Building a Strategy Map to Lead a School of Business in a Christian University

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ABSTRACT: **All academic business units are involved in the ongoing processes of strategic planning and outcomes assessment. Although these processes should be driven by important values, such as stewardship, accountability, student learning, continuous quality improvement, and transparency, in many instances academic business units simply go through the motions of planning and assessment because of accreditation or institutional requirements. A "strategy map" can be a corrective to that, making the planning process both more meaningful and more actionable. Developed and tested in world-class companies, a strategy map depicts how any organization can accomplish its mission by identifying and investing in the key drivers of performance — those initiatives and resources that have a clear cause-and-effect relationship to its desired outcomes. This paper describes how the School of Business at Charleston Southern University developed a strategy map to guide strategic planning, mobilization of resources, program assessment, and ultimately, student learning.**

INTRODUCTION

Practically every School of Business or Department of Business is involved in the ongoing processes of planning and outcomes assessment. Accreditation processes, whether related to regional accreditation or specialized business accreditation, are often the impetus, requiring academic business units to specify objectives and assess the outcomes of those objectives.

In its publication titled *The Principles of Accreditation: Foundations for Quality Enhancement*, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) acknowledges an institution's prerogative to articulate its mission, including a religious mission, within the recognized context of higher education and its responsibility to show that it is accomplishing its mission. The SACSCOC also states that accreditation requires institutional commitment to the concept of quality enhancement through continuous assessment and improvement (SACSCOC, 2012, p. 3).

To get there, stewardship, accountability, student learning, continuous quality improvement, and transparency are important values, and they are particularly important to the academic business units of Christian institutions. However, many academic business units, including some in faith-based institutions, may simply go through the motions when it comes to strategic planning and outcomes assessment. A recent study by the National Institute for Learning Outcomes Assessment found that the most common use for student learning outcomes data was preparing self-study reports for accreditation rather than informing the strategic planning process, improving instructional performance, informing a governing board, adopting best practices from other institutions, evaluating units or programs, or allocating resources (Kuh & Ikenberry, 2009). This suggests that some academic business units perform assessment activities for the mere purpose of meeting the demands of accrediting groups rather than for the more transcendent purposes of being good stewards, being accountable, and continually improving their educational processes.

BALANCED SCORECARDS

Kaplan and Norton (1992) introduced the balanced scorecard to the world in an article that appeared in the *Harvard Business Review*. Today it is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization. Moreover, the scorecard improves internal and external communications and facilitates the monitoring of organizational performance relative to strategic goals. This performance measurement framework dovetails strategic nonfinancial performance measures (people, culture, information technology, innovation systems, etc.) with traditional financial metrics to give managers and executives a more "balanced" view of past, current, and future organizational performance ("What is the Balanced Scorecard?" 2013).

Kaplan and Norton began with the standard management adages that "What you measure is what you get" (Kaplan & Norton, 1992, p. 71) and "You can't manage what you can't measure" (Kaplan & Norton, 2004, p. xiii). On this foundation, their balanced scorecard established quantifiable goals with the assumption that people will adopt whatever behaviors and take whatever actions are necessary to arrive at those goals. The measures are designed to keep people moving in the same direction, incenting them toward the overarching mission and vision of the organization.

More specifically, managers using the balanced scorecard view the organization from four perspectives and develop metrics, collect data, and analyze it relative to each of these perspectives:

- The Learning & Growth Perspective: This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement.
- The Business Process Perspective: This perspective includes operational metrics that allow managers to know how well the business is running and whether products and services conform to customer wants and needs.
- The Customer Perspective: This perspective includes metrics on issues like customer satisfaction and retention, recognizing that if customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is a leading indicator of future decline, even if the current financial picture may look good.
- The Financial Perspective: This perspective focuses on how the organization looks to owners and prospective investors. It typically includes the standard financial metrics as well as other gauges (e.g., "sales per X") that are most germane to the industry ("What is the Balanced Scorecard?" 2013).

In their book, *The Strategy-Focused Organization*, Kaplan and Norton (2001) later demonstrated how organizations have been able to improve performance by putting the balanced scorecard into action.

STRATEGY MAPS

After introducing the balanced scorecard, Kaplan and Norton began coaching executive teams how to link it to strategy (the balanced scorecard is not strategy; it is a reporting device). The connection was that strategy could be effectively described using the four balanced scorecard perspectives. They called their diagrams "strategy maps" (Kaplan & Norton, 2004, pp. xii-viii).

Figure 1 is an example of a generic strategy map. This is similar to a model presented by Kaplan and Norton in *Strategy Maps: Converting Intangible Assets into Tangible Outcomes*, which illustrates how intangible assets must be aligned with strategy to create value (Kaplan & Norton, 2004, p. 51).

As one might infer from Figure 1, strategy maps are communication tools that efficiently tell a story of how value is created in an organization. They depict the logical, cause-and-effect connections among key success factors (KSFs) (shown as ovals on the map). Theoretically, improving performance in the foundational Learning & Growth KSFs enables the organization to improve its Internal Processes, which in turn enables the organization to deliver on its value propositions in the Customer and Financial perspectives ("What is the Balanced Scorecard?" 2013).

As such, a strategy map gives owners, creditors, venture capitalists, donors, accreditors, and other stakeholders a clear line of sight about how resources culminate in value. Moreover it gives employees at every level of the organization critical information about how their jobs are linked to the overall objectives of the organization and in what they should be investing their time and budget. Strategy maps even purport to reveal how intangible assets, such as corporate culture and employee knowledge, translate into tangible outcomes (Kaplan & Norton, 2000).

Figure 1: Organizational Mission
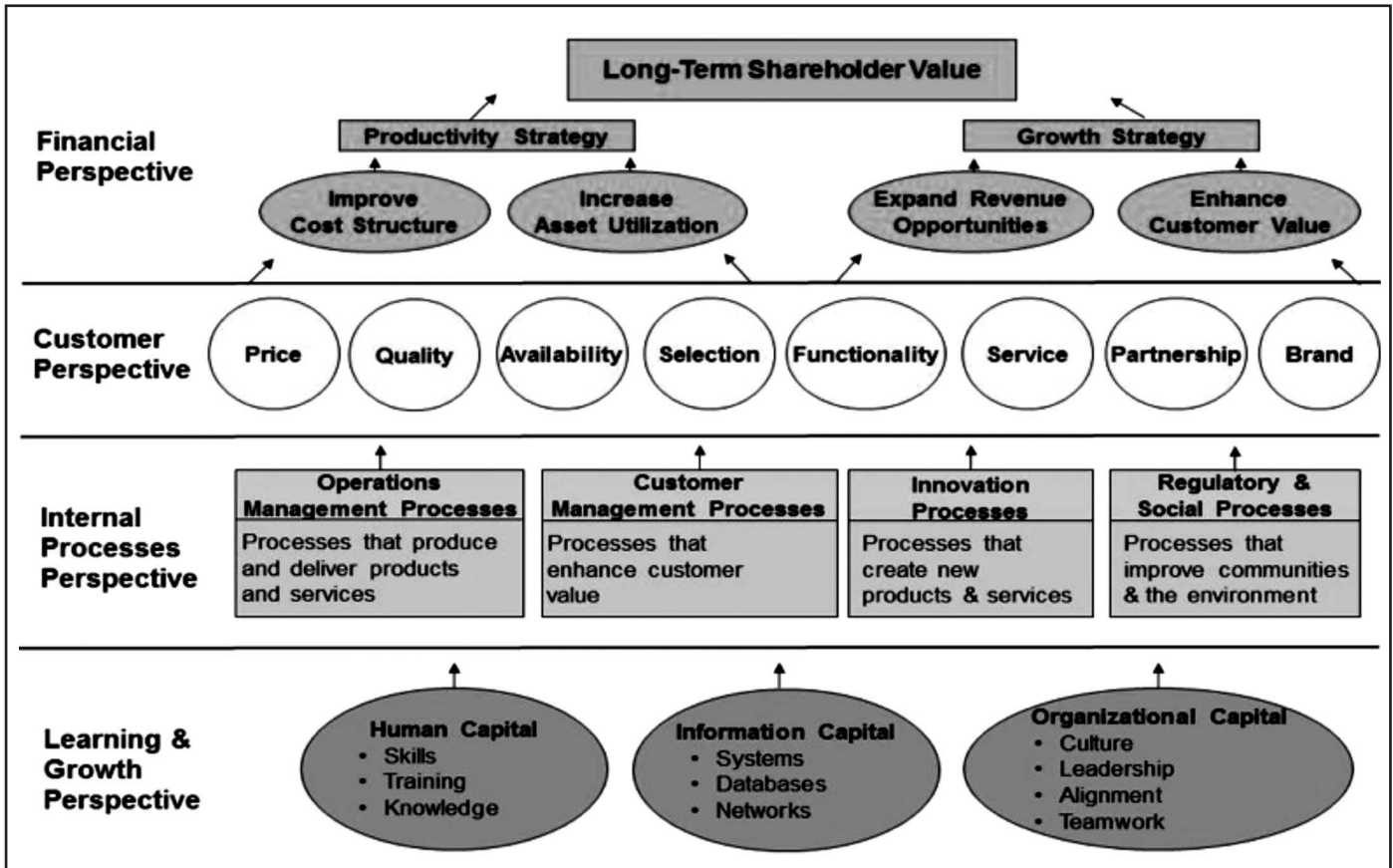
ASSESSMENT OF EDUCATIONAL UNITS

With the increasing call for more accountability in higher education, recent decades have seen a shift in how colleges and universities assess quality. Instead of focusing on resource inputs, assessment now primarily focuses on educational or learning outcomes. This outcomes assessment process includes a feedback loop to make adjustments from measured outcomes to improvable inputs (Apostolou, 1999, p. 177).

The U.S. Department of Education requires that assessment be included as part of the postsecondary accreditation standards of accrediting agencies (U.S. Department of Education, 1988). Colleges and universities are, therefore, required to engage in outcomes assessment and, not surprisingly, all three of the business accrediting bodies (AACSB, IACBE, and ACBSP) place an emphasis on outcomes assessment activities in their accreditation standards.

Outcomes assessment in academic units typically focuses on student learning outcomes. There is also a need, however, to assess the performance of academic program units in terms of outcomes that are not exclusively tied to student learning.

The Commission on Higher Education (1988) published a document that listed six essential criteria for outcomes assessment plans. The report stated that assessment should:

1. Be rooted in the institution's mission at both program and course levels
2. Consist of collaboration between faculty and administrators
3. Use qualitative and quantitative measures of outcomes
4. Lead to improvement
5. Consist of realistic goals and resources
6. Provide for evaluation of the program itself.

The New Leadership Alliance for Student Learning and Accountability (2012) produced a report that included guidelines for assessment and accountability in higher education. The guidelines include:

1. Setting ambitious goals
2. Gathering evidence of student learning
3. Using evidence to improve student learning
4. Reporting evidence and results.

These suggested criteria from the Commission on Higher Education, as well as the guidelines from the New Leadership Alliance, are entirely compatible with the balanced scorecard and strategy map systems, making these tools an ideal fit for both the description and the management of strategy in an academic unit. Consequently, we

turn next to a discussion of how administrators may profitably use these tools.

BALANCED SCORECARDS AND STRATEGY MAPS IN ACADEMIC SETTINGS

A number of articles demonstrate that balanced scorecards and strategy maps can be helpful in an academic setting. This section reviews some of that literature.

Chang and Chow (1999) surveyed accounting department chairs to determine the level of implementation of the balanced scorecard and its potential benefit for academic programs. The respondents reported a low level of implementation but they were optimistic about the balanced scorecard's potential ability to benefit their programs. The authors also reported the goals and measures that were most frequently selected by the respondents across the four balanced scorecard perspectives.

Bailey, Chow, and Haddad (1999) surveyed business school deans and found that very few schools of business had implemented a balanced scorecard system. The authors suggested goals and related measures across the four balanced scorecard perspectives that could be utilized by schools of business.

Several other authors have developed models or frameworks depicting how a balanced scorecard could be developed for academic business units. Thomas (2007) presented a framework that was used at the Warwick Business School for a systems perspective that could formulate strategy, assess performance, and adapt to change resulting from performance, environmental, and learning feedback. He advocated using a strategy map to describe and manage a business school's systems dynamics. Papenhausen and Einstein (2006) reported on how a balanced scorecard might be implemented at their College of Business at the University of Massachusetts, including a list of specific objectives and measures that could be used. Bitner and Myers (2010) presented a model for strategic planning and performance measurement for assessing academic accounting programs. They presented a strategy map for an accounting program whose mission is primarily teaching-oriented as well as measures and target metrics that could be used to develop a balanced scorecard. Cugini, Michelon, and Pilonato (2011) wrote a case study describing how their academic business unit developed a strategy map and balanced scorecard for a research-oriented program. Umayal, Karpagam, and Suganthi (2012) presented a generic strategy map for academic institutions and they included some general suggestions with regard to objectives and measures that could be considered to create a balanced scorecard.

Beard (2009) reported on the balanced scorecard implementation at two universities that received Malcolm Baldrige National Quality Awards. She presented the Baldrige expected measures in education criteria and the measures used by the University of Wisconsin-Stout and by the Montfort College of Business at Northern Colorado University. Beard concluded that the balanced scorecard enabled educational institutions to clarify their visions and translate strategies into operational objectives, measures, and actions in alignment with their mission and core values. In addition, it provides the opportunity for identifying what really matters to stakeholders: why the institution exists, what is important to the institution, and what the institution wants to be.

Developing a strategy-based performance measurement system for the academic business unit of a Christian institution presents a unique set of challenges, but there has been little published along these lines. For example, academic units in Christian institutions have the additional stewardship responsibility of spiritual formation of students. A strategy map might assist deans and department chairs to examine the cause-and-effect linkages for this intangible and elusive outcome, in addition to the many other educational outcomes they are pursuing. In doing so, they may accomplish a dual mission of delivering high-quality business education and helping students become conformed to the image of Jesus Christ. Here is how that is being pursued at Charleston Southern University.

DEVELOPING A STRATEGY MAP FOR THE SCHOOL OF BUSINESS AT CHARLESTON SOUTHERN UNIVERSITY

When God revealed his vision for the nation of Judah to the prophet Habakkuk, He spoke to Habakkuk and told him to put the vision in writing. The vision was to be put in writing so that the people of Judah who read this prophecy could "run" or take appropriate action.

> I will stand on my guard post and station myself on the rampart; and I will keep watch to see what He will speak to me, and how I may reply when I am reproved. Then the LORD answered me and said, "Record the vision and inscribe it on tablets, that the one who reads it may run. For the vision is yet for the appointed time; it hastens toward the goal and it will not fail. Though it tarries, wait for it; for it will certainly come, it will not delay." Habakkuk 2:1-3 (New American Standard Bible)

Although the strategic vision of an organization may be different from the type of vision that God gave to Habakkuk, it is vitally important for an organizational vision to be documented. This allows everyone in an organization to understand the strategic direction of the organization, how they fit into the plan, and how they contribute to achieving the vision. Strategy maps go beyond providing a written description of an organization's intended strategic direction, offering internal stakeholders information and perhaps inspiration about linking their jobs to the overarching objectives of the organization. This allows everyone in the organization to work in a more cohesive manner — to "run," in the biblical vernacular, toward the organization's mission and vision.

The School of Business at Charleston Southern University has developed a strategy map to guide strategic planning, mobilization of resources, and program assessment. Scorecards developed to accompany the strategy map include metrics to assess both student learning outcomes and the effectiveness of the personnel (administrators, faculty, and staff), as well as the academic processes.

It is wise to build a scorecard from the top to the bottom, so our development process started with the end goal in mind — our mission: "To honor God by preparing individuals for success in life through programs that integrate best business practices and timeless biblical principles."[1]

As shown in Figure 2, all of the elements of the strategy map flow toward this mission (toward the "Purpose" on the map): the customer perspective, what we call our "Product;" the internal business process perspective, what we call our "Processes;" the learning and growth perspective, what we call our "People;" and our financial perspective. Although the pattern for our strategy map was a generic map like the one depicted in Figure 1, we placed the financial perspective at the bottom rather than near the top, as is typically done with non-profit organizations, since the financials are not an outcome (Kaplan & Norton, 2001, pp. 134-135). Stated differently, a non-profit strategy map, from bottom to top, communicates how the organization goes from money to mission, an especially inviting framing for prospective donors.

Figure 2: School of Business Strategy Map
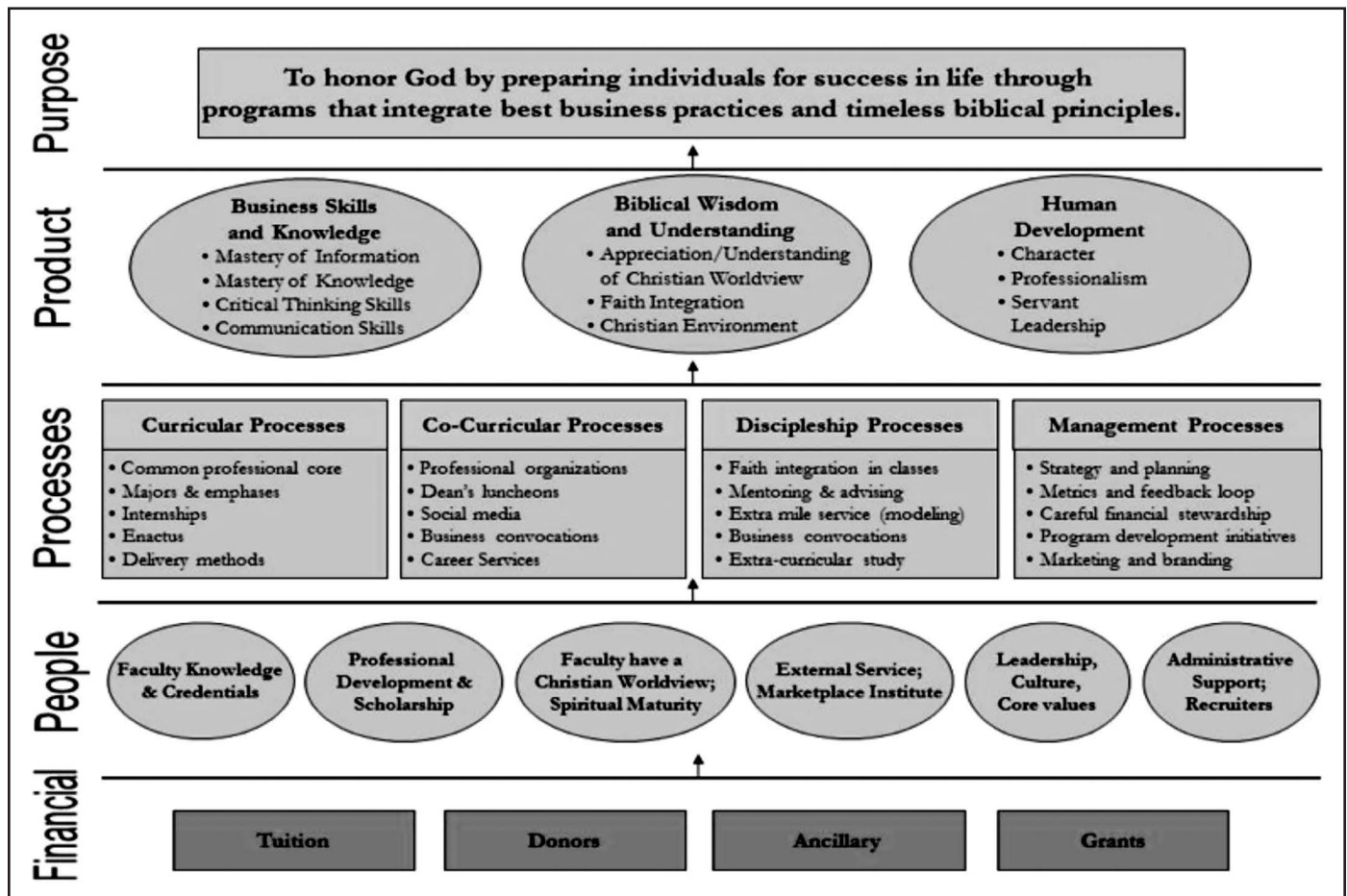
The Product Row

The product row on the map essentially represents the value proposition of our School of Business, since we think of students as our products. Why should they buy from us? Why should they enroll in our school rather than our competitors' schools? And what kind of person (product) are we trying to cultivate?

We have reduced this to three dimensions — the three ovals of the product row. These are not necessarily in order of importance, but first, business skills and knowledge are essential. Mastery of information and mastery of knowledge in subject areas, along with good critical thinking skills and good communication skills are necessary attributes for our graduates.

Second, biblical wisdom and understanding are necessary for graduates to be transformational leaders. This includes learning biblical principles, developing a Christian worldview, and integrating faith with their profession.

Third, students must grow in character to become change agents in the world. Among the objectives here are that they would become servant leaders and professionals of integrity.

The Process Row

The process row includes those systems — those internal processes — that enable us to deliver on the value proposition in the product row. Specifically, we identified four key processes that drive value: the curricular process, the co-curricular process, the discipleship process, and the management process. Each of these must be effective and continually improving if we want to educate students appropriately. Other processes are luxuries, so they do not appear on our map and are not given budget priority.

The curricular process includes all of the standard educational activities, including the courses we offer, our curriculum development, and our internships. Our co-curricular process runs parallel to that, similar to a set of railroad tracks, preparing students experientially to be productive employees and professionals in their fields. Among the activities are Enactus and other student organizations, events for students who make the dean's list, chapel services for our business students, and programs offered through our career services office.

The discipleship process occurs both inside and outside the classroom. We are intentional about faith integration, and our business faculty members meet monthly to discuss integrating faith in the courses we teach. Mentoring and advising, role modeling, special chapel services for business students, and extra-curricular Bible studies are important ways in which we facilitate spiritual formation of our students.

Our management processes are also an essential system as we steward the resources that have been entrusted to us by God. This includes strategic planning, assessing results, being responsible financial stewards, and marketing and branding of our graduate programs. If we succeed with our management processes, we tend to succeed with our other three processes in this row of the strategy map.

The People Row

It may sound like a cliché, but in our School of Business, our employees are truly our most valuable resource. Consequently, the "people" perspective on the strategy map is of paramount importance. If we get this right, then we get the processes right, and we can deliver on our value proposition and achieve our mission. This requires our people to be learning and growing and requires us to maintain a healthy organizational culture. Moreover, our faculty need to have the appropriate knowledge and credentials and they must be current in their academic fields. Each must have a Christian worldview and should be growing in his or her walk with Christ. This entails ongoing professional development and scholarly activities, as well as external service. Our recently created Center for Christian Leadership will be one outlet for that development and service, especially the service of external constituents.

The Financial Row

Lastly, the financial perspective drives all of the elements above it on the map. Specifically, tuition, donations, grants, and ancillary revenue make these activities possible within the School of Business. As noted above, by placing this dimension at the base of our strategy map, it demonstrates to all stakeholders the foundational role that financial resources play in pursuing our mission. If there is no money, then there are no people, no processes, no product, and no ministry.

SOME BENEFITS OF USING THE STRATEGY MAP

The strategy map in Figure 2 has allowed our faculty and staff members to better understand the strategic direction of the School of Business and their roles in helping to achieve the mission and vision. It is a communication and alignment tool as much as it is a strategy tool.

As a result, the strategy map's visual representation of how all of the pieces fit together has allowed each member of our faculty to consider what role he or she best fills in accomplishing the mission. Faculty members are, therefore, better able to concentrate on specific initiatives each year to help with our continuous improvement efforts.[2]

Using the map, the administrative team for the business school has been able to create scorecard measures to evaluate progress for any of the strategic objectives depicted on the map. The goal is to have at least one valid, quantifiable metric for each oval on the map and for these metrics to become part of the regular outcomes-assessment process. Of course, we use metrics for assessing student learning outcomes (the product row), but these are mere *lagging* indicators of performance. The real advantage of the strategy map and the balanced scorecard that is behind it is this: It enables us to track *leading* indicators of performance, especially the people and process rows. This is invaluable information about what our performance will be in the future, not just yesterday or today.

CONCLUSION

For both accreditation and continuous improvement purposes, every academic business unit should be involved in the ongoing process of planning and assessment. The central point of this paper has been to show how a strategy map can facilitate that type of planning.

A strategy map can give all of the employees of an academic business unit a clear line of sight into how their jobs are linked to the overall organizational objectives. It also enables the leadership of the academic business unit to better determine how to convert its initiatives and resources, including intangible assets, such as corporate culture and employee knowledge, into tangible outcomes. Moreover, it reduces to one page how the school uses its money to achieve its mission, allowing all stakeholders to understand the cause-and-effect linkages.

The strategy map is typically designed from the top down, beginning with the mission or purpose. It then clarifies the distinctive attributes of the product, the essential processes, and the people who make those processes excel. At the foundation in a non-profit map are the financial resources that permit us to hire, retain, and lead those people toward their potential.

Behind the strategy map is a balanced scorecard, the metrics to evaluate performance and to mobilize everyone toward common goals. Consequently, a well-designed strategy map may enable competitive advantage as it becomes a driving force for educational results and faithful ministry within a collegiate school of business.

ENDNOTES

1   The School of Business vision statement and the statement defining our business were also given much consideration when building the strategy map. The stated vision of the School of Business is:

"To develop extraordinarily competent and transformational business leaders with a Christian worldview."

The defined business of the School of Business is:

"The School of Business is in the business of training people to be highly proficient in the functional areas of business, transforming people to close the gap between who they are and who God wants them to be, and transitioning people into roles to which God is calling them."

2   The School of Business faculty is similar to the greater body of Christ in that we have many members but we do not all have the same gifts, abilities, or strengths (Romans 12:4, 1 Corinthians 12:12-3). In addition, when each part of the body is working properly and when the parts are working cohesively together, the entire body grows and is edified in love (Ephesians 4:12-16).

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