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ALIGNING MANAGERS WITH STRATEGIES: MANAGEMENT DEVELOPMENT VERSUS SELECTION

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Several articles have recently been published stressing the importance of matching managerial talent with organizational strategy. These have generally relied on selection to 'fit' the manager to the strategy. This paper proposes the use of management development as an alternate means of achieving manager–strategy alignment. Management development is defined, its role in strategy implementation is discussed, and its benefits and costs are identified. These are contrasted with the costs, benefits and strategic role of selection. It is suggested that choice of alignment method (i.e. management development versus selection) is contingent upon particular strategic, structural, and cultural factors. These contingency relationships are presented as a series of research propositions.

A number of authors have recently noted the strategic implications of managerial staffing and the need to match managers with strategies (Galbraith and Kazanjian, 1986; Herbert and Deresky, 1987; Szilagyi and Schweiger, 1984). Perhaps because it first appears easier and cheaper to find the needed resources than to develop them, proponents of matching have generally relied exclusively on selection as a means of aligning managerial characteristics with strategic demands. Despite the obvious logic of selecting the right manager for the right task, however, critics have noted the difficulties involved in identifying strategic task demands and corresponding managerial characteristics (Friedman, 1985; Gupta, 1984; Kerr, 1982; Szilagyi and Schweiger, 1984).

An alternate method for achieving alignment between managers and strategies is through management development. The role of development in strategy implementation has received relatively little attention, perhaps because its relationship to strategy is more subtle and its outcome less certain. Careful consideration of the implementation task, however, suggests that in many organizations reliance on selection alone is unlikely to achieve the desired manager–strategy match. Under some circumstances, in fact, long-term development efforts may result in more effective matching, as well as strategic benefits not provided by selection (Digman, 1978; Griffith, 1980).

Matching proponents have generally not specified the organizational conditions under which selection is likely to be effective in achieving manager–strategy alignment. The assumption seems to be that selection is the method of choice under all or most organizational conditions. We argue here, however, that the effectiveness of either method depends on strategic, structural, and cultural characteristics of the firm. The objectives and outline of this paper are: (1) to define the essential roles of management development and selection in strategy implementation; (2) to compare their use in aligning managers with strategies; (3) to identify the specific conditions conducive to the use of each method in the implementation process.

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THE ROLE OF MANAGEMENT DEVELOPMENT IN IMPLEMENTATION

While management development provides an alternative method for obtaining manager–strategy alignment, its strategic role has generally not been examined in the implementation literature. The following discussion defines management development and the activities that comprise it, and describes how it affects the strategy process.

Defining management development

We define management development as a process through which the manager's value to the organization increases based on the acquisition of new behaviors, skills, knowledge, attitudes, and motives (Wakabayashi, 1980). While socialization is an important outcome, the development process is broader in scope, including training, education and exposure as primary objectives. It is future-oriented and assumes a relatively long-term relationship between organization and individual. The following discussion focuses on the components of development that are most relevant to strategy implementation. These include succession planning, mentoring, and formal training.

Succession planning

Succession planning can be defined as the systematic management of mobility patterns in an organization. Its short-term objective is to provide a rational response to planned or unanticipated vacancies by maintaining a detailed inventory of the organization's managerial resources (Reid, 1977; Revelle, 1979). Its long-term objective is to insure the availability of skilled managers by specifying the sequence of training and development experiences needed by designated individuals to realize their potential (Walker and Armes, 1979). In some plans individuals are matched with specific target positions early in the sequence, thereby providing a high degree of structure to the development process (Carnazza, 1982). In others the goal is simply to build a skilled and versatile management pool; specific assignments are deferred until later (Leach, 1980).

Detailed studies by Carnazza (1982) and Friedman (1985) suggest that an effective succession system begins with a strong planning staff, control over staffing decisions, and overlapping membership in human resource and strategic planning groups. Informational components consist of a centralized manpower inventory containing performance appraisal data, promotability ratings, and individuals' career aspirations. Effective succession systems formally identify 'high potentials', their individual development needs, and an explicit plan for addressing those needs. The development plan typically specifies in-house training and career pathing, i.e. the intentional sequencing of job assignments (Wellbank *et al.*, 1978).

Mentoring

In a mentoring relationship the mentor fulfills a set of career and psychosocial functions that enhance the protegé's progress (e.g. sponsoring, coaching, counseling, protecting). As the protegé advances, the mentor is called upon to use a varying mix of these behaviors depending on the protegé's, career stage (Kram, 1985).

The mentoring relationship evolves through four stages. In the initiation phase the mentor and protegé pair off, the relationship solidifies and basic roles are defined. In the next phase the range of developmental activities widens, centering on sponsorship, enhancing visibility, and the correction of mistakes before they are known to others. The protegé gains confidence in his/her expertise and a sense of security regarding the mentor relationship. In the third stage the separation process begins with a physical break (i.e. a transfer for either mentor or protegé) and/or a psychological break (e.g. the mentor believes support is no longer necessary). Redefinition occurs when, for example, the protegé pairs with another mentor or becomes a mentor to others.

Training

Training consists of a formal instructional process through which the organization imparts to its employees the skills, knowledge, attitudes and social behaviors needed to perform current and future jobs. Management training programs generally focus on one of three broad categories of skills (Guglielmino and Carroll, 1979). Technical skills are those necessary to perform the activities that comprise a manager's area of responsibility and are most appropriate for managers beginning a new career or assignment (Super, 1980). Interpersonal skills are those necessary for managers to work effectively with others and include decision-making, group process, leadership, conflict resolution, etc. (Mintzberg, 1973). Recent attention has focused on conceptual skill programs that emphasize a holistic view of the organization and its environment (Bolt, 1985). These encourage a strategic perspective through exercises in developing and implementing actual corporate objectives.

Many corporations have extensive training operations utilizing internal staff and managers as trainers (Sonnenfeld and Ingols, 1986). Corporate programs can focus on specific technologies, markets and issues, thereby insuring exposure to relevant information. They also socialize employees by exposing them to chosen role models and values.

Management development and strategy implementation

The question remains as to how these development activities affect strategy implementation. The development approach is congruent with the political–incremental view of strategy-making. According to Quinn (1980), this is an 'evolutionary, fragmented, and largely intuitive' (p. 15) process, in which strategy emerges from a series of small decisions over time. Skilled managers guide their organizations toward intentionally vague objectives by taking advantage of opportunities that move them incrementally in the desired direction. While overall strategic direction is set by top management, specific strategies, tactics, and solutions emerge from within the organization as subunits respond to their respective environments. Operating managers interpret and utilize statements by top management as parameters for their own decision-making. Top management selects, refines and melds these responses into a coherent strategic thrust. Thus, strategy takes shape decision by decision. While the process is incremental, opportunistic, even haphazard, it is integrated by the overall logic of the strategist's vision (Lindblom, 1959).

Strategy implementation

In this view of the strategic process, strategy evolves incrementally as people from different levels and departments generate and interpret relevant information (Daft and Weick, 1984; Mintzberg, 1978). While the rational–comprehensive model views managers as deciding the strategy and delegating its implementation (Bourgeois, 1980), the political–incremental model views managers as acknowledging and legitimating the strategy after it has gained definition and momentum (Smircich and Stubbart, 1985).

As discussed by Quinn (1980), implementation consists of the processes through which the organization comes to understand, accept, and commit to its strategy. In this context, implementation depends on the free flow of information so that a wide range of managers can clarify their understanding and participate in the development of the evolving strategy. It depends on consensus built upon shared perceptions and interpretations of events, and on resolving conflict effectively. Implementation requires that political and power relationships are balanced so that authority and resources are not withheld from developing strategic initiatives. There must be structural and resource flexibility so that unanticipated events can be exploited. In short, in the political–incremental model, implementation consists of those processes that allow individuals to participate in strategy development and to negotiate their political and social roles (Quinn, 1980).

The role of management development

It is our contention that management development influences three essential components of the implementation process—flexibility, communication, and cohesion.

Flexibility. According to the incremental view, a strategy evolves through trial and error, top management must be able to take advantage of unanticipated events that move the organization incrementally towards its objectives (Lindblom, 1959; Quinn, 1980). Flexibility is a function of the range of responses available and the speed with which they can be mounted. Management development contributes to flexibility first by creating slack or redundancy in managerial resources (Huse and Cummings, 1985). As a result of training, mentoring and career pathing, the organization should have available a pool of well-trained and versatile managers (French, 1986; Hunt and Michael, 1983). Top management may be able to pursue opportunities that might otherwise be lost due to a lack of specific experience or general managerial talent. Management depth should also allow more rapid response, as well as a wider range of possibilities. Resistance to change may be lessened because new initiatives do not drain scarce talent from existing activities (Miller, 1978; Pinder, 1981).

Rapid response should also be facilitated by the presence of credible champions with whom new initiatives can be identified. Such individuals serve as focal points for the information, authority and resources necessary to pursue an idea (Maidique, 1980; Quinn, 1979). Development should increase the likelihood that the organization will have champions identified and available to play this role. Mentoring, in particular, can result in managers who have the track record, visibility and sponsorship to quickly marshall resources with a minimum of political resistance (Hunt and Michael, 1983).

Development can also provide flexibility through its influence on managerial values and attitudes. Training and career pathing result in managers that view learning, movement and change as normal aspects of their jobs (Wexley and Latham, 1981). This allows rapid response and encourages the application of existing organizational strengths to new areas of opportunity (Edstrom and Galbraith, 1979).

Communication. According to the incremental model it is through communication that top management first senses strategic needs and opportunities (Quinn, 1980). Top management communicates its vision downward in order to stimulate and shape the incremental process. Communication flows upward as proposals and new information define the evolving strategy. Communication flows across the organization as people interpret and influence the strategy process. It is through participation in this wide-ranging dialogue that people come to understand and commit to the strategy.

Management development can influence communication first by providing an alternative information system. Through career pathing and mentoring, managers tend to develop wide circles of professional acquaintances that can function as personal communication and problem-solving networks (Edstrom and Galbraith, 1979). These networks comprise an informal organization structure that increases the efficiency of the formal organization (Pinder, 1981; Pinder and Das, 1979). Mentoring helps to integrate the vertical divisions by providing a rich communication medium between superiors and subordinates (Kram, 1985).

Career pathing and training also facilitate communication by imparting similar socialization histories and a common language (Pinder and Das, 1979; Wellbank *et al.*, 1978). As a result, managers from different parts of the organization are less likely to face radically different frames of reference or goal orientations when working together. Personal contacts and experiences in other parts of the organization contribute to norms of cooperation and exchange (Edstrom and Galbraith, 1979).

When information flows easily among managers, solutions are likely to be achieved and conflicts resolved more rapidly and with greater satisfaction. Because managers from different areas share a common history and language, more diverse groups can participate in solving a wider set of issues. As a result, solutions may be more imaginative and of higher quality. With more people participating in the process of shaping strategy, there should be better understanding and more rapid acceptance across a wider management group.

Cohesion. Before commitment can develop, managers must reach a shared understanding of the strategy and its implications. The chaotic testing stage must evolve into a period of consensus and commitment. In the incremental model the strategy-making process depends on management's ability to coalesce around an emerging strategic vision (Quinn, 1980).

We contend that management development affects cohesion primarily through its role as a mechanism of socialization. Training and orientation sessions can be used overtly for socialization and exposure to the organization's espoused values (Feldman, 1981; Wanous, 1981). Career pathing homogenizes managers' experiences and reduces the tendency to identify with divisions and subcultures rather than the total organization (Edstrom and Galbraith, 1979; Pinder, 1981). Mentors function as role models that personify the organization's managerial ideals (Weiss, 1977). Development activities collectively contribute to a sense of community based on common language, experience, and values. The stronger the feeling of belonging to a social, as well as economic, entity, the more powerful the normative pressure to conform (Asch, 1952; Hackman, 1976).

Cohesion influences strategy implementation primarily by affecting the level of management commitment. Where managers share history, language and goals, they are likely to identify strongly with the company and view their jobs as careers (Lewicki, 1981). They should, consequently, have a strong motive to make the strategy and the company successful.

We would argue that the presence of a highly cohesive and committed management cadre is a significant strategic tool. In the early stages of the strategy-making process, top management may be able to move more quickly and more widely than in situations where support has to be negotiated issue-by-issue. With fewer critics waiting to take advantage of false starts, experimentation is likely to have less risk. Fewer conflicts should result in faster response and a smoother flow of information and resources in support of new initiatives. Talented managers may be more willing to leave their current assignments and take on risky start-ups or turnarounds. In later stages it should be easier to gather support for an emerging position and to achieve consensus.

Management development and manager–strategy alignment

We have so far discussed the general role of development in implementation. We now consider the specific problem of aligning managerial resources with strategic demands. From the perspective of the political–incremental model a manager's ability to implement a particular strategy would depend on the degree to which the manager has the managerial and organizational skills to pursue the strategy, the degree to which he/she understands it, and the degree to which he/she is committed to it.

Training develops managerial skills through direct company-specific instruction and general educational experiences (Guglielmino and Carroll, 1979). Career pathing helps create an awareness of functional and divisional interdependence as managers learn to consider the effects of their decisions on other parts of the organization (Carnazza, 1982; Wellbank *et al.*, 1978). Mentoring introduces protegés to the political and social aspects of organizational functioning (Kram, 1985). Through their mentors they can receive the sponsorship and credibility they need to get things done (Zey, 1984). They become more effective implementors as they learn to 'work' the system to accomplish their goals (Hunt and Michael, 1983; Kram, 1985). We argue, in other words, that a primary way in which development aligns managers with strategy is by providing the manager with the organizational and political sophistication necessary to be an effective implementor.

We argue further that understanding and commitment to the strategy should be increased through participation in the strategy-making process (Quinn, 1980). By socializing the manager, providing a common language, a network of acquaintances and a mentor, management development can increase the manager's access to the flow of ideas and information. This should allow for greater questioning, clarification and influencing of the evolving strategy and of the manager's role. As a result the manager would come to understand the strategy's implications for his/her own decision-making. Commitment is likely to increase as the manager resolves doubts about the strategy's implications for the company and for his/her career (Walton, 1985). As a participant in the strategic process the manager is more likely to take responsibility for the outcome (Steers, 1977). With greater understanding and commitment the manager becomes a better match with the strategy's requirements. In effect, the manager is encouraged to grow into his/her strategic role by participating in its design. Thus, alignment should occur as a natural result of the development process.

Some caveats regarding management development

It is also worth noting that management development may entail significant costs to the organization. Most important is the over-socialization that can occur as a result of an overly zealous development program. While the socializing effects of development have been described as generally beneficial, the resulting cohesion and pressure for conformity can also serve as a basis for excessive control and manipulation (Janis, 1982). From a strategic standpoint the danger of such conformity is that it may inhibit the testing and experimentation necessary for strategy to evolve. It may also stifle individual idosyncrasies that can result in useful innovations.

A related concern stems from the frequent association of management development with the practice of promotion from within. Once an organization has established a development program, it is likely that promotional norms will emerge discouraging the hiring of outsiders. After all, promotions represent critical learning opportunities, while development activities contribute to cohesion and a sense of community. It may be logically inconsistent, and even a violation of implicit norms, to commit to internal development and still hire from outside. For firms that depend on new employees for fresh input, an extensive development effort may be incompatible with strategic or competitive needs.

From a practical perspective it is important to recognize that the effectiveness of a development program is heavily dependent on other subsystems. Without accurate performance appraisal, for example, the high-potential individual that would most benefit from development may not be recognized and included, while lower-potential managers are (Campbell *et al.*, 1970). This lowers the credibility of the development effort and the willingness of senior managers to participate. Development programs are similarly dependent on recruiting and selection to attract and identify high-potential individuals in the first place. Evaluation and reward systems must be responsive to the dynamics of the development effort as well. They must be flexible enough to account for the fact that managers may be moved out of positions that they have mastered and into positions where their performance will be substandard for a period of time. Coordination of these interdependent human resource systems may require a high and costly level of administrative effort.

Development programs are also dependent on the time, effort, and commitment of senior management (Carnazza, 1982). These managers must be willing to serve as mentors and role-models, to teach and spend time with junior people. They may be called on to give up a valued subordinate and take on one they know little about. Perhaps most difficult (especially in periods of poor performance), they must be willing to tolerate suboptimal assignments in the short run in order to provide development opportunities for junior managers.

Finally, it must be realized that management development programs are long-term investments that will take years to pay off. Carnazza (1982) estimates that a new program takes at least 5 years to mature (i.e. to produce its first 'crop' of managers). Even at that point it may not yet be clear that the organization has received a tangible return on its investment.

THE ROLE OF SELECTION IN STRATEGY IMPLEMENTATION

Whereas management development consists of a range of activities and broad objectives, the purpose and scope of selection are more specific. Selection is a technique through which individual traits and abilities are matched with the particular requirements of a given job (Dunnette, 1966). It entails the accurate measurement of two distinct sets of variables, those relating to the job and those relating to the individual (Cascio, 1987). The focal job is first defined in terms of its critical task components and their relative importance. Requisite traits and abilities are inferred from the tasks, and the extent to which these are present in applicants is measured (Flanagan, 1951). Selection makes the assumption that both sets of variables, individual and job, are essentially stable, i.e. once made, the match remains valid for some period of time (Dunnette, 1966). Thus, the technique focuses on current abilities and job requirements rather than on expectations of change in the future.

Selection and strategy implementation

The idea of using selection to match managers with strategies is congruent with the rational–comprehensive model of strategy-making (Fredrickson and Mitchell, 1984). According to this model, strategy is the product of a formal planning exercise in which top management formulates long-term objectives based on analysis of environmental conditions and organizational capabilities (Bourgeois, 1980). Objectives and policies are broken down into subgoals, each of which is delegated, as an action plan, to an appropriate organizational subunit. The planning process results in a hierarchical goal structure in which multiple subgoals combine to form the organization's overall strategy (Richards, 1986).

In the rational model, strategy implementation is viewed largely as a structural problem that is addressed by achieving congruence or 'fit' between the organization's strategy, structure and managerial systems (Hamermesh, 1982). Organization structure is designed to correspond to the hierarchical goal structure (Richards, 1986) and serves to channel appropriate authority, resources and information to those departments charged with strategic subtasks (Hrebiniak and Joyce, 1984). Control and reward systems focus managers' attention on strategic objectives and provide behavioral and attitudinal incentives that support the strategy (Kerr, 1985; Lorange, Scott-Morton and Ghoshal, 1986; Stonich, 1982). Information-processing mechanisms provide the necessary level of integration and coordination (Galbraith and Kazanjian, 1986). In short, the rational model views strategy as the primary determinant of organization structure and process, and the implementation task as essentially one of architecture and design.

The role of selection

In this model, top managers implement strategy by manipulating the context in which managerial activity takes place (e.g. structure, rewards, controls, etc.) (Galbraith and Kazanjian, 1986; Hamermesh, 1982). Execution is mainly left to subordinate managers who are responsible for particular subgoals. Selection of the most effective subordinate, therefore, is one of top management's critical contextual decisions (Leontiades, 1982).

Valid selection techniques can provide a number of strategically important benefits. First, and most obviously, selection is a matching technique that can, in theory, bring the most appropriate managerial traits and abilities to bear on a given strategic problem. In a competitive situation the benefits of obtaining a nearly ideal match between a manager's abilities and a division's strategic needs are bound to be significant (Gupta and Govindarajan, 1984).

Second, like management development, selection can contribute to strategic and organizational flexibility. Whereas development provides flexibility by increasing the versatility of a stable group of managers, selection does so by providing decision-makers with access to a far larger pool of managerial talent (Cascio, 1986; French, 1986). Internally, a valid selection process allows decision-makers to consider subordinates they may not personally know. Externally, it allows them to consider outsiders recommended by colleagues or search firms (Ricklefs, 1979).

Development-based flexibility resides in the individual; selection-based flexibility resides in the system itself. This systemic flexibility may be especially important for firms considering entry into unfamiliar competitive areas. To the extent selection allows the firm to 'buy' rather than 'grow' abilities and experience, it should allow the firm to move more rapidly and further from its traditional businesses and strategies than if it were limited to its internal human resources (Olian and Rynes, 1984). Thus, an additional benefit of selection is the support it provides for strategic innovation and change (Fombrun, Tichy and Devanna, 1984).

A third benefit of selection is the objective data it provides for making managerial assignments (Dunnette, 1971). While management development may facilitate integration by encouraging mentoring relationships, collegial networks, and political alliances, it may also introduce significant subjectivity and bias in assignment decisions. To the extent critical task components and individual traits can be accurately measured, selection techniques can provide a relatively undistorted basis for such decisions. While it is unlikely that assignments would be made solely on the basis of selection, objective data may at least serve as a curb on decision processes that are blatantly political in nature (Pettigrew, 1973).

Some caveats regarding selection

Selection requires the accurate measurement of both tasks and individual abilities (Cascio, 1987). When applied at the strategic level, however, such measurement poses a considerable technical challenge (Gerstein and Reisman, 1983). We would argue, in fact, that the applicability of selection to manager–strategy matching may be more limited than has been assumed.

First, in keeping with the rational view of strategy-making, selection models require clear agreement on, and articulation of, strategy. This is necessary if managerial tasks are to be identified. Yet theorists have frequently argued that strategies are often not articulated, or even completely envisioned, by a single individual or group (Mintzberg, 1978, Mintzberg and Waters, 1985). Managers may disagree on goals and means (Bourgeois, 1980), on perceptions of the environment (Dess and Origer, 1987), even on their firms' competitive strengths (Hrebiniak and Snow, 1982). Without general agreement on strategy, there is little basis for identifying and selecting desirable managerial traits.

Selection also requires that: (a) implementation tasks be inferred from strategy, and (b) managerial skills be inferred from these tasks. Given the level of specificity of most selection models, however, it is likely that implementation tasks can be identified only in highly general terms. For example, to pursue a cost-leadership strategy (a frequent strategic type in these models) requires gaining a cost advantage over competitors. Gaining it by installing state-of-the-art equipment, however, implies a very different set of tasks than gaining it through negotiation of long-term supplier contracts. The managerial skills required by each of these courses of action may be as different as the actions themselves. Without greater specificity, selection models generally fail to provide a sufficient basis for inferring task demands or managerial traits (see Szilagyi and Schwieger, 1984, for a review).

The selection approach is also limited by the fact that the strategic component of the general manager's job is, by nature, unstructured, nonroutine, and idiosyncratic (Ackoff, 1978; Mintzberg, Raisinghani, and Theoret, 1976; Ramaprasad and Mitroff, 1984). There is likely to be significant variation, based on differing perceptions, experiences, and skills, in how individuals approach and successfully implement the same strategy (Bourgeois, 1984; Vancil, 1979). Measuring the presence of desired traits and abilities in managers is equally problematic. Of the commonly used selection techniques, intuitive judgement (Cascio, 1987) and performance history (Wissema *et al.*, 1981) are susceptible to numerous sources of bias and distortion, while selection instruments (Ghiselli, 1973) tend to lose validity when applied to specific managerial traits (Campbell *et al.*, 1970; Huber, Northcraft and Neale, 1988; Hunter and Hunter, 1984). Measurement of both job and individual variables is likely to prove far more difficult at the strategic level than for more routine jobs.

Finally, while the selection approach assumes that managers can be reassigned as different strategic behaviors are required, studies of managerial work suggest otherwise. Effective general managers depend on informal networks, both internal and external, for information and influence (Mintzberg, 1973; Kotter, 1982). They function less as individual decision-makers than as key members of top management teams (Hambrick, 1987). The ability to manage the group's decision process, maintain participation, and achieve consensus has been described as an important strategic advantage (Bourgeois, 1980; Dess and Origer, 1987). It is difficult to reconcile this view of the general manager—as a skilled interpersonal actor in a complex web of political, social and economic ties—with the idea that managers can be replaced at will. This ignores the accompanying disruption of social and political relationships that form the basis of organizational functioning.

A CONTINGENCY MODEL

Manager–strategy matching models are based on the assumption that organizational effectiveness is enhanced by aligning managerial talent with strategic demands (Szilagyi and Schweiger, 1984). As noted earlier, however, these models have generally viewed selection as the only available method for achieving alignment. In contrast, we have taken the position that development and selection are alternative alignment methods, each with its own costs, benefits and outcomes. It follows, therefore, that selection and development are likely to be appropriate and effective under different organizational conditions. The following discussion and propositions argue that the effectiveness of each alignment method is a function of its congruence or fit with the organizational context in which it operates. We begin by describing the strategic, structural, and cultural elements that comprise the context, then show

how selection and development are each congruent with different contexts.

Strategy

Leontiades (1980) has used the terms 'steady-state' and 'evolutionary' to describe differences in organizational growth strategies. Steady-state firms grow through expansion of existing businesses or through internally generated diversification into closely related areas. These firms tend to avoid acquisition and merger as a means of growth. Survival is based on the ability to compete in their current businesses. Commitment to these businesses is therefore high, and is manifested in significant investments in physical, financial and human resources. Steady-state firms, in fact, may concentrate in industries where these investments serve as competitive advantages and barriers to new entrants (Porter, 1985). These might include capital-intensive or mature industries, or those that are vertically integrated (Leontiades, 1980).

This strategy depends on long-term commitment to a stable set of businesses and on the efficient coordination of shared resources (Kerr, 1985). The organization should maintain, therefore, a supply of managers who are capable of understanding the future implications and system-wide consequences of their decisions. This, in turn, requires that managers become committed to their own long-term roles in the organization. As discussed earlier, management development contributes to the implementation of this strategy by exposing managers to a wide range of organizational activities (Edstrom and Galbraith, 1979), by transferring important values to junior managers, and by insuring the preservation of distinctive competences (Kram, 1985). By socializing managers, development can provide an important internalized strategic control mechanism that ties the manager psychologically to the organization and peers (Van Maanen and Schein, 1979). We propose, therefore, based on these arguments, that in firms pursuing a steady-state growth strategy, management development will be the more effective and more frequently used method for aligning managers and strategies.

According to Leontiades (1980), evolutionary firms are those whose primary mode of growth is through acquisitions, mergers, and other external activities, often into unrelated areas. The term implies frequent, or even continuous, evolution of their business portfolios. For these companies, survival depends, to a large extent, on choosing acquisitions widely and on divesting in a timely manner. It also depends on the ability to manage divisions without becoming overly involved in their operations. Commitment to these businesses is therefore lower than in steady-state firms where corporate and staff involvement is high and divestment is not regularly considered as strategic option.

This strategy depends on top management's ability to manage the portfolio rather than the businesses that comprise it (Leontiades, 1980). Corporate management, therefore, needs to remain objective when making acquisition, investment, and divestment decisions. Business-level strategies should be influenced less through personal contact and surveillance and more by manipulating the context in which division managers work. Selection contributes to the implementation of this strategy by allowing top management to match strategic needs with a broader pool of potential candidates. Because it is not limited to personnel developed in-house, top management can search more quickly and more widely for new opportunities. By providing broader access to management talent, selection increases the probability that a given acquisition will be successful. Primarily because selection can contribute to management's strategic flexibility, we argue that, in firms pursuing an evolutionary strategy, selection will be the more effective and more frequently used method for aligning managers with strategies.

Based on these arguments, we offer the following proposition:

1. More effective organizations will exhibit congruence between strategic type and alignment method. Specifically:
   (a) effectiveness will be greater for steady-state firms utilizing development to align managers with strategies;
   (b) effectiveness will be greater for evolutionary firms utilizing selection to align managers with strategies.

Structure

To support its strategy, the steady-state firm is likely to develop a structure characterized by a high degree of subunit interdependence (Allen, 1978; Berg, 1973). Internally generated diversification frequently results in closely related businesses that share production, marketing, and even human resources (Pitts, 1980). Managers thus have the incentive and the opportunity to develop and exploit economies of scale and scope. Transactions between units can be complex enough to require significant coordination by corporate management (Lawrence and Lorsch, 1967). The primary organization structure is likely to be augmented by a large staff and by complex coordinating mechanisms that reflect the complexity of interdependence and the need for control (Galbraith, 1982).

As we argued earlier, among the major benefits of management development are its effects on communication and cohesion. Career pathing encourages a wide circle of acquaintances and the development of an informal communication network, while mentoring encourages a vertical information flow (Pinder, 1981; Wellbank *et al.*, 1978). By exposing managers to a consistent set of values, a common language, and common developmental experiences, the development process can function as a powerful integrative mechanism (Edstrom and Galbraith, 1979). We reason, therefore, that in firms exhibiting a high level of interdependence and integration, management development will be the preferred method of aligning managers with strategies.

In contrast, the evolutionary strategy argues against a highly integrated organization (Leontiades, 1980). A high level of diversification means divisions are unlikely to share resources or to exchange outputs. Corporate staffs tend to be small and focus on controls and finance rather than operational interdependencies (Berg, 1973; Pitts, 1980). Frequent evolution results in little opportunity or incentive to develop synergies or scale economies. Independence may be functional in that it allows acquisitions and divestments to be made with no disruption of other businesses. Lack of corporate involvement means top management can remain objective regarding a unit's performance and potential (Kerr, 1985; Kerr and Slocum, 1987).

Given this low level of integration there is little need for cross-fertilization of managers, for wide-ranging information and problem-solving networks, or for a consistent vision of the organization's strategy and operations. Mentoring relationships and socialization, in fact, may undermine objectivity and inhibit flexibility. The absence of interdependencies lessens the need for close coordination and communication. Under these circumstances selection is likely to be more cost-effective than development, and can contribute to needed objectivity. For these reasons we suggest that, in firms exhibiting low levels of interdependence and integration, selection will be the preferred method for achieving manager–strategy alignment.

Based on these arguments, we make the following proposition:

2. More effective organizations will exhibit congruence between level of integration and alignment method. Specifically:
   (a) effectiveness will be greater for high-integration firms utilizing development to align managers with strategies;
   (b) effectiveness will be greater for low-integration firms utilizing selection to align managers with strategies.

Culture

As part of the implementation process, organizations tend to develop values and norms that support strategy (Deal and Kennedy, 1982; Schwartz and Davis, 1981). The term 'clan' has been used to describe an organizational culture characterized by long socialization, powerful norms, and internalized controls (Ouchi, 1980). According to Kerr and Slocum (1987), the clan culture rests on a reciprocal long-term commitment between the individual and the organization. There is close identification and interdependence among peers, and organization members adhere to a broad range of behavioral and attitudinal norms. These values and norms are passed down to younger managers from older ones who serve as role-models. In this culture, cooperation and conformity are more likely to be valued than aggressiveness and entrepreneurship. In firms pursuing a steady-state strategy these attitudes, values and norms are functional and supportive of a long-range, integrated perspective.

As noted earlier, the management development process can function as a powerful means of socialization by exposing managers to specific role-models and values. By homogenizing managers' experiences, development increases managers' identification with each other and with the overall organization (Friedman, 1985; Kram, 1985). Thus, the development process is likely to increase the manager's sense of belonging to a social as well as economic entity, thereby increasing the pressure to conform to its norms (Asch, 1952; Wanous, Reichers and Malik, 1984). In firms operating with a clan-like culture, therefore, we would expect to see a greater reliance on management development as a way to align managers with strategies.

In contrast, Kerr and Slocum (1987) have argued that firms pursuing an evolutionary strategy are likely to develop values that encourage aggressiveness and independence in division managers, and discourage a sense of community or permanence. The term 'market' has been used to describe cultures characterized by few behavioral and attitudinal norms and explicit, quantitative controls (Ouchi, 1980). These cultures rest on a utilitarian relationship between organization and individual in which each commits temporarily to the other on the basis of self-interest, with no promise of long-term loyalty or security (Kerr and Slocum, 1987). In the market culture, superiors serve as controllers and resource allocators rather than as mentors and role-models. Peers exert little normative pressure on the individual, and identification and interaction are relatively low.

We argue that, for firms operating with a market culture, selection will be the preferred method for aligning managers with strategies. Selection does not depend on close association between superiors and subordinates and, in fact, allows superiors to remain distant from an assignment decision. Selection is also not dependent on socialization and the transference of values from older to younger managers. In selection, managers are 'matched' with strategies rather than 'grown' into them. It does not require, therefore, the long time frames and reciprocal commitments of the development process. Selection fits the market culture's emphasis on objectivity, independence, and the avoidance of long-term commitment.

Based on these arguments, we propose the following:

3. More effective organizations will exhibit congruence between organizational culture and alignment method. Specifically:
   (a) effectiveness will be greater for clan culture firms utilizing development to align managers with strategies;
   (b) effectiveness will be greater for market culture firms utilizing selection to align managers with strategies.

SUMMARY AND CONCLUSIONS

This paper has compared the roles of management development and selection in strategy implementation. We have taken the position that each process has distinct costs and benefits and is therefore appropriate for different organizational contexts. Our analysis suggests that selection contributes to strategy implementation by matching managers with task demands. Development also aligns managers with strategies, but does so as part of an integrated pattern of implementation functions.

It is important to recognize that each method derives from a particular view of the strategy-making process and of organizational functioning in general. Selection is congruent with a mechanistic view of organizational functioning in which managerial traits and abilities are viewed as fixed. It is reasonable from this perspective to reassign managers when their skills do not match strategic demands. Development is congruent with a fluid, organic view of organizations in which both managers' abilities and strategic demands are viewed as evolving over time. Yet the objective of both selection and development is to contribute to the organization's capacity to adapt to environmental and strategic change.

We believe there has been an overemphasis on the mechanistic view in much of the implementation literature. This has frequently resulted in limited and simplified approaches to implementation problems and their solutions. (The idea of using selection to achieve a 'match' is an example.) Strategy implementation itself has frequently been treated as merely a more complex set of mechanical relationships. It is hoped that by delineating the complex role of management development in strategy implementation, the role of organizational processes in general may be given greater theoretical recognition. While structure and system design (i.e. the mechanical features) have long been treated as essential aspects of implementation, processes such as communication, conflict resolution, development, socialization, and the management of change have received far less attention from strategy theorists.

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