

Management Resource Planning

If you wish to plan for a year sow seeds
If you wish to plan for ten years plant trees
If you wish to plan for a lifetime develop people
Kuan Chung Tzu



Table of Contents

What is MRP?	1
Reasons for MRP	2
Who Does MRP Involve?	3
Target population	3
Accountability for completion	3
MRP Steps	6
Step 1—Business Review	7
Step 2—Assessment	7
Step 3—Design Developmental Plans	8
Step 4—Design of Staffing Plans	8
Step 5—Final Ratification of MRP	8

What is MRP?

Management Resource Planning (MRP) is a documented plan to ensure that the right staff capability is in place to meet your present and future business needs.

It is based on

- a review of existing and planned business initiatives and the impact they will have on processes, roles, and structure.
- assessment and review of human resources' current capability to meet the present business initiatives.
- an assessment and review of the talent pool in place to meet future business plans.
- the design of developmental activities (training, transfers) and staffing plans for key human resources to fill the gap between present and future business requirements.

MRP involves the following linked components:

Human Resource Assessment: Evaluating current capability with emphasis on identifying high potential employees and future leaders.

Accountability: Coordinating your senior management team's MRP accountabilities.

Succession Planning: Stimulating, guiding, and integrating individual career needs to match your business needs.

Management Development: Designing an appropriate training plan to prepare your employees for future roles.

Job Analysis: Establishing a rigorous system for reviewing job and organization design in a dynamic environment.

Compensation: Identifying the implications for strategies to attract and retain the talent your business needs.

Recruitment: Specifying where external recruitment is required to attract new talent into the company.

Reasons for MRP

An integrated Management Resource Plan is necessary for the following reasons:

- To ensure that the organization creates its own future—one in which the organization best utilizes its resources, capabilities, and market opportunities.
- To take responsibility for the future of the organization, and the future of the people within it.
- To focus top management thinking on preparing the officers and managers required to lead and run the business.
- To ensure the required skills are made available as context changes over time, and that the skills are used to the best possible advantage for the corporation and the individual.
- To direct the organization's attention to major human resource issues affecting enterprise survival, growth, and renewal.
- To ensure an adequate number of talented people are available to assume leadership and managerial roles.
- To establish guidelines and a degree of uniformity in staff assessment and development.
- To coordinate the actions of senior managers (especially important where actions or decisions taking place in one area have consequences in another area).
- To ensure resources allocated to development and recruitment activities are maximized.
- To shed light on the underlying factors, resources, and circumstances contributing to successful actions in the past, as well as the reasons for poor performance or failure.

Who Does MRP Involve?

Target population

MRP is focussed on management staff, typically all senior managers (Divisional Vice Presidents, Directors) and selected high potential managers (middle managers assessed as demonstrating the potential to moving into senior level management roles within two years).

Accountability for completion

Overall accountability for the completion of MRP rests with the President and CEO. In order to assist the President, COREinternational uses a unique “three tier management” approach, in which accountability for MRP cascades to successive levels of management. The three tier management approach involves a direct report, the direct report’s manager, and the manager’s manager as shown in Figure 1.

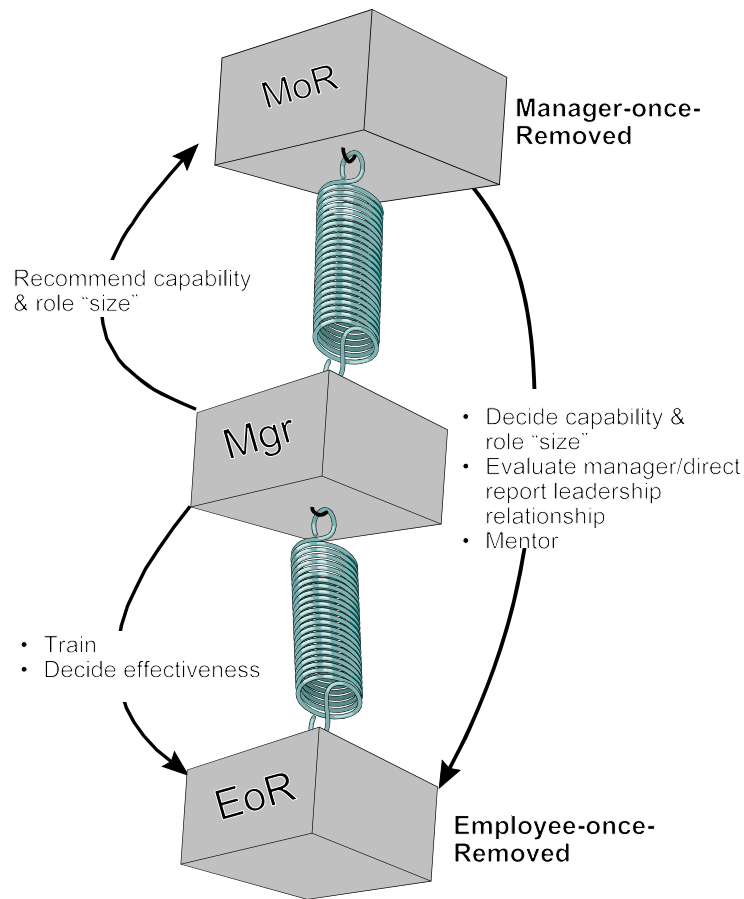


Figure 1—Three Tier Management Concept

Specifically, the process consists of the following steps:

1. Assessing Personal Effectiveness

The manager judges the effectiveness (performance) of direct reports in their current roles. The MoR reviews the ratings for consistency across all managers.

2. Reviewing relevant experience, interests and education

The individual's manager collects this information.

3. Role and Potential Assessment

The MoR decides, with the manager's input, the present and future work complexity (role "size"), and the EoR's current and future capability.

4. Action Plans

Manager and MoR collaborate and decide on EoR development and the targeted recruitment needs to meet business requirements.

- Development needs are translated into specific action plans to develop the individual as identified.
- Action plans are developed to meet anticipated staffing shortages or surpluses.

5. MoR Equilibration

All MoRs meet to review and equilibrate their assessments of the current and future “size” of roles, present and future EoR capability assessment, recruitment and developmental plans (including cross-functional transfers).

6. MoR Mentoring

MoRs meet with EoRs to discuss aspirations and finalize developmental action plans.

MRP Steps

There are five steps involved in MRP.

Step 1: Initial Business Review

Review existing and planned business initiatives, and document their impact on roles, structure, and human resources.

Step 2: Assessment

Assess and document role complexity and human resources capability to meet present and planned initiatives.

Step 3: Design of Developmental Plans

Review the required capabilities, and design targeted training and development plans.

Step 4: Design of Staffing Plan

Establish targeted recruitment or staff redeployment plans for current and future business needs.

Step 5: Ratification of MRP

Review and ratify the data and action plans with the President and Board.

Step 1—Business Review

A COREinternational consultant interviews each senior executive individually to determine

- the current business environment.
- the future business environment.

The result of the interviews is a report summarizing the impact critical business initiatives have had and will have on executive, managerial and functional skills.

Step 2—Assessment

The Assessment step is a cascading process involving the MoRs and managers. Each part of the cascading process involves two meetings, with a COREinternational facilitator.

Meeting 1—MoRs and Managers

The purpose of meeting 1 is to

- examine all EoR roles and establish the current and planned role complexity.
- review of all EoR current and future capability.
- identify of high-potential candidates.
- discuss developmental plans, particularly role transfers.

Meeting 2—MoRs

The purpose of meeting 2 is to

- review EoR role complexity and capability assessments.
- ensure EoRs are equilibrated across the organization (in terms of role complexity and human resources capability).
- review and ratify role transfers, particularly cross functional transfers.

The result of the assessment step is a complete documentation of role “size” and capability assessments indicating who is capable of moving, how high, and how quickly.

Step 3—Design Developmental Plans

The MoR, with assistance from a COREinternational consultant, formalizes an Individual Development Assessment & Action Profile for each employee. An example of this form is shown in Table 1; however, COREinternational may suggest using existing forms, or will modify the terminology as applicable to suit each organization.

The result of this step is a full set of data that can be used to develop the recruitment and training plans.

Step 4—Design of Staffing Plans

The MoR determines shortfalls or surpluses in staffing requirements (with assistance of a COREinternational consultant).

The result of this step is a specific action plan to meet present and future business requirements.

Step 5—Final Ratification of MRP

The data collected is reviewed with the President.

The assessment, development and staffing plans are reviewed and approved by the President and Board (if applicable). Usually only senior roles are reviewed at this level.

Individual Development Assessment and Action Profile Executive/Senior Management/High-Potential Manager

Name: Joe Bleau
Current Position: Sr Director Operations Transition
Current Capability Assessment: (refer to Exec. Compl Model)
Hire Date: September 1995
Position Start Date: September 1996
Relevant Experience:

Competency/Behaviours	S	D	SD	Position	Company/Division	Years
Direction Setting				Manager/Staff Accountant	XYZ Company	2
Customer Focus & Service				Director, Finance	ABC Company	3
Teamwork and Team building				Corporate Controller	Offshore Finance	4
Development of Others				Sr Director Business Services	Onshore Finance	1
Business Performance Management				Sr. Director Operations transition	Onshore Finance	5 mos
Change Leadership						
Business Process Implementation				Employee Career Interests: (what do they value?)		
Creativity, Innovation & Business Knowledge						
Interpersonal & communication				Manager/MoR Comments: (how realistic and achievable, in what time frame?)		
Personal Balance, Awareness & Dev						

Potential Assessment (MoR Accountability)	Code	Education	Degree/accreditation	Year
HiPo: High potential: able to move up one stratum/level	HiPo S	Chartered Accountant U of T	CA MBA	1984 1979
PRO: Performing and learning, develop in stratum at this time				
Dev: Too early in role to assess potential (less than 1 year)				
Caution: minimum threshold performance; or personal behaviours, are derailers or redundancy/redeployment risk requiring action				

Development Assessment (Mgr Accountability, MoR validates)			
Strengths	Development Needs	Action Plan	Support
Direction setting	Consensus building	Work on communication skills	
Teamwork/Team building	Peer & upper mgt relationship management	Work with personal counsellor re developing relationships	
Change leadership			
Creativity/innovation			

Performance Assessment:	1995: NA	1996: exceeds	Pay Band/Range: 9
Participant's sign off:	Employee:	Manager:	MoR:
Data Communication/Feedback Completed:		Date received by HR:	

Table 1: Individual Development Assessment & Action Profile