Some Suggested Implications Of the Product Life Cycle For Public Recreation and Park Agency Managers

John L. Crompton
Department of Recreation and Parks, Texas Agricultural Experiment Station
Texas A&M University, College Station, Texas 77843

David M. Hensarling
Department of Recreation and Parks, Texas Agricultural Experiment Station
Texas A&M University, College Station, Texas 77843

Empirical evidence has been presented elsewhere suggesting that the product life cycle concept may appropriately be applied to municipal recreation and park departments. This concept describes the predictable stages of consumer acceptance through which any product or institution is likely to go. This paper suggests that one of the important implications of recognizing the concept is that each stage of the cycle requires a unique managerial response and strategy. A scenario is provided which describes identifiable differences in the managerial response to each stage. The implications of these differences for recreation and park managers are discussed. Three alternative strategies for securing "best fit" between managerial proficiency and life cycle stage are presented. Keywords: life cycle, recreation, management, organization, development.

The product life cycle is a widely recognized and generally accepted concept in the field of marketing. It suggests that any product passes through a cycle consisting of five stages (Figure 1). These are: (1) Introduction, in which consumer acceptance is slow; (2) Take-off, which is a period of accelerated growth; (3) Maturity, during which growth rate slows down; (4) Saturation, in which no further growth

Leisure Sciences, Volume 1, Number 3
0149-0400/78/1001-0295 $02.00/0
Copyright © 1978 Crane, Russak & Company, Inc.
takes place; and (5) Decline, which may result in Death leading to its removal from the market place, or Petrification, a substantially reduced level of market acceptance which remains constant over a period of time. A variant possibility offered by the concept is that when Saturation stage is reached it is possible to extend the life cycle by a renewed growth spurt, resurrecting the Maturity stage, rather than proceeding into Decline.

In addition to products having life cycles, it has been suggested that institutions also have recognizable life cycles. For example, Davidson et al. (1976) argued that retailing institutions, like the products they distribute, pass through an identifiable life cycle. Specifically, they discussed the life cycle pattern of the downtown department store, variety store, supermarket, discount department store and home improvement center.

Crompton and Van Doren (1976) empirically investigated the appropriateness of applying the product life cycle to the institution of municipal recreation and parks services. Their study considered public recreation and park expenditures from 1909 to 1974 in 30 major cities which together contained 16 percent of the U.S. population. They found that in 24 of the 30 cities examined city recreation and park expenditures, when related to total city expenditures, exhibited a characteristic life cycle curve. The empirical concern of that study was the
life cycle of large city leisure service delivery systems. Nevertheless, conceptually the notion of life cycles appears to be equally appropriate to individual programs, facilities and events offered within a city’s system although the time frame of that life cycle might be considerably shorter.

All organizations and their programs necessarily change over time and adaptation to a dynamic environment is fundamental to survival. The management of change is a major responsibility of all managers. To manage change some conceptual framework is necessary which permits the ordering of complex reality. The utility of the life cycle concept lies in its charting, within broad parameters, of the probable course which change will follow. Awareness of this course facilitates the ability to predict what changes will occur and, hence, to deliberately plan actions which will either modify that course or enable optimal adaptation to it.

Specifically, the life cycle concept suggests that the evolutionary development of a recreation department or of particular components (for example, programs or facilities within the department) will have a determining effect upon selecting the appropriate managerial response required for maximum effectiveness. Personnel selection and placement specialists recognize that some managers are better equipped and more successful at initiating development, while others are more effective at managing an existing department and still others at rescuing an ailing agency. For example, Martindell (1950) states:

The man best fitted to organize a company is not necessarily, or even usually, the man best fitted to run it in the days of its maturity. The initial stage of creation of a company usually requires domination by an individualist who, when the problem changes to that of coordination of the activities of a team of men, is found to lack the requisite qualities for continued leadership. This is no criticism of such men. On the contrary, it defines their area of greatest usefulness and warns that the stage of evolution of a corporation must be examined carefully before we can decide whether the chief executive is actually the type of man to lead and oversee the operation.

Once the department moves into a new stage, the most critical part of the transition is the adjustment of the management behavior of its senior executives. The selection of key personnel requires an understanding of the shift in problems that occurs as the organization moves from one stage of development to another.

In the following sections of the paper, a scenario is presented suggesting the managerial responses appropriate for each of the five life cycle stages, to optimize delivery of services by a recreation and parks
organization. In the Introduction stage, the size of the organization is probably small but it is likely to increase in accordance with the growth of consumer acceptance of its services. As a department moves through its different stages of development, changes of emphasis in managerial response occur between facility and program development, leadership, marketing and financial control. In functional terms, the early stages require skills predominantly related to the recreation technology, that is, those programming, facility and maintenance skills which are the tools through which the recreation and parks system seeks to facilitate a recreation experience. As the department grows in size and reaches Maturity, administrative skills become of paramount importance. However, at this stage the manager's preoccupation with administrative tasks may preclude concern for innovation and change. As the department begins to Decline, there is often renewed awareness of the importance of continual program innovation and renewed emphasis on technology. At each stage, different types and levels of management capabilities, styles, philosophies and methods are required if the department is to prosper. If the requisite management functions are not performed to at least a minimum level of competency, the life cycle curve of the department will accelerate prematurely towards Decline, failing to achieve its optimum potential. "Organizations are born in a climate of excitement and hope, they must survive in a world of test and challenge" (Lippett and Schmitt, 1967). The managerial responses required to meet these tests and challenges at each stage of the life cycle are discussed below.

Introduction Stage

In the Introduction stage, the department reflects the individual in charge; therefore, the personal qualities of the manager are perhaps of equal importance to his professional skills and knowledge. The major goal at this stage is to develop sufficient public and political support to ensure survival. To achieve this, a large number of diverse programs must be offered at a minimal cost to the department. Regardless of the amount of prior planning, the new department faces a tremendous challenge in making the community aware of its existence, in seeking maximum feasible participation in programs, in gaining acceptance of its services by client groups and in creating a nucleus of stable support for its work in the community.

Management is engrossed with developing programs and understanding the market. Much time has to be allocated to soliciting assis-
tance and support for the programs, meeting client groups face-to-face and resolving immediate program problems. There are a wide variety of jobs to be done, with few or no limits on managerial responsibility. Griener (1972) states that "Control of activities comes from immediate market place feedback; management acts as the customer reacts." The manager is "jack of all trades" and does not have the time to plan for future operations, to organize for the attainment of objectives, to think creatively about new programs and services, to plan the motivation of people or to evaluate the results of their efforts. However, these things are not so critical at the outset. The manager must be primarily concerned with the specifics of the business, that is, the potential and appropriateness of the wide range of alternative recreation and park programs and facilities which are available for the department to utilize. Selection and effective implementation of the optimum program and facility mix will do much to determine success.

The manager must address all of the problems of management without the assistance of a specialized staff. The creation and designation of formalized units to perform major functions within the department are probably unplanned and perhaps not even anticipated. Management style may be described as neither well-planned nor controlled; rather it is improvised which gives it a high degree of flexibility, heavily reliant on intuition and experience. The director communicates directly with all members of the organization, not only department heads. The organizational structure of the department is kept as simple as possible. It is typically "shallow" with only one level of management, or at most two, between the director and face-to-face workers. The organization is more impulsive than cautious. It is apt to be flexible, erratic, and utterly dependent upon immediate resourcefulness. It knows few systems or procedures. Lines of authority and responsibility expand and contract, shift and waver around individual managers . . . adaptability, flexibility and opportunism are the organization's key to survival . . . the organization depends on the choice and resourcefulness of one man . . . he seldom delegates well. He seldom uses sophisticated systems and refined methods of control (Rohrer, Hibler and Replogle, 1969).

The criteria against which success is gauged include growth in users' increased awareness by the community and level of salary and remuneration to departmental staff, which is indicative of the value which the community places on the service. Ultimately, success will be measured by the extent to which public support is forthcoming in voting additional resources and manpower essential for the move forward into the Take-off stage. The degree of success in securing funds in the early
years effectively determines parameters for budget allocations throughout the life of the department. This occurs because most municipalities have adopted incremental line budgeting as the characteristic fund allocation model. This model implies that a department’s annual budget allocation will reflect what it received the previous year, together with a fair share of any budget increase. For the most part, a department’s resources are allocated in the Introduction stage of its existence and the incremental process then serves to maintain its relative position and importance.

There is a need for careful evaluation of the department’s capabilities and its environment, to discover the source of its resources and on whom it is dependent. The future evolution of the department is sometimes conditioned by the commitments generated by those basic decisions. The level of risk involved at this stage may be substantial and failure to develop and grow will reflect adversely on the manager’s own career record. Political support for the venture may be tenuous, so failure to succeed could lead to termination of the department.

**Take-off Stage**

The dominant characteristic of this stage is accelerated development. This period of rapid departmental growth requires a manager with planning and organizing skills and with the ability to attract high quality personnel to form the backbone of the organization. At the beginning of this phase, the department is operated in an informal, intuitive way. However, job specialization, formal systems and explicit procedures, policies and communication structures begin to emerge. All require a different kind of management and leadership.

Informal communication with employees is no longer adequate; formal channels are necessary. The ability to delegate authority becomes important. The transition from the manager personally doing everything to delegation of authority may be traumatic if he is reluctant to surrender personal leadership. Expanding the organizational structure in the department may breed factions and results in more complicated internal politics. A department’s growth and development may be inhibited because the director does not possess the ability to organize and effectively use a group of lieutenants. This management transition in the department is characterized by movement towards a centralized and functional organizational structure with a senior management style that is directive. The director and other key managers take most of the
responsibility for instituting direction, while lower level supervisors are treated more as functional specialists than as autonomous decision makers.

The most important task in this stage is to create the form and structure of the organization. The rapid growth will place a strong functional emphasis on management to establish financial, budget, scheduling and control systems and to secure the necessary funds to facilitate growth, either from the taxpayers or from alternative funding sources. Enough of the innovative inspiration and persuasiveness, characteristic of management in the Introduction, must be retained to appeal to both the taxpayer who provides the money and the prospective client groups.

The initial aura of excitement, creation and challenge may have dissipated. New employees may not exhibit the intense dedication to the organization which was characteristic of the original employees. Problems of training and retraining personnel, developing esprit de corps, stabilizing a core clientele and developing a long range plan become of increasing importance near the end of this stage.

**Maturity Stage**

This stage is characterized by a move towards stability in organizational structure. Emphasis has now changed from problems of survival to the coordination of complex and interrelated systems for maximum performance. It is important to recognize at this stage that future success is dependent upon the ability to anticipate tomorrow’s needs rather than the ability to meet the present requirements of target markets. Therefore, concern is with the long-range planning necessary to insure long-term growth. Essentially, management requirements are an extension of those initiated in Take-off, viz., the development of professional management skills; the capability to attract, organize and effectively supervise increasing numbers of personnel; and the ability to manage large budgets to meet the growth requirements of the organization.

At this point, the department has grown so much that the director no longer knows everyone personally. Specialists in areas such as the arts, sports, maintenance, special populations, etc., are required to enable the department to be effective. Formalization procedures have developed reducing dependence on the personal attributes of the director by making supervision more routine and by externalizing discipline and incentive. The structure based on personal relationships has now been fully transformed into a structure which provides a logical division
of functions involving a hierarchy of delegation and control. The man has been replaced by the system. The director and senior management devote a large proportion of their time and attention to running the internal organization. Accounting systems must be efficient, more regularized budgeting procedures implemented, and incentives and work standards adopted. The use of appropriate management techniques enables the manager to operate through controls, so the status of particular programs can be assessed and modified if appropriate.

The movement towards delegation of responsibility initiated in the Take-off stage has now been completed. With this responsibility must go the commensurate authority. Once the delegated decision has been made, there should be no interference. The change from the Introduction stage should be complete. The manager must understand group dynamics, learn how to motivate, provide systems of incentives and evaluate and fulfill individual and group needs for both formal and informal organizations.

Lower-level employees may begin to find themselves restricted by a cumbersome and centralized hierarchy. As a result of their face-to-face contact with users, they come to possess more direct knowledge about user desires and program effectiveness than the director or senior management. Consequently, they face the dilemma between following procedures or taking their own initiative.

Saturation Stage

When a department enters this plateau stage, the organization is likely to stagnate and head for Decline unless alternative action is taken. People in the organization may be expending minimum effort on their work and failing to optimize their potential. Feelings of being a "cog in the machine" increase. Most of the daily work may be routine without any new decisions or initiatives necessary. The pattern may be one of conformity to tradition, with motivation maintained at a minimum level and most efforts directed towards stability rather than towards maximum productivity. There is a danger that, feeling secure and not threatened, managers become defensive or disinterested when criticized. Management may have come to regard the survival or growth of the organization as an end in itself forgetting its raison d'être, which is service to the community. Since the typical line of command is too long, decision makers often receive distorted and fragmented information. Emphasis is on providing standardized packaged programs rather than providing solutions to people's needs.
A variant possibility may be induced into the life cycle at this point (Levitt, 1965). Levitt suggests that the life cycle could be extended by renewed growth, resurrecting the Maturity stage (Figure 1). However, change and a restructuring are essential to facilitate the resurgence. For this to be achieved, the organization should make it possible for every person to work individually and intelligently towards the common goal (Drucker, 1973). This requires a style of management based, not on directives and controls from above, but on setting objectives, creating a margin of discretion to achieve these objectives and providing for the possibility of self control. This involves a rethinking of the whole organization with a decentralization to bring management decisions closer to the consumer. It will also mean the implementation of an organizational structure best equipped to meet market needs and the reallocation of resources to optimize delivery of services.

Many recreation and park departments are currently being restructured with decentralized units which function independently within delineated parameters. Kraus (1972) has documented this trend. In many cities, greater responsibility is being given district supervisors to hire and assign personnel; to establish local priorities with respect to programs, facilities, equipment and supplies; and to develop cooperative relationships with neighborhood organizations and residents. This eases the frustration of employees at the face-to-face level who felt restricted and demoralized by the centralized hierarchy. However, many times directors do not centralize, although they understand intellectually the need and even establish the organization mechanics to do it.

An additional management skill required in this phase is marketing expertise because a plateau position requires reliance upon repeat business. A reappraisal of market needs and opportunities is important to provide direction for new programs and thrusts. Without them, the repeat business will fade away and so will the department slowly fade away.

Thus, the critical issue in this phase is whether management can face up to the constant need to monitor, review, evaluate and improve, moving up from the plateau and out of Saturation back into Maturity, or whether they fail to do this and move inevitably towards Decline.

Decline Stage

The Decline may occur because of drastic changes in consumer demand or changes in the general economic environment. Alternatively, it may also be attributable to managerial obsolescence. This arises when the
technical and professional development of the management team falls below the level required for effective performance. Whatever the reason for a department entering Decline the warning signs are plentiful, but they tend to be ignored.

Most ailing organizations have developed a functional blindness to their own defects. They are not suffering because they cannot solve their problems, but because they cannot see their problems. They can look straight at their faults and rationalize them as virtues or necessities (Gardner, 1965).

Change is frequently met with deep-seated resistance. This is understandable for it endangers the substantial existing investment in technical competency, experience and good will. Change is always risky, usually uncomfortable, often painful. There is a temptation to be conservative; however, failure to change is usually a greater risk than change.

Once Decline has commenced, two managerial responses may be appropriate in attempting to arrest the demise. If rejuvenation of the department is sought, then the managerial response required will be similar to that of the Introduction stage, i.e., innovation, a detailed knowledge of recreation technology and concern with developing a different direction for the organization. The alternative response is more efficiency, aiming to prolong life by improving the quality of service and budget efficiency, with little sympathy for the past history or traditions of the department.

Implications

This paper has sought to provide a scenario of managerial responses required for each stage of a recreation institution's life cycle. It is suggested that the appropriate role of management is influenced by the evolutionary stage of the department itself and that management philosophy, methods and skills should change accordingly as the department progresses through its various stages of development. Greiner (1972) states:

Every organization and its component parts are at different stages of development. The task of top management is to be aware of these stages, otherwise, it may not recognize when the time for change has come, or it may act to impose the wrong solution.
The continued broadening of the program range offered by leisure service agencies means that more programs are likely to be in different phases of the life cycle at any given time. Each has different problems and opportunities and requires a different managerial response.

Can one man do it all, or are the managerial skills of various stages sufficiently different that different people are required? Swayne and Tucker (1973) state that "the man most effective in getting an organization off to a fast start is the man who is least effective in other phases of organizational development." While this may be overly dogmatic, it seems that there are sufficient differences in the management skills required so that a conscious effort should be made to secure the "best fit" between an individual's managerial skills and life cycle stage of the institution.

Adapting a model suggested by Jolson (1974), it may be perceived that each stage of the institution life cycle requires a manager to pass through four stages of personal development: (1) preparation, because at the onset of any new life cycle stage, the necessary skills and insights are lacking and must be acquired through a training process; (2) development, during which the requisite skills are employed and managerial effectiveness gradually improved; (3) maturity, which is the period when managerial effectiveness is at its optimum level; and (4) decline, which occurs when the institution has moved to a different life cycle stage and demands new skills. At this point the manager effectively re-enters the preparation stage. This personal development cycle repeats for each subsequent stage of the institution's evolution. Thus, "best fit" is attained when the individual is in a maturity stage with proven expertise appropriate to the life cycle stage of the institution.

Three strategies would appear to be available for securing this "best fit" between managerial skills and life cycle stage. First, senior management may realize that their own managerial responses are no longer appropriate and remove themselves from leadership positions and into another organization which is at a different stage of development that better fits their skills. The transition from personal supervision to managerial control in a department is potentially traumatic and may be resolved by a change in senior management. However, the replacement by a new manager who possesses the required skills may cause a "shock" to the whole system. The impact of this shock and the inherent instability of such a system may cause more problems than it solves.

The second strategy may be appropriate in a large department where the different managerial requirements of each life cycle stage may be reconciled by ensuring that the management team members have com-
plementary functional skills. Thus no change or retraining of personnel should be necessary. However, most recreation agencies are relatively small organizations unable to implement the management team concept and heavily reliant on the skills of one or two key managers. Similarly, when a recreation supervisor is appointed to operate, for example, a community center, there is little opportunity for interaction or complementary skills and the success of the operation depends largely upon that individual’s skills.

The third alternative is retraining, which in many cases is the only pragmatic strategy. When the organization or program has passed on to another phase, the manager has to go through a new personal preparation phase to gain the required skills. This should involve a formal training program. If the process is to be efficient, management training should come through training rather than “on the job.” However, retraining assumes motivation and flexibility to remove “trained incapacity” and without that motivation it will not succeed.

As new problems emerge as a function of the department’s evolution, individuals whose ways of thinking and responding served the organization well in an early stage may be ill-fitted for the new task. Characteristically this is not so much a matter of technical knowledge as of attitudes and habits. These shape an individual’s outlook and orientation to the job, resulting in a distinctive pattern of emphasis and judgment. The more firmly set the personal pattern—a condition that may be highly desirable during creative periods of organization development—the less adaptable is the individual (Selznick, 1957).

It is important to recognize that the life cycle model is a useful representation rather than a rigid description of every department’s historical evolution. Neither the length of the cycle nor the length of its various phases are fixed. In addition to the life cycle stage, optimal managerial behavior will vary according to a number of other factors, particularly external forces. Nevertheless, the life cycle model does appear to offer an additional dimension to understanding managerial requirements and to assess personnel needs in recreation and parks.

References


