

Strategic management within Human Systems Management

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As the techniques of long-range planning and strategic planning mostly failed, because of their inadequacy in facing the entrepreneurial challenges of the past two decades, the concept of *strategic management* appears to provide a considerable promise for the future. The editorial board of HSM view strategic management as one of the key activities in the management of human systems.

The failure of strategic planning and its predecessors is deeply rooted in the *human* aspects of their implementation: resistance to change as well as to planning 'rigor', mistrust of the imposed man-made system, dismal experiences with McNamara's PPBS, inability to deal with conflict situations, and their incomplete view of entrepreneurial activity.

What is strategic management? First, it does not separate the tasks of planning from the operational tasks of the efficient production of goods or services – it seeks to enhance their complementarity. Second, it does not rely exclusively on the 'rational' technology of planning but recognizes the equal importance of the continuing search–learning process. Third, it integrates the aspects of efficiency, effectiveness and explicability within a unified, holistic process of management. Strategic management attempts to create and maintain built-in flexibility in the firm's position and structure.

Strategic management, in order to succeed, must not lose its human perspective, its necessary embedding within the broad scope of all-encompassing human systems management. It cannot be separated, as a specialty or a discipline, from the management

itself. It must be studied, evaluated and implemented within the entire framework of managing a firm in modern society. Separating this important organ from the body of managerial concerns would lead to a serious weakening of both.

Human Systems Management incorporates the 'organ' of strategic management fully within its domain of interest. Being an integral part of the whole, strategic management area of HSM is going to be approached in all of its complex linkages and implications for the entire process of management. What are some of these vital aspects of strategic management, as they are currently being seen within HSM?

Strategic Planning Process

- Financial Issues,
- Behavioral Issues and Implementation,
- Strategy Development,
- Goal Setting and Organization Commitment,
- Differentiated Resource Allocation;

Domestic vs. International Market Strategy;

Experience/Learning Curve Implications for Business Strategy;

Product Life Cycle Position;

Risk–Reward Behavior in Large Corporations;

Acquisitions

- Candidate Evaluation,
- Synergy Considerations,
- Integration with On-going Operations (Behavioral and Resource Issues);

Long Term vs. Short Term Financial Objectives;

Productivity;

Conflicting Goals of Corporate Clients

- Customers,
- Workers,
- Communities,
- Stockholders,
- Managers;

Strategic Implications of Environmental Factors

- Technology, Social and Political Trends,
- Domestic and International Financial Markets,

– Demographic Trends.

The above represent typical topics of interest to the strategic management area of HSM.

In this issue of HSM we provide a fundamental viewpoint of strategic management in the paper of Mitroff and Mason: strategy formation as a set of *dialogues* or debates, intended to change the accumulated body of corporate knowledge or corporate conventional wisdom. The realities of power and argumentation, human values, aspirations and compe-

tences, rather than statistics, data or probabilities, represent the requisite base for this new paradigm,

Developing a sound theoretical framework for strategic management is badly needed. Future implementation efforts are dependent on it and the past experiences, e.g. those of General Electric, Philips and Westinghouse, might be better illuminated and understood in its sharper focus. HSM intends to lead the way in these fundamental efforts.