The What, Why and Conditions of Strategic Planning

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Introduction

Many people tend to talk and write more on what is than what should be, how it should be and why it should be. In organizational context in our country, many workers and leaders spend much of their time explicating what takes place in their workplaces rather than on how to look their futures by strategizing the entire business of their practices. Whereas such talk/explication is good in critiquing happenstances, it does not specify what ought to be done, 'right wrongs', or it does not show how the thing is handled or what needs to be done to realize the vision, mission, and goals of the organization. Strategizing practices entails planning by way of giving insights of what, how, and why to do the things we do. This also calls for choosing appropriate planning approach. The current practice of planning approach has come to existence passing through different phases: Scientific planning (during the early 20th century); Planning, Programming and Budgeting Systems (PPBS) (1970s); Management by Objective (MBO) (1970s and 1980s); Operations Research (OR) (1980s); and Strategic Planning (late 1980s to date).

The last phase, Strategic Planning, has been taken today in our Universities as an instrument to look the future in a systematic manner. For instance, Addis Ababa University had formulated a five-year Strategic Plan for the duration 2008 – 2013. The central level plan document was, nonetheless, barely implemented. Internal and external dynamisms threatened the relevance of the document before it was implemented. Beyond its diminutive responsiveness to the new structure that has born out of the design of the Business Process Re-engineering (BPR), the document had some

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limitations. Among others, the way goals and objectives were formulated; the way mission statements were formulated and even the number (15 mission statements); lack of clear demarcation of roles and responsibilities, indicators of success, and resource requirement to implement the plan; mixing 'strengths' and 'opportunities' and the like were among the shortfalls of the plan document.

Specifically, whereas the normal procedures are setting goals and moving to objectives, the approach followed in developing the strategic plan document was the reverse. In principle, objectives are down the hierarchy. They are sub goals set with the purpose to serve goals. Similarly, whereas the document lists 15 mission statements, many of them are, so to speak, either activities or wish lists. Others are either goals or objectives. Other than these, precedence was given to the design and implement BPR, which is under implementation. The BPR in turn resulted in institutional restructuring and in reorganizing some academic units/programs and administrative offices, and revising and updating curricula, guidelines and policies to meet the ideas and ideals of the new design.

Moreover, internal and external dynamisms have demanded responsiveness and flexibility to accomodate emergent issues in and outside the country. Particularly both the the BPR design and implementation, and the dynamisms and developments propel the core processes of the University by way of raising questions like: Where is the University now? The answer to this question leads us to consider the new ideas and agendas inherent within the BPR exercises; the new structural arrangements of the University; the new national Growht and Trasformation Plan (GTP); Highert Education Proclamation No. 650/2009; and others. These still call for considering where the University wants to be in the next five years and how it gets there and how it will measure its successes and failures. By implication, strategic planning has become a necessary exercise for the normal functioning of the University within this rapidly changing, and global environment.

The above issues, as background, reveal serious concerns about our readiness to do the right things right. This artcle, therefore, outlines some

conceptions, the need, and neccessary conditions for starategic planning. It is hoped that the reality of strategizing the business of Addis Ababa University can be inferred and are inherent within the contents discussed herein the article.

Basic Conceptions and Images

Whereas the focus is defining strategic planning within the context of universities; governance, management and leadership (with its images) have also been briefed as they are related to the first. In the first place, defining strategic planning is not an easy task. Though the term has become very popular in recent years in many countries including ours, it is relatively new within educational context (Doherty, 1994). Consequently, different meanings have been witnessed under different contexts and for different purposes. For our purpose, we can view strategic planning as a process of defining the University's scheme of work or direction, and making decisions on allocating the scarce resources we have. The process involves various analysis techniques mainly SWOT (Strengths, Weaknesses, Opportunities, and Threats). Implied within the total process and SWOT analysis are responses to the following basic questions.

1. Where is our University now (its current situation) in terms of the world, African standards, and national demands?
2. Where does the University want to be in the next five years (its vision, mission and goals?
3. How big is the gap between the two (where the University is now and where it wants to be)?
4. What are required to get where the University wants to be in terms of resources (time, manpower, material, finance)?
5. How could it arrive at its destination? (Its plans, programs, projects, activities, etc).
6. Does it really arrive at its vision, mission and goals?

The answers to these questions require both horizontal and vertical environmental scan with a purpose to get awareness and understanding of

the University's internal and external conditions including its governance. This is because strategic planning is basically a critical component and a supportive tool of the top leadership and governance of any institution. As it is true in any organization, governance in universities may take different models: bureaucratic, collegial, political, bicameral, unicameral, tri-cameral or hybrid. Whatever the model followed, the foundation for effective governance processes rests on a clear understanding of the relationship between the assigned governance roles of the different level stakeholders. This context calls for understanding three complementary concepts: governance, management or administration, and leadership. Whereas the word *governance* denotes both the structure and process of authoritative decision making across issues that are significant for external as well as internal stakeholders, *management* or *administration* focuses on the implementation of decisions, and *leadership* refers to the roles and processes through which individuals seek to influence the decisions (Gayle, Tewarie and White ,*2003*).

Above all, leadership within the context of strategic planning is a critical aspect of governance. It is instrumental for initiating and supporting strategic planning and implementations. Leadership, nonetheless, may take different images. Blending anecdote and experience, Lee and King (2001), have distinguished the following eight images of leadership.

1. Learning to lead – one can be an effective leader by studying leadership carefully and practicing what he or she studied. In support of this image, Kasambra (1993) argues that being an effective manager is not a talent, which some people just have and others do not. By implication, leadership is a set of skills and an attitude learned through patience and practice and deliberation.
2. Heroic leadership- Good leaders perform courageous, wise, and benevolent feats that others cannot.
3. Leading from the top- leadership occurs only at or close to the top of an organization.
4. Social script leadership- when it is the proper time for one to lead, he or she will be asked to do so and should gracefully accept.

5. Position leadership – A person with the job and title is a leader, and others will expect him/her to lead.
6. A calling for leadership – This image involves a deeply felt sense of mission, private purpose, and inevitability about the mantle of leadership.
7. A personal vision of leadership – This image is based on rational responses to such questions as Who am I? What do I want to become? How will my organization to fulfill this personal vision?
8. Genetic leadership – The assumption is that some people are born with leadership talents, others not, and only certain people can learn to lead effectively. (Gayle, Tewarie and White, 2003).

Of the images of leadership, the last one is the result of ideology whereby some groups consider themselves as endowed divines to lead. In view of current developments worldwide, such thinking is obsolete and a stripped ambition. Being an effective leader is not a natural endowment or talent which is open for some and close for others. It is rather open for all to be effective leader through learning, practice and deliberations in a favorable and conducive environment. All the images of leadership, nonetheless, in one way or another entail clear understanding of institutional priorities, one's values; and a strong sense of self-determination to progress on the path of strategically planned development. This calls for formulating vision, mission, goals; and identifying values, opportunities and challenges, which are briefed under the heading on 'necessary conditions for the success of strategic planning'.

Question: How do we evaluate the leadership image of AAU in recent years in terms of the above?

The Why of Strategic Planning

Our day is volatile characterized by a highly competitive learning environment. Things are now more unpredictable than ever before. Such unpredictable happenstances demand visionary strategic plan. Universities are pressurized to provide institutional purpose, to clarify strategic directions, to identify priorities, and to exert sufficient control to manage outcomes. If we want to get into the change orbit and thrive, we need to do planning and keep it reviewed, monitored and updated in line with new developments internally and externally. In short, in today's environment, it is impossible to rely merely on traditional ways of doing things.

Though our University (AAU) does not have significant track record in terms of proactively utilizing changes (internally and externally), recently it has taken care of the fact that things are in a continuous state of affairs whereby an "on ongoing execution of 'quick wins' fixing problems that could either not await an extensive planning exercise or were easy to fix without major planning" (AAU, 2008:2). By implication, the order of the steps in the process of planning and implementation can even be altered to suit the particular needs of the University. In this sense, the implementation step does not end the planning process as analysis of results could easily result in additional analysis or a change in strategic direction. This can be done by reviewing on annual basis to verify that all the main assumptions are still valid and that the implementation plan is progressing according to institutional and individual or leadership expectations.

This is in line with the assumption that the future can be anticipated, forecasted, managed or even controlled. It can be a reality when we have a formal and integrated plan about it in place. The process of planning itself introduces a formal culture for conducting long-term thinking about an institution, and for recognizing opportunities in and for minimizing risks from the external and internal environments. This is a departure to the need for strategic planning. A synthesis of the why of strategic planning, therefore, gives us the following list.

1. To define or appraise institutional vision, mission, goals and values for the future. This implies a systematic determination of where the institution wants to go, how it will get there; understanding obstacles and figuring out ways to obviate them.
2. To identify needs and efficient and effective allocation and wise use of scarce resources to meet the needs.
3. To create effective communication between and among all stakeholders.
4. To inform decision-making at all levels.
5. To assure that the organization (with its programs) remains relevant and responsive to the needs of its community as well as to that of its society.
6. To contribute to institutional stability and growth.
7. To provide a basis for monitoring progress, and for assessing results and impact.
8. To facilitate new institutional and its program development.

The above list entails the urgency of strategic planning for AAU mainly to meddle through and /or remain competitive in this fast running and knowledge-based economy. From a governance perspective, strategic planning enables top leadership of the University to set policies and goals to guide the institution, and to provide a clear focus to the different level leaders and staff for effective program implementation and management.

Necessary Conditions for the Success of Strategic Planning

Question: What are necessary and sufficient conditions for the success of strategic planning in the context of AAU?

There are personal, institutional or environmental conditions that facilitate or hinder strategic planning and its implementation endeavors. For the sake of simplicity, 11 points have been summarized in Figure 1 below and discussed subsequently.
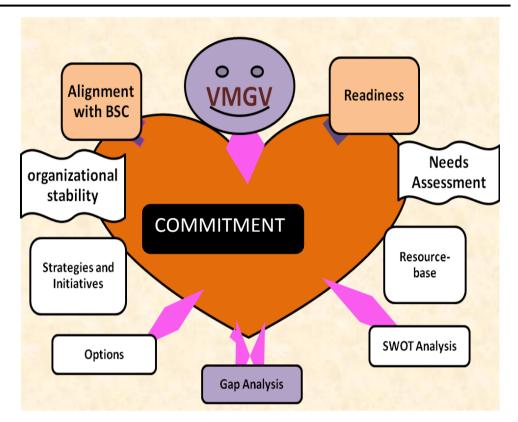
Figure 1: Necessary Conditions for the Success of Strategic Planning

The conditions in Figure 1 are generic in nature; they should be adjusted to the cultural and organizational context to which they are applied.

Authentic Commitment

Strategic planning requires authentic commitment of both top leadership and different level workers. An authentic leader is the one who has a significant level of self-understanding and who is clear about his or her priorities (Ruderman and Rogolsky, 2001). By implication, leadership is a critical aspect of governance denoting both the structure and process of

authoritative decision making across issues that are significant for external as well as internal stakeholders (Gayle, Tewarie and White, 2003). Here comes the importance of strategic planning.

Similarly, authentically committed workers feel ownership of their organization and consequently participate fully in the implementation of organizational goals. In both cases (leadership and workers), authenticity has five defining characteristics, some interrelated:

a. Clarity concerning one's values, priorities, and preferences;
b. Acceptance of the necessity for choices and trade-offs in life;
c. A strong sense of self-determination;
d. Willingness to work toward aligning one's values and behaviors with that of the institution; and
e. High degree of comfort and satisfaction with decisions made earlier in life (Gayle, Tewarie and White, 2003: 25-26).

Authenticity also entails commitment to change and innovation. In this sense, authenticity, among others, promotes an innovative quality assurance culture and continuous improvement, builds on the experiences of the past, seeks opportunities for needed change and pursuing and promoting creativity among staff and students within the University (Makerere University, 2008).

Readiness Determination

This is the case of planning to plan based on readiness assessment. It involves having answers in advance to a number of basic questions related to:

a) why we do what we do and our specific roles in it;
b) actual and nominal costs of what we do;
c) the likely time it may take;
d) what we may get out of what we do;
e) the resultant change of what we do, and its time and frequency;
f) types and status of stakeholders; and
g) implementation level of previous plan.

Inherent within these questions are, anticipating stakeholder concerns, recognizing the limits of organizational change, and managing the changes and expectations about both.

Needs Assessment

Needs assessment is an empirical and judgmental process to identify the needs of individuals, groups, institutions, communities, or the society at large. This can be done by consulting individuals or groups who have the right to be consulted, who have special insight or expertise, and whom it is administratively expedient to consult. Needs assessment, therefore, serves to identify the gaps and to consider mechanisms by which the gaps can be filled. In the context of strategic planning, needs assessment serves as input to planning. This is extremely valuable, but also demanding. Moreover, planning is not a one-time effort. It needs to be reviewed, monitored, and updated on a regular basis.

Resource-base of Strategic Plan

To be successful, the process of strategic planning and its implementation need to be adequately resourced. Among others, scheduling people, time, money, physical resources (facilities, technology, etc.) and other key resources are crucial for success. Tying budgets and institutional reward systems to the strategic plan is one of the best means for insuring that it will be implemented. Equally, target dates for each objective are indispensable together with the resources (both sources and amounts) to accompany them.

Formulating Vision, Mission, Goal and Value Statements

A sound base for planning is consensus concerning VMG and values.

Vision Statement

The vision statement, which is a long term view, deals with:

a) vivid description of the organization as it effectively carries out its operations;
b) delineating the desired or intended future state of the organization in terms of its fundamental objectives and/or strategic directions; and
c) describing what the organization wants to be, or how it wants the world in which it operates to be concentrating on the future; as a source of inspiration, by providing clear decision-making criteria, etc.

Equally, a vision statement, to be effective, should fulfill the features of: a) clarity, b) Vividness, c) description of a bright future, d) memorable and engageable wording, e) realistic aspirations, and f) alignment with organizational values and culture.

Mission Statement

This depicts the overall and fundamental purpose of the institution by way of pithily describing and defining: a) why the institution exists and what it does to achieve its vision, b) client and the significant course of action, and c) the desired level of performance.

Goal Statements

Though goals and objectives are often used interchangeably, goals are long-term intents that an institution wants to accomplish. They are broad, general, intangible, and abstract statements of what the institution wishes to accomplish. They are about the final impact or outcome that an institution wishes to bring about.

The good or bad of any goal depends on objectives that go with it. In contrast to goals, objectives are narrow, precise, tangible, measurable, and concrete attainments that can be achieved by following a certain number of steps. Both goals and objectives, nonetheless, are tools for accomplishing what an institution wants to achieve.

Values

Values represent the core priorities and beliefs that are shared among the stakeholders of an organization in line with the organization's culture. They impel an organization's culture, intent and direction and provide a framework in which decisions are made including what compels members' and stakeholders' priorities and how they truly act in the organization; describe what an institution's management team really be concerned about. Values are increasingly important in an institution's strategic planning and implementation. Strategic planning and its implementation need to be guided by a set of values and beliefs of those who are involved in and affected by the practices. Such values and beliefs deal with the validity and relevance of the underlying assumptions. Equally for the success of strategic planning consideration of internal and external stakeholders' values and beliefs is crucial.

Overall, statement on values imply the need to determine and consider: personal values of the leadership, planning team, workers, and stakeholders; and institutional customs, cultures, principles and philosophical orientations; and the place of the institution in the wider and closed environment and its impact on the environment.

SWOT Analysis

SWOT; which is an acronym for Strengths, Weaknesses, Opportunities and Threats; serves as a basic strategic planning tool and method to assess what an organization can and cannot do as well as its potential prospects and pressures. This is based on the information that can be obtained from environmental scan. It is separated into internal (strengths and weaknesses) and external issues (opportunities and threats). By so doing it is possible to determine what may assist the organization in achieving its desired results and what obstacles must be overcome or minimized to achieve the result.

Practically, nonetheless, university leaders including ours may think that SWOTs are obvious. True, while some strengths, weaknesses, opportunities, and threats may be obvious and intuitive, most are not. This, therefore, implies rigorous research and data collection and analysis to identify those areas that are not obvious or known and to derive competitive advantage from them. In this sense, SWOT analysis forms the baseline from which planning begins.

Gap Analysis

This involves a careful and systematic comparison between current conditions and a desired future or target state of the organization. It considers issues like:
1) the current status of the institution;
2) the place where stands in comparison to the best practices identified elsewhere (benchmarking);
3) the realism and practicality of goals;
4) whether or not adjustments are required in terms of size of the gaps, and available resources; and
5) recognition of the level and magnitude of potential risks and readiness to avert them.

It is clear that gap analysis enables us fill the gap between what is and what ought to be based on watchful and logical assessment of the challenges and potential opportunities of internal and external environments, level of feasibility of achievement of goals, and level of the required adjustments. In some contexts, gap analysis can be taken as needs assessment that is discussed earlier.

Options

This is about looking for alternative ways of doing things or alternative ways of solving problems and the like. It also takes the form of open-ended discussion among all stakeholders about the "how" of achieving each objectives of the institution. In the beginning, everything should be on the

table to encourage innovation and creative solutions. But, again, a filtering process must be introduced to bring all of the potential options and alternatives in line with anticipated resources and the risk-reward ratio from previous analyses.

Strategies and Initiatives

Strategies and Initiatives stem from the very concept of 'strategy' which is narrowly defined as means, "the art of the general" (from Greek stratigos). It implies a combination of the ends results (goals) which the organization strives to achieve and the means (policies, practices, etc) by which it seeks to get the end results. Inherent in and derived from this fact are strategies and initiatives, which imply programmatic dimensions and the heart of strategic planning. In this sense, strategies and initiatives drive policy and the allocation of resources. They represent the collective judgment of the institution about what will work in closing gaps between current conditions and a desired future or target state of the art.

Organizational Stability

Strategic planning and its implementation demand and also enhance institutional stability. Particularly long-range planning requires organizational firmness to its VMGs investing much effort and many talents. It is very difficult to plan in a state of turmoil, confusion, insecurity or in a condition of calamity. Equally, it may be unrealistic to look five years ahead unless an organization has some confidence that its programs, its key staff and its other figures will continue with it.

It is also difficult to plan if the organization is so infantile or its leadership so new that he/she does not have a good sense of the community and of the broader external environment. This, therefore, calls for consensus building, experiencing the nature of the internal and external state of the organization, identifying major institutional intricacies. It may be advisable by first attempting to reach consensus on an organizational VMG statements and then doing shorter-range planning, usually for a single year. A longer-term

planning process can follow the lesson that may come out of the shorter-range planning exercises. The reverse also works when stability of the institution is guaranteed. We may start from long-term plan, which we call strategic planning and then cascade to the short-term plan, commonly known as action (operational) plan.

Alignment with Balanced Scorecards (BSC)

The balanced scorecard, which was originated by Kaplan and Norton in the early 1990s, is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It is one of the key factors for realization of the VMGs of an institution as stipulated within a strategic plan.

Basically, BSC was originated as a simple performance measurement framework. Recently and currently, nonetheless, BSC is viewed as a full strategic planning and management system and a tool to transform a passive plan document into an active and implementable manuscript by way of providing framework with subjects and objects of performance measurements from four perspectives: the learning and growth perspective, the business process perspective, the customer perspective, and the financial perspective.

Summary

In today's world characterized by rapid technological innovation, mobility and globalization, universities are expected to look their futures by strategizing the entire business of their practices for the better. Currently, strategic Planning is viewed in our Universities as an instrument to look the future in a systematic manner. This article has explored (under four major sections) introductory background, some conceptions, the need, and neccessary conditions for starategic planning.

The first section has introduced some implicit background, and rationales whereby general and specific strategic environments have been discussed taking as the case the five-year Strategic Plan of Addis Ababa University for the duration 2008 – 2013. It was indicated that the document had some shortfalls and was not proactively responsive to the internal and external developments. Consequently, it was by a hair's breadth implemented.

The second section has presented some conceptual clarifications of strategic planning in particular; and governance, management and leadership in general. It was indicated that though the term strategic planning has become very popular in recent years in many countries including ours, it is relatively new within educational context and consequently defining it is not an easy task in the context of educational environment. For the purpose of the article, nonetheless, strategic planning has been viewed as a process of defining the University's scheme of work or direction, and making decisions on allocating the scarce resources involving various analysis techniques mainly SWOT (Strengths, Weaknesses, Opportunities, and Threats); and exploring: a) the current situation of the University; b) the vision, mission and goals of the University; c) gap analysis; d) resources requirements (time, manpower, material, finance); e) means of arriving at the intended destination of the University; and f) feasibility of arriving at the vision, mission and goals of the University.

Section three explored the why of strategic planning. It was argued that, in today's volatile and knowledge-based environment, it is impossible to rely merely on traditional ways of doing things. Universities, therefore, need to plan their businesses so that they can anticipate, forecast, manage or even control their world today and tomorrow. The why of strategic planning has, therefore, touched upon issues like:

1) institutional vision, mission, goals and values for the future;
2) resource allocation and wise use;
3) effective communication between and among all stakeholders;
4) informed decision-making at all levels; and

a) relevance of the organization and responsiveness to the needs of its community as well as to that of its society: a)contribution to institutional stability and growth; b) monitoring progress, and assessing results and impact; and c) facilitating new institutional- and its program- development.

Section four has presented a synthesis of the necessary conditions for the success of strategic planning. Twelve points have been identified, namely, authentic commitment; readiness determination; needs assessment; resource-base of strategic plan; formulating vision, mission, goal , and value statements; SWOT analysis; gap analysis; options; strategies and initiatives; organizational stability; and alignment with balanced scorecards (BSC)

The overall discussions in all the sections implicitly and explicitly indicate the decisive role of strategic planning to enable an organization look its future in an orderly and systematic way; and to provide relevant, value-added education and prepare students to contribute to the rapidly changing, global environment by focusing on the institutional vision, mission, goals and values.

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