

Strategic Planning In Public Higher Education: Management Tool Or Publicity Platform?

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ABSTRACT

This study extends previous research through analysis of strategic plans of eight universities in a state system to determine if the strategic planning process and the plans meet basic strategic planning precepts. Additionally, one of the universities' plans is more deeply investigated for further insight into the quality of the process and the plan. Our conclusions are consistent with those of previous research that strategic planning is not utilized in higher education to its fullest benefit in accordance with strategic planning concepts or in a manner designed to aid continuous improvement. The weakest link in the plans studied involves a consistent lack of review and analysis that could be used to improve future performance. In fact, we conclude that strategic planning in higher education appears to be serving a purpose other than a management technique designed to guide administrators in directing their organizations to become more effective and efficient. We further conclude that the strategic planning document is considered the end and not the means of an improvement strategy. Our research points to management motivations grounded more in external influence and/or to simply comply with accreditation checklists. Results of our study shed light on how administrators, legislators and state regulatory agencies can improve strategic planning in public higher education.

INTRODUCTION

It is undisputed that strategic planning is critical to setting organizational goals and objectives to provide management with the necessary guidance to operate the institution effectively and efficiently. Strategic planning is also vital to the organization's continuous improvement and sustainability.

The benefits of strategic planning accrue not only to for-profits, but also to government and non-profit organizations. Industry has been in a globally competitive environment for several decades. For-profit companies have been able to remain viable and competitive through effective strategic planning and implementation of continuous improvement strategies such as lean thinking and total quality management (TQM) techniques.

For several decades, public universities have suffered from criticism of rising costs and declining quality (Immerwahr, 2004; Symonds, 2003). Tuition and fees are rising at about double the rate of healthcare (Callan, 2008). In the last decade alone, tuition and fees of public universities have risen 72% compared to only 29% for private institutions (Tseng, 2012). In the process, public higher education has essentially become big business. Even small regional public universities have revenues of \$100 million or more (NCES, 2007).

The techniques used in private industry to become more effective and efficient could be used in higher education, but are often not understood (Comm & Mathaisel, 2005). While higher education often eschews business techniques, Rowley, Lujan and Dolence (1997) argue universities are no longer immune from the outside world and strategic planning is an effective tool for setting a direction that enables success. Furthermore, strategic planning is the first phase of strategic management, a business technique that is emerging as a tool recognized in higher education (Chance & Williams 2009).

Universities develop strategic plans to address issues of rising costs and quality, but there has not been improvement as the above data indicate. Given the importance of strategic planning to all organizations, why is strategic planning in higher education not producing the desired results? Are the plans not well developed? Are the plans not properly implemented? Are the strategies inappropriate? Are improvement techniques not understood?

This study extends the planning idea of Chance and Williams (2009) through analysis of strategic plans of universities in a state system to determine if the strategic planning process and the plans meet basic strategic planning precepts. Secondly, the study reviews in depth the strategic plan of one of the universities in the sample to develop further conclusions concerning university strategic planning. The purpose of the study is to shed light on university strategic planning as a means to assist universities to improve their management and results.

TRADITIONAL ELEMENTS OF STRATEGIC PLANNING

Strategic planning is the initial step in the assessment process. Without assessment, improvement in operational processes and results is problematic. Through assessment, organizations of all types develop the potential to become learning organizations. Obviously, strategic planning is more than a plan developed by senior management for others to implement. Rather the process is a collaborate 'action road map' structured to guide the institution's ongoing process that questions the status of current initiatives, changes in the environment, initiates new learning criteria and adjusts the guidance as new information becomes available (Chance & Williams, 2009). The basic elements of strategic plans are captured in three major steps: strategy formulation, implementation and evaluation. Each step is generally recognized to include important considerations and must be aligned with the institution's practice and outcomes measurement (Chance & Williams, 2009).

Formulation

Essential elements as the foundation of strategic planning are the vision and mission (Morrill, 2010; Pidcock, 2001; West, 2008). However, strategy formulation cannot occur in a vacuum. Strategies must be realistic given the context of the internal and external environment.

The first part of the strategic planning phase is to review the entity's mission and vision for appropriateness. The organizational vision should reflect a consensus of what the entity desires to become in the long term. The vision statement should be short, preferably one sentence (David, 2013). The vision provides the foundation for the mission statement.

The mission statement should explain the organization's reason for being. A mission is necessary in order to properly establish the organization's priorities, objectives, and goals as well as strategies. It should be broad, yet provide direction, and preferably less than 250 words (David, 2013).

Strategies normally are formulated on the basis of input from the management team based on the mission/vision in the context of the current environment. The formulation usually encompasses a resource allocation based on the identified strategic priorities.

Implementation

Implementation is the heart of strategic planning. Evidence indicates higher education organizations can benefit from the integration of the vision/mission-based strategy with practice and assessment (Middaugh, 2010).

The most immaculate strategy without proper implementation is useless. The implementation of strategy requires action, or deployment plans, with identified responsibilities as well as resource allocations related to strategic priorities (Jasinski, 2004; Ruben, 2007). The implementation also includes ongoing environmental scanning and scenario planning, strategic outcomes aligned with individual and team performance outcomes, the creation of continuing assessment, dialogue, reflection and the acceptance for change (Aloi, 2005; Hollowell et al., 2006; Morrill, 2010). Measurable objectives derive from the strategies, and should be related to the mission. Without objectives, organizations can drift without direction. It is critical that the objectives be measureable, realistic, and challenging, but also attainable (David, 2013).

Evaluation

Without measurable and time-limited objectives, the organization's probability of achieving desired results and continuously improving is vastly diminished because it is very difficult to meaningfully evaluate the strategies, their efficacy, and the entity's performance.

A weak link or disconnect between the strategic plan and the outcome assessment of the model results in confusion or inactivity (Middaugh, 2010). Middaugh argues the assessment of administrative effectiveness is much more difficult and time consuming than the assessment of academic units because it is a challenge to create a culture of assessment within the administrative units. Rowley, Lujan and Dolence (1997) note that a proper strategic plan should focus on a continuous process of self-analysis. Obviously, without assessment of results, there is little empirical data to analyze in the context of goals and objectives. Without assessment, there is a reduced probability of learning and continuous improvement.

Individuals within the institution tend to accept their role in the implementation and evaluation of the strategic plan through their commitment and performance. Evaluation of individual performance provides the institutional leaders with the data to determine whether the plan's goals and objectives have been met or exceeded in addition to whether there are shortfalls and rationale for strategic goals not being achieved (Morrill, 2010).

Measureable objectives provide the ability to evaluate results of strategies in an unbiased fashion. Adequate and timely review is critical (David, 2013). The strategic plan should include a framework for monitoring and evaluating progress that represents a closed-loop system allowing for corrective action (Jasinski, 2004; Ruben, 2007).

THE SCOPE OF THIS STUDY

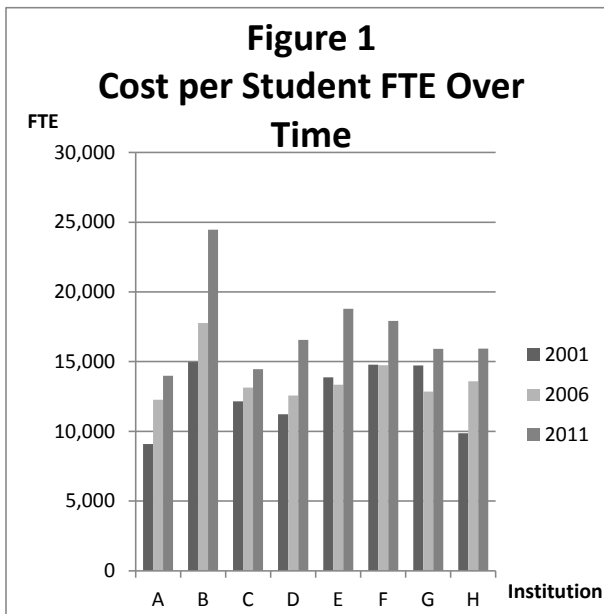
Given the benefit of strategic planning, this study gathers data from a set of system institutions to ascertain elements included in their plans to examine whether the plans are utilized for budget allocations and review. Strategic plans for eight four-year institutions within a university system were retrieved from the institutions' web page for analysis. In addition, financial and enrollment data for the academic years 2001 through 2011 were retrieved from the Integrated Postsecondary Education Data System (IPEDS) maintained by the U. S. Department of Education National Center for Educational Statistics (NCES).

Table 1
Institutional Costs and FTE Changes
Fiscal years 2001 to 2011

Institution	Student FTE ACR Change	Institutional Costs		
		Total	Instructional	Noninstructional
		Annual compound rate (ACR) of change		
A	4.048%	9.158%	11.893%	8.199%
B	4.530%	9.308%	9.323%	9.301%
C	4.847%	7.126%	8.635%	6.523%
D	4.695%	8.610%	9.050%	8.451%
E	4.894%	8.886%	12.002%	7.821%
F	3.399%	5.711%	7.224%	5.228%
G	6.155%	7.530%	8.968%	6.899%
H	3.921%	8.281%	7.552%	8.555%

Note: Average Inflation ACR changed 2.14% over period

The eight institutions ranged in enrollment from a FTE minimum of 1,784 to a maximum of 27,808 with an average FTE enrollment over the study period of 12,644 students which compares to the average student FTE of all the public four-year institutions (Washington Higher Education Coordinating Board, 2012). Thus the institutions analyzed are a mix of small and large complex organizations. The average annual rate of FTE enrollment change is only 4.5% as compared to the annual financial operating cost change of 8.1% (See Table 1). As displayed in Table 1, instructional costs increased at a higher annual rate of change than did non-instructional costs in all institutions except Institution H. When cost per student FTE is compared across the eight institutions, the tuition and fees changed dramatically over time (See Figure 1). The highest cost per FTE (Institution B) resulted from their modest enrollment in higher-cost programs including technology, engineering and the hard sciences.



Strategic Planning Elements Matrix

The traditional elements contained in each university's strategic plan are summarized in Table 2. All of the universities omit one or more of the traditional elements, except for environmental context.

Mission/Vision

Two universities did not include their visions, as such, although there was discussion in the strategic plan about what "will be". Of those that did include a vision, only one university kept it to the recommended length and another had a very wordy vision statement of about 650 words. Two universities did not mention their mission statement. It could be argued that as long as the mission and vision are reviewed for appropriateness and in developing a set of measurable objectives, it is not absolutely critical to include them in the strategic plan, despite the recommendation to do so. All of those with mission statements were about the recommended length.

Planning Process

All of the universities mentioned an appropriate planning process as part of their strategy formulation. Nevertheless, there is no way to evaluate the quality of the process except to measure results.

Measurable Goals/Objectives

University C complied with the measurable objective element completely. However, three universities had no measurable objectives. Another five have some objectives that are measurable, but not all. It is recommended that the objectives flow from the mission and since two universities did not include their mission, it is not possible to make a determination if the mission and objectives are linked for these universities. For the remaining universities, it does appear that the objectives are at least tangentially linked to their missions.

Table 2
Strategic Planning Element Matrix

University	Goals/ Measurable	Action Plans	Goals Linked to Mission	Resources Allocated Based on Strategic Priorities	Identifies Responsibilities and Follow-up	Formal Review
A	6/0	not stated	Partially	Not Mentioned	No	Unknown
B	8/6	Strategic initiatives	No mission	Not Mentioned	No	Unknown
C	34/34	Yes	Yes	Not Mentioned	No	Unknown
D	24/0 ¹	Strategic initiatives	Tangentially	Not Mentioned	In broad terms	Unknown
E	8/5	Strategic initiatives	Yes	Not Mentioned	No	Some ²
F	157/0 ³	Strategic initiatives	Yes	Not Mentioned	No	Yes
G	6/0	Strategic initiatives	Partially	Not Mentioned	No	Unknown
H	38	Yes	Mostly	Not Mentioned	Yes	Yes

Implementation

The implementation element was included within the strategic plans as action plans or strategic initiatives for all universities except University A. However, responsibilities for implementation and follow-up were not identified except for one university and then only in very broad terms. There was no mention in any university that resources were being allocated based on strategic priorities.

Formal Review/Follow-up

Only two universities specifically mentioned a formal review, i.e., evaluation process, although another university alluded to a review based on a system document other than the university strategic plan. There was no mention of any corrective action process that would be undertaken during the multiple years that all strategic plans are in effect. None of the universities indicated that if reviews were undertaken, the results were shared.

Stewardship/Operational Efficiency

A common theme running through all of the strategic plans is a strategy to increase revenues and enrollments. While this is a valid strategy, Bowen's research (1980) reports universities spend all available revenues, regardless of need. Data from other research supports Bowen's theory and, therefore, increasing the revenue base would seem to only exacerbate the problem of rising costs. For example, Greene et al. (2010) used IPEDS data to show that over time increased revenues and government subsidies simply "feed the beast", creating greater and greater diseconomies of scale. Also, stewardship of public funds and the ability to evaluate stewardship is considered important (GASB, 1987). Accordingly, another element included in Table 2 is stewardship/operating efficiency, to determine if universities are recognizing this aspect to management, especially given the decades-long criticism concerning lack of cost containment in universities.

Every university except University C included strategies that dealt with stewardship, financial transparency and/or operating efficiency. However, only two of the universities had measurable objectives that related to this strategy and the objectives were only quasi-measurable.

Figure 1 illustrates the total cost per full-time equivalent student over time in each university and growth over the 11 academic year period in total expenditures. Table 1 displays the annual rate of growth percentage of total budget expenditures for instructional percentages. An analysis of the average expenditures of the eight universities in the sample find less than 30% of all expenditures are disbursed for instructional purposes, which is the primary purpose of the universities. Expenditure choices, i.e., instructional versus non-instructional, made by university management have been questioned in other research and may shed some light on stewardship philosophy. That is, it has been shown that university presidents' compensation is correlated to growth in non-instructional expenditures (Gordon & Fischer, 2014). A serious strategic planning philosophy can assist management in maintaining focus on the university mission.

In order to use a strategic plan as a management tool for continuous improvement, it is critical to have measurable goals, to review and evaluate them periodically, to take corrective action as a result of the review and then to share and disseminate results of the review. The results in Table 2 indicate very little conformance within this university system to the evaluative elements of the traditional strategic plan. Table 2 also indicates that seven of the eight universities in the system have operating efficiency and/or stewardship as part of their strategies. Nevertheless, Figure 1 reflects a decline in operating efficiencies over time for all of the universities in the sample. This is true despite the enrollment growth in all of the universities, as shown in Table 1, which normally provides the ability to develop economies of scale that would reflect a reduction of cost per FTE. Therefore, it would seem natural to question if strategic plans are serving some purpose other than as a management tool.

BEST PRACTICES

While the group of universities as a whole did not comply with strategic planning principles, some of the universities did comply with some of the general principles in select areas. A brief discussion with examples follows.

Measurable Goals/Review

University E does an excellent job of identifying where it is at the time of the strategic plan and where it wants to be at the end of the planning period. Six of the eight goals are discretely measurable, while two are descriptive. Furthermore, University E makes comparisons within the plan between itself and other similarly sized institutions in the region. Additionally, University E mentions formal annual reviews within the university components.

University H has goals and strategies but also lists a series of related "performance indicators." The performance indicators for the most part are not discrete measurements, but do use the term "increase," which enables evaluation, at least to some extent. University H does provide for a formal annual review process.

Table 2 illustrates that University C has goals that are all measurable, linked to the mission or vision, has performance indicators and does allocate resources based on strategic priorities. For example, the strategic plan of University C describes its plan to increase research

funding and productivity and includes a reference to a third party, The Center for Measuring University Performance, as an independent source for metrics that provide insight on how University C is progressing toward this particular set of goals. One of the goals is identified as making University C as at least the 125th ranked in the country in terms of external research expenditures, a discretely measurable goal. University C lists strategies, or action plans, that detail how to accomplish the goal. Finally, University C provides metrics such as monitoring the percentage of faculty with sponsored research programs.

However, University C could enhance implementation of action plans to accomplish its goals through annual reviews of progress toward goals and assigning responsibilities for goal accomplishment. It is possible that University C in fact has a formal review process with assigned responsibilities, but it is not mentioned in the strategic plan itself.

Mission and Vision

As discussed previously, the mission and vision should be of a desired length and focused. University D does an excellent job of describing a vision and a reason for being for this university and does so concisely and clearly.

However, many of University D's goals appear more like action plans rather than measurable goals, although some of the goals listed use terms such as "increase." Nevertheless, University D provides key indicators that provide a basis for measuring results but do not indicate specifically what results are expected.

The foregoing indicates there are universities within this system that are embracing some of the precepts of strategic planning. Unfortunately, no university in the system is adhering to all of the traditional precepts of strategic planning and, therefore, not taking advantage of strategic planning as a management tool to continuously improve and sustain improvement. Furthermore, the critical component of assessment of results appears to be missing as a formal, internal process among all of the universities except for two. However, those particular universities do not have measurable goals, rendering the results of any review somewhat problematic.

University G Case Study- Strategic Plan Content Analysis

The following section analyzes the strategic plan for University G in order to obtain a more profound perspective of the strategic planning process and its implementation within this particular university. Since all of the system universities were deficient in following strategic planning concepts, University G may shed light on the strategic planning process in higher education, assuming University G is typical. This particular university was chosen for convenience due to the authors' institutional knowledge and the ability to obtain additional information.

Strategic Plan

University G is a regional university with six academic colleges. It offers masters and doctorate degrees and has approximately 6,000 students enrolled in Fall 2012.

Mission and Vision

Table 2 indicates that the vision length is reasonable. A portion of the vision statement follows. "University G will be *nationally recognized* as a destination university for *high-ability, flagship capable students*. University G will be the *premier university in [the state]*, offering challenging academic programs and an exciting, personal university experience with smaller classes, service opportunities, and a residential, park-like campus that encourages learning" (p. 1). [*Emphasis added.*]

While the vision statement is admirable, given the economic and academic realities one might question the reasonableness of the vision. As indicated, the university is a small regional university with open admission. In reality, it is doubtful that the university will become nationally recognized, nor attract flagship capable students, nor become the premier university in the state.

In contrast to the reasonable breath of the vision statement, the mission statement is quite long. Much of the statement could be characterized as containing numerous platitudes, rather than a description of the university's reason for being. Since goals and objectives should flow from the mission, it is noteworthy that four of the six major goals can be traced back to the mission of University G. There are two major goals that cannot.

Environmental Context

While not labeled as the environmental context, there is a section of the strategic plan with various challenges and opportunities that are presented. In this section the plan also mentions platitude-like results that will occur.

One statement stands out as extraordinary. The university “will *continue* to be a...*high quality institution with moderately selective admission standards.*” [Emphasis added]. First, there is no evidence that University G is a “high quality institution.” Second, the statement that the university has “moderately selective standards” appears to be highly contradictory given the institution is considered to be “high quality.” Furthermore, the vision statement of the university purports to aim to become the premier university in the state. This seems quite unlikely if the admission standards are moderately selective. However, the facts are that admission denial is relatively rare. Over the last 5 year period covered by the existing strategic plan, according to IPED reported data over 80% of those applying for admission were admitted entrance to the university. Non-IPED data indicated the acceptance rate is actually much higher than 80%. Accordingly, given the high acceptance rates, the moderately selective description does not seem reasonable. Moreover, of those who were accepted by the university, only 50.6% actually enrolled. Given these facts, it does not seem that the vision of becoming the “premier” university in the state is a realistic one that recognizes the contextual reality.

Strategy Formulation

The strategic plan includes a section that describes the planning process. The process, as described seems quite appropriate.

The description includes the use of a “creative ideation facilitator,” presumably a consultant, “from a northeastern university.” The credentials of the consultant are not provided, and the authors have been unable to determine if the consultant was paid.

However, one might question why a consultant was necessary in the first place. University G has two professors in the College of Business that teach Strategy and Policy (neither of which are authors of this study) at the undergraduate and graduate levels, presumably experts in the field of strategic planning. Their combined annualized salaries are approximately \$250,000. Various conclusions might be drawn, but the university may have lost an opportunity to utilize in-house experts on strategic planning. On the other hand, if the university believes their professors unqualified to assist in strategic planning, one would question why the university retains their services as professors.

There were no results provided from the prior strategic plan of University G. However, the previous strategic plan is deemed a “successful implementation” and credited for setting the direction for the current one. Furthermore, it was stated that the previous strategic plan “...outlined a direction that has proven nothing short of revolutionary...” No evidence was provided to support the statement.

Neither this section, nor any section of the plan, included the measurement of goals or objectives, or any formal on-going review. There is no mention of an annual review or of sharing the results. In fact, the university performs no formal review of results related to the strategic plan.

While the planning process as described is quite appropriate, informal interviews with those familiar with the actual process describe a different process entirely. Their description follows. A high-ranking vice president had been placed in charge of the strategic plan and held numerous meetings with the planning team. However, not much progress was actually made. Because an accreditation visit was looming that required a strategic plan as part of that review, an academic dean with an assistant wrote the plan over a weekend, according to those with knowledge of the actual process.

If the process described is factual, it appears as though strategic planning at University G was done more to comply with a checklist for accreditation than as a management tool. Currently, administration at University G is asking for faculty participation on a new strategic plan due to “an accreditation visit next year.”

Measurable Objectives

University G identifies six major goals. None are measurable. No one is identified as responsible for any goal. No deadlines for accomplishment of the goals are mentioned. No resource allocations are made for any goal.

Goals 1-4 can be traced to the mission. Goals 5 and 6 cannot.

Each goal has a list of “strategies.” The strategies listed might be better described as action plans or sub-goals. Of the six major goals, a total of 107 different strategies, or action plans, are developed. While no guideline exists for how many strategies should be associated with a particular goal, 107 is an extraordinary amount to utilize and evaluate.

There is no indication that any of the 107 strategies have actually been undertaken to this point. Undoubtedly some have, but the authors have knowledge that many have not been undertaken in the years subsequent to the strategic plan issuance.

Goal 1 “Teaching and Learning: University G will enhance student success, becoming nationally known for academic excellence in undergraduate and graduate programs” (University G, 2011, p. 7)

Clearly this goal is not measurable in objective terms. Twenty-seven different actions/strategies follow from this goal.

Implicit in an email sent to all faculty from a Vice President at University G is that the term “enhance student success” has taken on the meaning of student pass rates, as opposed to learning. The email listed courses and pass rates with verbiage in the email indicating that University G and specific courses had pass rates that were below average compared to other universities. Within the mail, concern was expressed that certain courses (or perhaps professors) were being viewed as “gatekeepers” by the university administration.

The message seemed to be that the listed courses should have higher pass rates. There was no mention of quality or learning in the email. Given that University G essentially has an open admission policy, it should not be surprising that pass rates may be lower at University G than at other universities with more selective admission standards.

The goal itself, and certainly in the context of the email, seems contradictory. Note that “academic excellence” is a phrase used in the goal. The goal is admirable and measurement strategies are available to determine if student success has been “enhanced” as well as obtaining information on “academic excellence.” However, no measurement of enhanced learning is discussed in the strategic plan. Nevertheless, pass rates are apparently used on a de facto basis by the administration as a surrogate measure of academic excellence.

Accordingly, the strategic plan could be utilized as a management tool if measurement strategies were implemented and evaluated for purposes of continuous improvement. However, if pass rates will be utilized, professors can easily manipulate “learning” by simply passing all students, regardless of performance. Given the contradictions, the lack of measurement and follow-up based on the wording of the goal, one could conclude that this goal and associated strategies are not management tools, but serving some other purpose.

Interestingly, the state system introduced a bonus structure to the university presidents within the system. One of the criteria for earning presidential bonuses is graduation rates. This could promote the idea of obtaining higher pass rates in all courses in order to increase graduation rates, which in turn will increase the university president’s bonus, regardless of actual learning.

Goal 2 “Research: University G promotes excellence in scholarship, research, creative endeavor, and innovation” (University G, 2011, p. 10).

Rather than a goal, Goal 2 seems more like a statement of fact. No objective measurement is described. Seventeen strategies follow, one of which does include the term “increase” which could be used as a valid measureable goal, assuming that data prior to the strategic plan development is available.

One strategy mentioned is to “aggressively seek grant support.” The university maintains an Office of Sponsored Research, which does maintain data on the amount of grant dollars received by faculty. However, no measurement strategies are mentioned which diminishes the power of the strategic plan as a management and continuous improvement tool.

Goal 3 “Service: Serve the community of [the region] and beyond” (University G, 2011, p. 12).

Eighteen strategies are listed. Given the description of the goal and associated strategies there is no way to measure the degree of success of university management in achieving the goal and/or implementing the strategies. Particularly since there is no formal follow-up, the strategic plan is of little value for managing or continuously improving.

Goal 4 “Arts and Culture: Promote the arts and culture on campus and in the community” (University G, 2011, p. 14).

Ten strategies follow the goal. One uses the term “increase” and another does mention the desired size of the expansion of the performing arts center.

Goal 5 “Campus Life: Enhance quality of campus life” (University G, 2011, p. 15).

Twenty-one strategies are included for this goal. Two use the term “increase” providing some ability to measure success.

Goal 6 “Stewardship: Maintain outstanding stewardship of university resources” (University G, 2011, p. 16).

Fourteen strategies are listed. None of the strategies have a component that is measureable.

The terminology “maintain outstanding” is used without any supporting evidence that in fact stewardship has been outstanding. There is no mention of operating efficiency, which could provide objective evidence, especially if benchmarked, of stewardship.

The strategies listed are valid, but there is no evidence that they have been pursued. For example, zero-based budgeting and budget hearings are listed as strategies, but there is no evidence that either have been implemented. Curiously, one strategy is to develop a preventive maintenance schedule for campus buildings. While definitely valid, it would seem a basic management tenet that would have been implemented decades previously.

Strategy Implementation

The strategic plan ends abruptly with the goals. As mentioned, there was no indication of responsibility for implementation of the strategies associated with each goal, a deadline for implementation, or resources allocated to facilitate the implementation.

Strategy Evaluation

As previously noted, there was no mention in the strategic plan for a formal follow-up process to determine the effectiveness of the strategies in accomplishing the goals. Since the goals were not objectively measurable, evaluation would be problematic.

Stewardship/Operating efficiency

The mission of university G does not mention stewardship or operating efficiency. However, admirably, it was included as a goal.

Nevertheless, Figure 1 shows that the university has not been successful in improving operating efficiency over the eleven-year period shown, despite enrollment growth, which should have enabled economies of scale. The university reports as a goal to “maintain outstanding” stewardship of financial resources. With respect to operating efficiency, it is not clear that the university is either maintaining or currently has outstanding stewardship, given the lack of benchmarking data in use by the university. Based on Figure 1, the university appears to be in the middle of the pack, rather than “outstanding” with regard to cost per FTE. Furthermore, Table 1 shows University G with the highest annual compound rate of change in expenditures of all eight universities, approximately three times higher than the compound rate of change in inflation.

DISCUSSION

Strategic planning is proven as a powerful management tool that, when done properly, can enhance the probability of success of any organization. The results of this study of a small sample of universities in a state system find that precepts of strategic planning are not followed in general. While some of the universities in the system are following some of the traditional strategic planning concepts, none are following all of the guidelines.

In order to quantify organizational success, measureable goals must be identified. The strategic plan provides the context and the logic for goals. Once goals are identified, management must close the loop as results get measured against the plan and corrective actions, taken if necessary. These are primordial concepts with respect to continuous improvement and this study demonstrates that universities in this state system are failing to recognize the importance of these basic management principles.

Chance and Williams (2009) found that the universities studied in their research began the strategic planning process on a strong note, but ended weakly. Specifically, they mentioned that there was a pattern of neglect when it comes to assessment. The deeper analysis conducted for University G points to a motivation of strategic planning based on accreditation visits. Obviously, if a strategic planning document is generated mainly to accomplish an accreditation checklist, it might be understandable that no assessment of results is performed. If University G is typical, this could help explain Chance and Williams’ (2009) results, as well as those of this study that indicate limited assessment of strategic planning goals and objectives.

A strategic plan can assist with establishing the institutional culture. If the plan has no means of measuring results nor has an established procedure for follow-up and corrective actions, a culture of non-accountability can be established even if unconsciously. Middaugh (2010) indicated this is especially true in academic and administrative support, which in this study represents an average of 70% of all expenditures.

It has been posited that the current management model is not working in public universities and that a more business-like approach should be taken (Gordon & Fischer, 2011). Comm and Mathaisel (2005) have noted that business philosophies such as Lean Thinking are appropriate for higher education, but that not only do educators not understand these concepts but that the system in higher education often appears immutable to change. This resistance to change is diametrically opposed to the U.S. Department of Education’s call for embracing change through a continuous improvement philosophy (U. S. Department of Education, 2006).

Strategic planning techniques are used in private industry to guide continuous improvement. However, academia has traditionally viewed business techniques with skepticism (Ewell, 1993). Stated even more strongly, some in academia demonstrate a form of intellectual arrogance and even have disdain for business practices (Walker, 1997).

However slowly, universities are initiating continuous improvement techniques. Examples of implementation and successes for universities that have taken a more business-like approach report positive results (Canic & McCarthy, 2000; Dew, 2007; Quinn et al, 2009; Rice & Taylor, 2003).

A lack of leadership by top administration as well as governing boards in higher education has been suggested as a possible reason that accountability has not been promoted to the extent necessary (Breneman, 2008; Lindsay, 2013). Middaugh (2010) noted the lack of a culture of accountability within administrative units. Perhaps this lack of leadership is at the root of the faulty strategic planning process in higher education.

Given that many of the strategic plans reviewed in this study contain elegant and platitude-like statements with little or no ability to measure results, it would appear that the strategic plans may be serving some purpose other than assisting management in continuous improvement. That is, there appears to be a strong element of public relations associated with the plans. Given this observation and since public universities are funded through state legislatures often on the basis of political interactions, the actual utilization of strategic plans by universities suggests a motive of external influence as opposed to internal management guidance.

In fact, studies in propaganda theory indicate that suggestions, or even propaganda, can change perceptions and judgments of target audiences, particularly if the source of the propaganda is prestigious (Lewis, 1941). Presumably, the strategic plans issued by top management of universities represent “prestigious sources”.

CONCLUSION AND RECOMMENDATIONS

Given the lack of adherence to strategic planning principles in the context of many platitude-like and self-serving statements encountered in the strategic plans reviewed, it would seem that the purpose of strategic planning is more focused on public relations, or propaganda. Another explanation of the lack of adherence to strategic planning concepts may be the result of unintended consequences of accreditation agencies that require a strategic planning document and may not evaluate the process or the results of strategic planning in the accreditation process.

We conclude that university administrators are not following strategic planning precepts and using them to foster continuous improvement. Further support of this conclusion is provided by the lack of an organized infrastructure set up by university management for the purpose of follow-up of actual results against planned results in order to determine corrective actions, if needed. This conclusion conforms to that of Chance and Williams (2009).

University G falls short of embracing strategic planning precepts. Their strategic plan is replete with statements that are unrealistic and unsupported, does not include measureable goals, and has no formal review process. A great deal of time is spent on a document that has little use as a management tool. Given the anecdotal evidence that the process is initiated for accreditation purposes, we conclude that University G perceives the plan as the end and not the means to continuous improvement. We further conclude that the plan has a strong publicity element possibly designed to influence external constituencies as opposed to guide management of the university in continuous improvement.

While it is difficult to assess motivation, the results of the analysis of this small sample of strategic plans indicate that strategic planning is being used for a purpose other than management in this state system. Hopefully, administrators and governing boards will appreciate the benefits of strategic planning as a management tool and understand that it can also be utilized as an external influencing document, particularly if it demonstrates continuous improvement through assessment.

Strategic planning and continuous improvement techniques taken from industry have been used with positive results in higher education. The current management model in higher education has not provided the desired results, as shown by previous research, and the possible lack of understanding of strategic planning techniques could be an obstacle to improvement. Governing boards, legislators and regulatory agencies could consider if it is beneficial to require seminars and professional education concerning the proper use of strategic planning techniques and the potential benefits to the university and its stakeholders. We also recommend that accrediting agencies re-consider their accreditation process to include an evaluation of the quality of the process and the results of formal reviews based on the strategic plan.

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