

# Strategic Planning in Higher Education

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## Introduction

Strategic planning is part of a continuous, rolling process of both planning and the implementation of plans. It is not a once-for-all exercise; the plan should be rewritten and modified at intervals, although the intensity of the planning activity varies from time to time. Strategic management in high education is the main issue even the most popular model in many higher education, in order to increase effectiveness and efficiency. Faculty of Education, Chulalongkorn University held two-day workshop on this matter, which was organized by Center for Professional Development in Higher Education. This workshop which attended by many universities all over the world, was held to share ideas, experience to find out the best solution then. The purpose of this article is to summarize and compiles the issues of the workshop.

## Strategi Planning

As mentioned before strategic planning is part of a continuous, rolling process of both planning and the implementation of plans. The purpose of strategic planning—according to Bikas (1999) who presented his paper— is to build a

sustainable long-term future within a continuously changing environment, and more particularly: First, to achieve an equilibrium between the university and its turbulent environment and help it to absorb pressures, to demonstrate competence and acquire funds and to reduce unpredictability. Second, to sort and classify priorities, allowing the setting of objectives at various levels and the best use of limited resources. Third, to secure co-ordination between the various planning elements, particularly the vertical and horizontal. Fourth, to achieve organizational change by creating awareness of the need for change within university, providing the opportunity for participation, and securing commitment and action from the participants. Fifth, to establish the basis for subsequent performance monitoring.

Although achieving equilibrium with the external environment is important, strategic planning places much emphasis on influencing the internal environment—the climate of opinion, the willingness to accept change. The benefits of the process of making plans may indeed be as important as the plans themselves. Limited plans with high ownership within a university may be much more useful and effective than excellent plan, which commands little support.

To start strategic planning is not easy especially for the university, because several steps it should plan, such as:

1. **Mission Statement:** a high level, fundamental self analysis which asks questions such as; what is the purpose of the university, what kind of university do we want to be, in what model should we offer our provision?
2. **Strategic Plan:** the result of a major review at regular three to five year intervals which asks such questions as; what initiatives should we launch to achieve our core objectives? What should be our firm program objectives for the next three to five years?
3. **Operation Plan:** this may be rolled forward each year, with a horizon of no more than three years, and contains quantified and measurable objectives assigned to individual budget or planning units and officers. Questions may include; are the strategic objectives still relevant? Are there unexpected opportunities, which should be seized? Why have we not achieved objectives in earlier plans? What can we do to remove blockage?
4. **Annual Operating Plan and Budget:** the annual plan should contain the targets for annual activities and a financial expression of these in the form of the budget.

Is there any precondition for Strategic Planning? Although a strategic plan is the platform for much subsequent action, preparing the plan is not necessarily the first stage in management change. The vice-chancellor needs to assess whether the university is ready to embark on strategic planning. Some may be most, university may need to go through a prior stage of reviewing and revising management practices generally.

One option is suggested by Coombe (1991, 28) the starting point for radical change is an internal institutional management assessment. That

assessment should lead to a new management plan, with revised objectives, manning structure, lines of accountability and indicators for evaluating performance, and then a development plan for realizing the new management structure, identifying the training needs and means of meeting them. The creating of planning capacity within the university management system is of critical importance, linked to a computerized, salaries, personnel management, and student service, as well as statistical analysis, academic planning, course scheduling and physical planning.

Other question comes up is what sort of plan is required? The main issues in deciding what sort of plan to produce are:

- What time horizon is relevant in the circumstances? The time horizon for the strategic plan is the crucial one, with those for the mission statement and the operational plan being adjusted to it.
- Who will be the audiences for the strategic plan: governing body, academic staff, support staff, students (internal) and central government, municipal bodies, private sector, the media, donors, alumni (external).
- Do any of this audiences set the rules which may constrain the planning process? Government and donors may require submissions for funding, to their own timetables which conflict with the planning timetable, but may be persuaded to adapt or drop their requirement if the university is going through a similar planning process which will address their concerns.
- What should be the scope of the plan?

A model process for a comprehensive planning cycle, which includes formulating or reviewing the mission statement, is, as steps should be conducted. In most years not all the steps will be followed:

First is scanning the environment. What are the salient features of the world in which the university operates and, more to the point, what will they be in ten or so years time? A framework is needed to guide discussion between the planning group; the planning staff, senior management and others involved in this stage. This might identify types of changes in one dimension (e.g. economic, technological, social, political) and then more specific university issues. In a second dimension the geographical context to which they apply. Examples of questions raised in this stage might be; what are the implications of government policies to liveries the economy and to encourage exports? How may the conduct of research be effected by global electronic communications?

This step should include the mundane but important one of confirming what is the legislative and regulatory framework within which the university currently is required to function. This entails bringing together and confirming the currency of, not only the University Act or Charter and associated bye-laws or statutes, but also references to the university in other legislation (e.g. relating to the training of doctors or lecturers) and government rules or polices about budgets, establishments, pay scales, etc. It is possible that these rules may have changed, or at least their interpretation become more flexible, whiteout staff in the university working to them realizing.

This stage should also include the group undertaking a stakeholder analysis. A stakeholder is any group or individual who is affected by or can affect the university future, and the thesis is that the key to the university's success in the satisfaction of key stakeholders.

Second is conduct self-analysis. A key element of any plan is a stock-take of what the university has achieved and how well it has been

performing. The latter begs the question of the criteria against which performance should be judged, and, if clear (measurable) objectives have not previously been established, if fraught with difficulty, but should be helped by the stakeholder analysis. At a minimum this step entails collating available statistical data for (say) the past five years on numbers of applicants, students, degrees awarded, failures/resists, on teaching and research programs introduced and terminated, on staff qualifications and turnover, on sources of finance, on premises occupied.

Third is identify issues and generate options. The next stage entails drawing out the major strategic issues from the SWOT analysis. One way to start this is set down the Opportunities and Threats on one side of a two-by-two matrix and the Strengths and Weaknesses on the other side, and sees where they intersect. In the light of the major issues, the planning group should generate several options for the university's future mission, even if one of them seems the obviously preferable.

Bryson (1988, 105-10) suggests six questions which the planning group should address in drafting the mission. These are indeed to apply to public and non-profit organizations generally; an important point is that three at least of the questions are externally oriented rather than self-referential. Who are we? In general, what are the basic social and political needs we exist to fill or the social and political problems we exist to address? In general, what do we want to do to recognize or anticipate and respond to these needs and problems? How should we respond to our key stakeholders? What is our philosophy and what are our core values? What makes us distinctive or unique? Four additions for a university are: How do we deliver and teach? Who are our

students? What subjects do we offer, at what level? Where do we offer courses?

Forth is faculties formulate plans. This is the step where academic community at large is most involved when, through participation in discussion within their own department and faculties, they identify how they wish to fulfil the university's mission and objectives. Faculties and, probably departments should be encouraged or even required to replicate. Each Dean or head of a planning unit will be responsible for ensuring that the plan which emerges has the commitment and backing of the members of the faculty or unit.

Fifth is approving strategic plan. Once the university's strategic plan is completed, it should be submitted for approval by the Senate and Council. It is crucial that the strategic plans formally accepted by these bodies, so that there can be no argument later about the plan's authority. The plan as a document may have a greater standing and significance in the circumstances of the African universities than of an American and European universities.

In World Conference on Higher Education, which held in Paris 1998, Bikas C. Sanyal had specified on Strategies for higher education in Asia and the Pacific in the post-Cold War era, wrote his paper examples of some systems of higher education of the region: Decision-making models in higher education, management techniques in higher education, Change in higher education management practices and suggestions for the management of higher education.

Decision-making models in higher education. There are four types of steering policies of the governments, prevalent in different countries of the region:

First, system operating under self-regulation with a broad framework of accountability with greater use of free market incentives, which are

found in Australia, Malaysia and the Philippines. Second, system in transition from centralized planning to self-regulation, which are found in China, Mongolia and Thailand. Third, system operating under self-regulation but experiencing difficulties, e.g. Cambodia, Lao People's Democratic, Viet Nam and the Central Asian countries. Fourth, system under direct centralized planning and control, as seen in the Southern Asian countries and Japan.

Within each system, one could observe a mixture of the above steering policies. These four types of steering policies have led to four types of decision-making models in the institutions of higher education.

1. Surviving model is called the "collegial or consensus model", where
  - a. decisions are made by academia on a democratic basis through councils and/or committees based on long deliberations,
  - b. the head of the institution has less power and remains in his post for a short period, and
  - c. The administration is generally weak, providing mainly logistical support.The implementations of this model are slow and soft decisions, individual academic freedom and absence of university-wide objectives.
2. Political decision model, where:
  - a. decisions result from permanent negotiations among the stakeholders,
  - b. the negotiation in this model may take more time and are more complex than in the first example, and
  - c. Although university-wide objectives exist individual academic.
3. Bureaucratic model, its characteristics are:

- a. nationwide systems for higher education, strict government rules for recruitment, promotion, salary structure and study programs;
  - b. administration is strong; professor and heads of institutions are purely executives;
  - c. Conservative, uniform and less innovative, it suffers from less initiative and from a prevalence of rules over results.
4. Entrepreneurial model. The institution in this group;
- a. are entrepreneurial and autonomous
  - b. Supply service of teaching, research and consultancy and are paid by their customers, namely students, government, enterprises, regional/local community etc.
  - c. Are competitive and are concerned with cost-effectiveness and accountability, multi source funding, strategic alliances and use of modern management techniques.

Management techniques in higher education. In many countries, reflection on the practice of higher education management has taken place within a context of an ideological shift with regard to public policy. Policy-makers have increasingly attempted to diminish state intervention and encourage entrepreneurial behavior and accountability in the public sector. Experience in the USA provides a useful overview of a number of the concepts and techniques available to higher education management.

Particularly during the late 1960s and early 1970s, several systems for university management appeared in the discussion among practitioners and experts on higher education. These systems were driven from concepts developed either for state agencies or, more often, borrowed from those existing in the literature on private sector enterprises. The main focus of all these concepts is their emphasis on the clarification of

institutional goals and objectives as a basis for the systematization of subsequent managerial action.

Several decades ago, the Planning, Programming and Budgeting System (PPBS) was imposed on all state agencies, including higher education institutions. It prescribed a rather complex, linear procedure of establishing an institutional mission and detailed quantifiable targets to be implemented through annual budget specification. However, due to its complexity and high staff and computing costs, Management quickly succeeded PPBS by Objectives (MBO).

MBO was based on the assumption that the lack of clearly stated institutional goals constituted a major obstacle to increased institutional effectiveness. These institutional goals were first to be clarified by the academic community and then to be expressed in quantitative objectives to stand as standards of performance. Such standards should apply equally at the overall institutional level as well as to individual staff members.

Strategic planning can be described as having the following major components:

- Systems/institutions identify external threats and opportunities through environmental scanning of political, economic, social demographic and cultural change in the environment.
- systems/institutions undertake a continuous assessment of internal strengths and weaknesses with regard to research and teaching programs, finances, facilities, resources, as well as management process and institutional values;
- Internal opportunities and threats are related to the system's or institution's strengths and this two-fold evaluation process leads to the determination of the basic mission of the institution, that is, the statement of its basic purpose

and its distinctiveness espoused to other institution of higher learning in the country and broad.

The mission is translated into long-term goals which are broad statements on the fundamental directions for the future, goals are then detailed in more operational and short-term objectives specifying clientele groups, the mix programmers and services, as well as the comparative advantages of these over competing institutions;

- The mission statement, which summarizes these functions and priorities, serves to inform potential clients and government funding agencies of the particular niche that the system/institution fills in the national context.
- It call for participative approaches in the determination of the system's/organization's mission, goals and objectives, as well as the establishment of a set of measures by which the organization can test the achievement of these goals and objectives;
- Major stakeholders are expected to be involved in the internal and external assessment process;
- Institutions/departments may be requested to develop their own strategic plans, which will be integrated into the overall strategic plan of the system/institution.

Since the mid-1980, the concept of Total Quality Management (TQM) has emerged. Again, it is a concept borrowed and adapted from private sector management. Total quality management for higher education institutions is based on many of the assumptions inherent in the strategic management concept. It takes up the concern for improved quality of higher education output, a concern widely expressed by many government and their agencies and discussed in the literature on the higher education management.

It emphasizes the importance of setting up a mission, which describes, in a detailed manner, the organization's specific beneficiaries, their needs and the means to attain the best customer satisfaction. TQM, like strategic management, is process oriented. It is characterized by teamwork, systematic analysis of the problems, and the intensive use of information to achieve the objectives of continuous improvement of service with regard to the beneficiaries' needs. Also, TQM is participative and stresses the need for staff development.

Change in higher education management practices. It is clear that the type of government steering policy in force significantly influences management of a system or an institution. In addition to setting policy, certain governments have become increasingly concerned not only with outputs, such as the number and quality of graduates, but also with institutional processes in general and with management methods. Thus institutions in these countries have been obliged to implement change at a relatively rapid rate in many spheres of their activity.

Certain common changes in management can be seen as follows:

- gradual devolution of responsibilities from central authorities to institutions;
- a more powerful role for central university authorities in resource management and in orienting and controlling department activities;
- a smaller decision-making body at the apex, including external participants;
- strategic planning
- mission statements to clarify the objectives of the system;
- restricting of departments in to larger groups to form viable decision-making and administrative units;

- devolving the budget to decision-making units and the use of the budget to control unit costs and ensure rational use of resources, including lecturers;
- appraisal and accountability measures in a variety of forms to cover, teaching, research, services and management;
- additional units for industry/community liaison and public relations for fund-raising activities;
- Mergers, branch campuses or antennae to create institutions of an economic size.

There is a need for increased emphasis for radical changes, as the Director-General of UNISCO suggests:

In all countries, higher education has to rethink its role in a context of very rapid social and technological change. Social pressures and the pull of the labor market have resulted in widespread diversification, leading to great complexity of structures, programs, student populations and funding arrangements. Increasingly, the universities must respond to pressures to become more open, to reach out to those traditionally excluded from higher education to cater for the demand for lifelong learning, making use of the rapidly expanding possibilities of distance education. (Hallak, 1996, No. 23)

Bikas, (1988) in his *Strategic for Higher Education in Asia and the Pacific in the Post-cold War era*, gave ten suggestions of ten strategies for the management of higher education:

1. The importance of management capacity in the system of higher education.

One of the major lessons is that government neglects the importance of management capacity in institutions at their peril. The introduction of necessary reforms and economies may be hindered by a lack of expertise to implement directives, by inertia or even by outright resistance. This needs to be corrected.

2. The need for management expertise at the government level

Another major lesson is the importance of higher education management expertise at government level. In those countries with centrally controlled systems, institutions must wait for the government to issue its directive or seek approval. Ministries should ensure their capacity to give adequate support in all domains; this means that they should play a facilitating as well as intervening role.

3. The need to pool experience at the international or regional levels

The amount of support in the form of expertise and funding given in certain Western industrialized countries by governmental agencies for successful management reform has been extremely high. In this respect, groups of countries could profit from the setting up of regional forums to pool their expertise and experience in the field of improving higher education management.

4. Internal understanding and acceptance

The proposed changes must be seen to be necessary and should be introduced in a comprehensive and phased package. The integrated nature of higher education activities and management should be taken into account, so that funding; structures and external pressures are all taken into consideration. This will ensure the best chance of predisposing the higher education system to accept change.

5. Analysis of management structures and procedures

Institutional management practices have an impact upon all the department of the institution and can ensure that the appropriate actions are taken. Ideally, reforms should be preceded by an analysis of management structures and procedures in order to ensure that

they are adequate. It is essential to have a sufficiently powerful executive level to ensure overall institutional planning, co-ordination, evaluation and accountability.

6. Better linkages between the institution and its environment

Another means of opening up the higher education system and reinforcing the executive level has been the use of Governing boards containing a majority of external members as steering committees. This allows institutions to have a stronger connection with their environment. Governments can create legislation that will stimulate universities to form linkages with the external environment.

7. The need for accountability measures

As far as strategies to improve higher education management are concerned, it would seem that it has been realized by government and the public in many countries, that not enough emphasis has been put on accountability measures.

8. The role of the state

With the paradigm shift in the role of higher education in the society due to the changes in its external environment, the state's role will go through radical changes. It will have to delegate autonomy to the system and the institutions but retain regulatory and monitoring functions through the development of performance indicators and accountability measures, establishment of an accreditation system and delineation of financial responsibilities. In respect of the latter, the state has to provide incentives to the higher education system to generate income and reduce the state burden.

9. Transformation of higher education management and the role of reengineering

Tavaner has foreseen the transformation of higher education management in the twenty-

first century in respect of its characteristics, as shown in the following chart.

Characteristics	Old Paradigm	New Paradigm
Strategy	Planned	Entrepreneurial
Structure	Hierarchy	Network
System	Rigid	Flexible
Staff	Title + rank	Helpful
Style	Problem-solving	Transformational
Skills	To compete	To build
Shared-value	Better-Sameness	Meaningful-Difference
Focus	System/Institution	Institution/Individual
Source of strength	Stability	Change
Leadership	Dogmatic	Inspirational

10. Maintenance of momentum

Once transformation has begun, measures should be put in place to ensure that momentum is maintained. Deadlines, feedback and targets should be established. It should be noted that the length of the time period for consolidation should not be allowed to be a resistance maneuver.

Similarly, government in their role as client and supervisor should try to establish a policy of continual search for improvement. Systems that have remained unchanged for a long period of time tend to perceive demands for reform as a disruption, rather than as part of the normal pattern of governance to keep the system up to date. The experience of Southern Asia underline this fact. Adaptation and acceptance of change will be an increasingly critical factor in institutional efficiency in the twenty-first century.

The examples various universities presented in the workshop were varies. As well as it showed that many countries have been doing their best to reform their higher education in many sectors.

Higher Education in Belgium. In the higher education, a distinction is made between the uni-

versity sector and the non-university sector, which traditionally has been perceived as less, prestigious, but whose importance is growing in terms of students attraction. As a reflection of the country-wide divides, higher education in Belgium is characterized by profound ideological and linguistic cleavages, which divide the universities in public, free-thinking and Catholic sector on the one hand, and French-speaking and Dutch-speaking institution on the other.

As a result of the university expansion of the mid-1960s, a further distinction is made between 'complete' universities and university centers (only undergraduate education in a limited number of disciplines). Despite a traditionally high degree of overall administrative centralization, higher education in Belgium has been characterized by relatively little State intervention, notably with regard to the non-public institutions. This has been attributed to the relatively small room for maneuver that public authorities have in a divided system regarding structural reforms. The main driving force for innovation in Belgium universities is the market for graduates, research and services expressed through demand from students, employers and industry.

In 1991, the Flemish Government decided to review the former legislation concerning higher education, which resulted in separate laws for the university and the non-university sector. These included major changes in crucial domains of higher education policy. For universities, the most important are:

- a definition of the university mission
- the introduction of a credit point system
- measures to reduce failures in the first year
- quality measurement and control
- Only half of government financing of normal university expenditure is dependent on student

numbers, in order to reduce the possible effects of demographic decline.

- Greater autonomy in management of finances and space and in personnel policy

Higher Education in Australia. Australia has been doing reformation as well, especially in higher education. The main issues have been being reformed are:

- a unified national system
- amalgamation to form larger units;
- an increase in the provision of student places and improved flow rates
- an emphasis on science, technology and business administration;
- efficiency and effectiveness

Though a process of mergers, 17 universities and 36 colleges of advanced education have been reduced to 36 universities with an average enrolment of approximately 20.000. Amalgamation has necessitated new governing bodies and regulation, as well as the combining of administrative units, computer centers and staff policies. Strategic planning is now routine. Vice-chancellors have acquired chief executive status. Departments have been rationalized, sometimes into four or five major groups headed by pro vice-chancellors specifically in charge of management. Compliance with national priorities has been obtained by tying funding to educational profiles negotiated every three years.

Education reformation in Malaysia. In respect of staff management the National University of Malaysia (UKM) now has the power to decide on recruitment, promotion and evaluation of its staff. The university is planning to decentralize some of these aspects to the faculty. The university has established as calendar for measuring the performance of each staff member and it has also established norms for teaching and

other function of the academic staff as well as for promotion to deferent higher levels. For examples, lecturers are required to publish at least five publications in international journals or one textbook before being promoted to associate professor. For the latter, to become a professor, he would need at least seven to eight publications as well as the recommendation of a panel of international referees.

The 1992 salary scheme has increased the benefits of the academic staff substantially. Today an excellent professor can earn the same salary as the vice-chancellor in addition to being entitled to unlimited research funds, and sabbatical leave of nine months after five years of service. The scheme also provides special incentives for staff development. In addition to that, the University has adopted a new law to become a corporate body. In the future the University plans to transform into a complete private body where, in the long-term, there will be ownership in the share capital by the public.

Thailand. It is obviously known that Thailand, who homed the workshop, has been thinking seriously to improve their higher education. In Thailand, the Ministry of University Affairs plans, monitors and evaluates the functions of the universities, provides the funding, sets academic standards and manages the personnel since each staff member of the public university is part of the civil service.

A new breed of university is being developed in Thailand. Universities free from government control but under government supervision, in which the staff are not civil servants. Salaries are fixed by negotiation and the salary level is competitive with the private sector. The quality of the staff is very high (75% of its staff hold a Ph.D.) and the study program is quite flexible, which allows students to work on sandwich pro-

grammers between the industry and the university.

Japan. During the period of rapid expansion in economy and education, in spite of strong resistance, some industrial concerns got involved in university decision making. The number of professor was increased and more than one professor could teach the same subject. In 1992 the government removed some of the legal restrictions on the universities and encouraged them to adjust to new social requirements, especially in the conduct of self-evaluation and a closer flow of information. International cooperation and involvement is now more frequent. However, conservatism still prevails in the higher education system of Japan.

The above description of the cases demonstrates that selected universities of Belgium, Thailand, Malaysia and Central Asia have adopted radical changes through the process of re-engineering.

The world will be watching the changes being adopted in the higher education system of this region today to take it to the twenty-first century – the century of Asia and the Pacific. The prominent changes in the next decade are

1. the trend to industrialization and export
2. democracy and group formation
3. the role of information and data
4. the closeness and the relations of the regional people
5. activities and roles of internationalization

These 5 changes are obviously seen in the trend of each country and the most certain of all are the cases of Thailand and Malaysia either in the development of the country or in the directions of the government, which emphasize on industrialization and export. In the Philippines, apart from an emphasis on industry, democracy is clearly viewed. All countries will encounter the

maddening stormy wave of data and information at the international level so much, so that any country that cannot keep abreast of the data will lag behind.

The impact of these changes, which has been distinctive in this decade and will result drastically in the next decade, is that rural areas will become towns; people's mobility will be in line with industrialization; businessmen will dominate the country; the gap between the poor and the rich will grow wider; inflation will occur everywhere; slum problem, child and woman labor abuse will expansively happen; selfishness will soar sharply; the everybody-for-himself value will generally emerge; local cultures and traditions will be transformed. In such situation, people will increasingly form their groups to bargain for benefits and the same time the communications and the relations among the regional people will increase. Unavoidably, the problems of one country will have an impact upon another. The survival-of-fittest system will obviously be replaced by the growing and living-together system.

Conclusion New Directions for New Future. Since World War II, it can be considered that the education in Southeast Asian region has its balance and consequently caused imbalance in many aspects. Adopting the western style of education, we neglected our local education. Emphasizing education for the minority we abandoned the majority. Urbanization and industrialization made us pay no attention to the rural areas and agriculture. Aiming at the high class, we consequently left the underprivileged behind. Educa-

tion, especially university education, has been limited, unfair, inflexible and inharmonious.

University education in the future must be operated to create balance, expansion, fairness and harmony in the following matters, substance and wisdom, people and society and, technology and ethics.

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