the requirements of the development of the company;
- Development of choices for optimizing the organization and staff structure, taking into account the further development of any planned changes (reduction, re-profiling, and etc...).

Assessment and Certification -

Often, someone is identified by these two concepts, although it is not quite true. Certification involves not only assessment, but also stimulates the collection and analysis of information for future human resource planning, identifying hot spots, helping the employee to clarify his problem areas and solve them to determine the direction of further development. Here it is expedient to develop a system of periodic evaluation and analysis of individual units and a system of staff appraisal. You can develop an assessing system for the workers between the verification periods. It is important to build a process for fair and stimulating principles that can help both employees and their managers to raise the professionalism, skills, and productivity.

Development of Staff - Training and Retraining –

Personnel development is understood as the improvement of personal characteristics that contribute to the realization of professional goals. These may include training, retraining, staff development, development of related skills, assimilation of an allied trade, and additional skills required in the workplace.

This section plan should include:

- The study of internal needs of the company in training (educational plan for staff training);
- Market monitoring for staff training (higher education, courses, training);
- Identify internal opportunities for learning and creating a corporate training center, learning and skill specialization related to the profession and occupation;
- Development and distribution of continuously updated internal guidance system and instructions;
- Training of professional skills, personal growth, building a team;
- Fundamental training of managers;
- Analysis of the learning outcomes of each employee separately and as a whole with preparation of recommendations to correct the plan.

Development of the concept of public relations - Internal and external public relations (PR) -

Creating and maintaining internal and external images of the company is one of the purposes of this section that is closely associated with information bloc and motivational bloc of a strategic plan. It can make provisions, for example, for the creation of a corporate-newspaper, newsletter, bulletin boards, an interactive website, publications, and interviews in the media on matters of personnel policy.

In-house PR can bring valuable favor to any fundamental changes that affect the interests of workers. External PR helps to promote the company on the labour market and, consequently, increases the influx of highly qualified specialists and reduces the outflow of personnel.

Working in such a company becomes a matter of prestige, which in itself is already a motivating factor.

Creation of internal communications -

Often, by reason of the absence of such systems for the bottom working level of companies, particularly large, there is a hunger for information, which is compensated by uncontrolled rumors and fiction, which can breed resentment and hostility towards management. In this case, that may result in the appearance of an informal leader, who uses the information vacuum for the manipulation of their own purposes, that does not coincide with the interests and purposes of the company.

Development of feedback mechanisms with employees, sharing and management of information methods, have an effect on the internal information channels which is to protect themselves from such problems.

This section should be included in an individual interview and general meeting, the place for "talking publicly," which allows every employee (perhaps anonymously) to voice their opinions, offer interesting questions, get a qualified response, and for the management to have information about the problems workers experience and to quickly respond to emerging situations. In intranets (corporate computer network) you may organize an information page or so-called electronic regulations, rules and announcements.

Elaboration of the mechanism of raising the intellectual capacity -

It is not necessary to attract employees with graduate degrees to the company. It is better to develop a system that encourages creative activity from each employee, creates the environment that can help generating new ideas and suggestions, and compel the mutual respect and benefit of workers and enterprises. It can be as modest as proposals for improving the manufacturing processes that can be used promptly or be patented by the company for bringing a solid, though perhaps, long-term profits.

Monitoring of human resources, market analysis -

Here can define the status indicators of human resources which create the program of continuous diagnosis and system of specific measures for the development and use of knowledge and skills of the employees.

It is important to use accurate and audited procedures for diagnosis and analysis. Sometimes it is meaningful to involve consulting and recruitment agencies offering these services.

In addition, in the plan you can attract a lot more useful sections, but you also may reduce it to a minimum. It all depends on the needs like what really matters and what is attainable, reasonable, and rational.

Today, most employers know about their long-term goals and are separated there and have developed some fallback variant in case of emergency. These are well-calculated and the pros and cons are weighed during the crucial first stage of development. Many calm down and give priority to tactical tasks. More progressive of them nonetheless is making something close to the strategic plan, but often only in their own imagination. And well, if in those plans is available for closest associates (companion in arms).

Many prefer to keep the strategic plan a secret, so that competitors are not able to use it for their own purposes or to harm the company. In this case, no one except the head knows the ultimate goals. There is no intermediate stage, no direction and no strategic principles. In these companies, it is more likely that a crisis will occur and have unexpected circumstances and sudden downfalls. Personnel have a lack of initiative and in extreme cases succumb. Thus, the experience of consultants for organizational development in small businesses, showed that only 10% of their employees could clearly articulate the goals of its own activities. Of these, only half of the wording is consistent with the leader's goals.

We must remember that no matter how wonderful the company's strategy is, it will not bring a significant benefit as long as employees are not aware of it and do not learn to apply it in their work.

Promotions of continuous improvement, participation in profits contribute to the awareness of its involvement with the workers. It is promising when the mission and values embodied in symbols, legends, slogans and through them speak to others. This culture is adopted by regular clients of this company. With their help the company may attract investors who believe in its principles, hire workers who share these principles, and find customers who see their reflection in the results of the company. This is the main principles that construct the strategy of management of staff.

Of course, determination is the essence of the strategy but the implementation, of a winged metaphor, is no easy matter. These are quintessential, incomparable, unique elements that give an indisputable competitive advantage. Few among us can boast of such principles, especially to make them public.

Do not accept strategic plan as something static. This is primarily a working tool, which is embodied in itself and within the full potential of the company from the CEO to an ordinary employee. This document's goals and objectives should be taken, at least to every manager and then may be reviewed and refined as necessary.