

## Common Strategic Planning Pitfalls – and How HR can Help Avoid Them

By James Kimberly

Who develops your company's strategic plan? If the plan is the result of closed-door meetings between senior executives, boards and/or outside consultants, watch out! Chances are good that some key human resource issues have been overlooked and the effectiveness of the plan has been compromised.

Human resource professionals need to play an important role in strategic planning to make sure that human capital issues are realistically addressed. With an HR professional on board during the planning process, an organization can avoid some of these top strategic planning failures.

**1. Failure to coordinate the plan** – According to the Society for Human Resource Management (SHRM), 75% of recently surveyed HR leaders report that they expect to reduce staff in the first quarter of 2009. It's no surprise that personnel changes are often a main ingredient in a new strategic plan. After all, people costs are usually the biggest organizational line item. New job assignments, transfers, position cuts and flatter organizational charts are the norm in today's challenging economy. However, rushed decisions that take only the bottom line into account can lead to greater difficulties down the road. Senior executives who don't carefully coordinate the new staffing plan run the risk of confused workers with new job assignments, overloaded employees and frustrated internal and external customers.

**What to do:** HR leaders need to be actively involved in the planning of structural changes and be prepared to lobby leaders to delay the structural changes until better communication and coordination of human resources can be organized to support the strategy. HR professionals can identify the core knowledge centers needed to be successful in the new structure and conduct a talent gap assessment, which measures an organization's ability to fulfill key roles with existing talent. During such an assessment, HR professionals work with line leaders to evaluate job descriptions in light of the business objectives and estimate gaps in capabilities given current personnel's strengths and weaknesses. Armed with information about skills that are needed, HR can then develop a plan to recruit, train and/or develop employees to meet the new demands of the strategic plan.

**2. Failure to secure senior management commitment** - Crisis accentuates the strengths and weaknesses of the senior management team. If senior management has not been working well together, then the individualism of the leaders takes over and it becomes hard to articulate a common vision. Initial support for a new strategic plan quickly erodes into in-fighting and disagreement. Turf wars and power struggles then set off direct (and subtly indirect) assaults on the plan. In addition, the unnerving economy can make senior leaders, who might ordinarily embrace the plan, become protective and isolationist in the

face of cost cutting measures. Their focus becomes shielding their department's budget and staff from cuts, rather than implementing a shared vision.

**What to do:** Use HR's influence and power within the organization to leverage relationships that will build commitment. Start by identifying the strongest relationships you have and ask those people to help sell the new mandate to others. Call upon them to see other leaders' short term needs and assist those leaders in meeting the needs. Sometimes difficult executives will support the plan if they receive support overcoming critical obstacles. Be prepared to coach these executives on how they can address their concerns while also understanding their role as visible supporters of the strategy. A few naysayers can spoil the impact on many others.

3. **Failure to secure employee commitment** – The general strategy is often not explained adequately or even directly revealed to the average employee, yet these employees are generally in charge of implementation. They can't buy in to something that has never been presented to them. In addition, they may see open disagreement above them, which can further erode support.

**What to do:** Employees want to be in the know. Fill them in about plans and solicit their support. HR professionals can be the champions for creative ways to communicate the plans and the potential effects on the organization's jobs. Help facilitate focus groups to review the plans and help articulate the benefits of change. Use newsletters, e-mails and various types of company meetings to spread the word about current and future changes. Help managers discuss the connection between the big picture and day-to-day work with their teams.

4. **Failure to manage change** – Leaders often feel the new strategy should be adopted right away and are confused and upset when people don't "buy in" right away. Markets and business pressures are demanding that leaders move on to other activities rather than trying to sell the changes to their organization. The result is an organization that fails to embrace strategic changes because transitions were made so quickly that employees are still holding on to old ways of doing business.

**What to do:** HR professionals should encourage leaders to reframe change as a psychological process of transition. This process has three stages: endings, neutral zone and new beginnings. Each of these stages should be addressed to help employees transition to the new order. HR leaders can help the organization honor the past by acknowledging core strengths and employee dedication to prior strategies. Then, HR can support managers as they find new ways to do their jobs and help train others to adapt to new work expectations. HR should also work closely with company leaders and encourage them to talk to employees directly and repeatedly through a variety of venues as the new order develops.

A strategic plan may be designed to reduce the bottom line or increase efficiency, but it is people that will dictate whether or not the goals are achieved. In today's competitive world, speed is of the essence in marshalling an organization's people to implement strategies. It makes sense to include HR at the planning table to ensure that human capital issues are addressed that will affect the success of the strategic planning initiatives. HR leaders have valuable expertise that can add to the bottom line impact of strategic management.

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