

## The Role of Strategic Planning (Harris & Ellul)

### Chapter 10

#### The Role of Strategic Planning: a case study in UK Higher Education.

##### Introduction

This chapter provides a reflective account of the changing role of the planning department in the performance management and control of a relatively small UK university. We define performance management and control as a set of management practices formulated to achieve an organisation's strategic goals and shape its strategic direction. Whilst responsibility for performance measurement has generally been seen as that of the finance function of an organisation (ICAEW, 2009), the widespread use of balanced scorecards (Kaplan and Norton, 1996) and competitor analysis (Porter, 1990) has expanded the need for more non-financial data. In some sectors including Higher Education (HE) the strategic planning team is being tasked with addressing this need (Lerner, 1999), though research on this aspect of PMC is limited (see Hoque and Seneviraine's chapter 24 in this volume). What we explore in this chapter through an illustrative case study is the role of planning in relation to other parties and how that has changed over a 5-year period.

Both of the authors were employed in the case organisation during the period of the study (2010 to 2015), during which the title, role and responsibilities of the Director of Planning (DOP) changed, so it can be seen as both a longitudinal case study and as participatory action research. The methodology is based on a combination of documentary analysis and a series of loosely structured conversations between the authors around the themes of strategic planning and decision-making processes, organisational structure and the implementation of key performance indicators. It differs from many other management control case studies as it places the spotlight on the role of the planning department and on the DOP.

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This case is the result of participation in action research based on Elden and Levin's (1991) co-generative learning model, with the dual outcomes of a new shared understanding to enhance organisational learning as well as the production of an academic output. Rather than presenting a hierarchical organisation chart to show the position of strategic planning, an actor network is presented that places strategic planning in the centre of a web of professional relationships. However, we do not claim to have used actor network theory as we have not interviewed other actors in the organisation. The role analysis has been based on Sharrock's (2012) adaptation of Quinn et al.'s (2007) eight management roles in a mixed economy university setting, based on four Australian universities. This provides a somewhat structural and technical analysis, which is followed by an analysis of the strategic planning process using Ferreira and Otley's (2009) framework (see Figure 9.1, page 160).

The main aim of the chapter is to present an insight into the changing role of strategic planning in an HE setting during a period of unprecedented change, through the eyes of two of the actors involved in the organisation. Following this introduction the chapter is structured in four substantive sections. First, the case study context and research methodology sets the scene for the case study. The analysis is then organised into three sections providing a mapping of professional relationships in the actor network, an analysis of the principal activities and responsibilities (the management roles) and the answers to eight questions on PMC based on Ferreira and Otley's (2009) framework (see figure 9.1). Conclusions are drawn about the changing role of planning in the delivery of the institution's goals. Due to the particular role of literature in an action research study, as an integral part of the learning and as a means of making sense of the action, it is interwoven with the analysis of professional practice.

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### **Case study context and research methodology**

The case organisation is a relatively small university situated in a beautiful parkland campus in London with a long history (175 years) at the forefront of early years' education. It has retained the ethos that came from its four constituent colleges, having strong links with churches (Catholic, Church of England, Methodist and Ecumenical) and a concern for the social and spiritual well-being of its students through its evolution into a modern university (Watson, 2010).

The case study begins in 2010, when both authors were appointed to newly-defined senior management roles (following a restructuring of the university into ten academic units and a centralised administration). This chapter explores the changing role of the centralised planning team from the dual perspectives of its leader and a member of the Business School professoriate, captured through a series of recorded one-to-one discussions and email exchanges. These personal reflections have been analysed together with relevant documentary evidence such as job descriptions and specifications, the strategic plan (2014-2019), progress reports and key performance indicators. No other members of the university were interviewed or directly involved in this action research project, but the account presented here has been shared with and verified for factual accuracy by the relevant Pro Vice-Chancellor (PVC) and Director of Finance (DOF).

Meetings lasted a little over 60 minutes and the themes that provided a focus for discussions were as follows:

- changes in the job role from the Head to DOP,

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- role of the planning team and relationships with significant groups of actors,
- development of the university strategic plan and set of corporate KPIs,
- monitoring operational performance through departmental KPIs,
- performance management and the changing HE environment.

Analysis of the records of these meetings and the documents specified above took place between the meetings and content (i.e. tables and figures) was shared and confirmed as the project progressed. Drafts of the chapter were considered by the authors and reviewed over a period of 12 months, then shared with the PVC and DOF to whom the DOP reports for comment and verification of factual content. Academic literature cited in the chapter was also shared and discussed either in the meetings or in email exchanges to support the analysis.

The work was guided by principles of action research (McNiff and Whitehead, 2002; Harris, 2008; Coghlan and Brannick, 2010). We adopted McNiff and Whitehead's (2002, p15) definition of action research as "a particular way of researching your own learning". The study aimed to analyse changes in PMC practice over the 5 years from the personal perspective of two organisational members for the purpose of professional development and continuous improvement. Linking theory and practice in this analysis enabled suggestions for future action and possible changes to benefit the organisation as well as contributing to the wider academic community (Harris, 2008, p17).

Doing action research in your own organisation presents certain advantages, not least in terms of access to relevant, contextual, informal and sometimes confidential or privileged data, but also presents challenges in terms of authenticity, disclosure and lack of anonymity (Coglan

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and Brannick, 2010, pp.123-124). No confidential data are presented here, as the focus of this research is on the process of performance management and on changing management practice of the DOP rather than on an evaluation of the organisational performance itself. We made a decision to co-author the account of our shared sense-making. We decided not to interview others to avoid complex issues of anonymity.

As part of the new centralised administration of the university in 2010, the planning team technically sat within the finance function, with the Head of Planning (as the job title was) reporting to the DOF. The purpose of the Head of Planning role was defined in 2010 as to:

“Lead a team dedicated to providing services supporting the delivery of the University’s strategic objectives”. This included “supporting the senior team in developing the University’s new Strategic Plan and monitoring performance against targets”. It went on to specify “The Head of Planning will be responsible for leading and managing the Planning Team within the Finance department”.

The title, grade of post and role changed in 2014 to Director of Planning, reporting to the PVC and DOF, whose responsibility included oversight of Estates, Library and Learning Services as well as the Finance and Planning functions. Since January 2014 the number of staff had expanded from 4 to 11 and was positioned alongside the finance function, with a newly appointed Head of Finance leading the adjacent department, both reporting to the same PVC and DOF.

The role still covered planning, analysis and data provision, supporting decision making and risk management, but had been extended to cover student target setting, statutory returns, management of the timetabling department, the workload planning model, responsibility for

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student surveys (e.g. module evaluations and first destinations), policy analysis and “contribution to the governance and leadership of the University”. Part of the purpose of the role has been redefined as:

“To align strategic planning across academic and professional service departments; leading on target setting, monitoring, and assessment of departmental and institutional performance and provide a focal point within the University for support of initiatives and projects”.

### **Mapping professional relationships**

The new strategic planning role had expanded the areas and level of responsibility, essentially from a data management role to a senior management role, having interaction with a greater variety of internal and external parties, which made relationship management a key skill. Figure 10.1 shows the position of strategic planning within an actor network. The nature of each relationship is analysed below, taking each group in turn anti-clockwise. The size of the ‘bubbles’ in the diagram represents the relative importance and frequency of the interactions between the DOP and others.

The actor network is defined here as the web of institutional relationships between the strategic planning team and the groups of actors they engage with in their professional practice. Most groups are also organisational members, including functional teams such as finance. Of the twelve groups, including the planning team, nine are internal and three stretch beyond organisational boundaries to planners in other HE institutions (competitors), non-executive members of the governing body and government agencies. The nature of interactions between the DOP and the groups identified is explained below. The DOP (co-

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author) was placed in the centre and the Director of the Business School (lead author) was one of ten heads of academic departments.

### *Senior management team*

The group called the Financial Strategy Group (FSG) comprised the Vice-Chancellor (VC), PVC and DOF, Deputy Vice-Chancellor (DVC) and the Registrar, met weekly to consider the whole management agenda, not just financial matters, to which the DOP was asked to report periodically and on an ad hoc basis. The contact with members of this group

Position of SP in actor network



Figure 10.1 Position of SP in the actor network

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(individually and as a group) was of great importance, so took priority over almost everything else. This reflected the turbulence in the HE environment and the greater appetite for information shown by the particular post-holders, especially the DVC (in post from 2012) in making decisions related to the academic portfolio, the curriculum and recruitment activities. The physical location of members of the DOP's team close to members of the senior management team was critical to good working relationships

### *Academic departments*

There was not much formal contact beyond the monthly meetings of Senate (the highest level academic committee comprising the VC, provosts, registrar, heads of academic and service departments and elected staff and student representatives). However, the DOP had almost daily contact with academic leaders at various levels on a less formal basis. This increased after the DOP took over responsibility for timetabling and workload planning.

### *Academic support departments (Registry, library, IT, student services etc.)*

The planning function worked with Registry and Admissions in order to submit statutory returns. The Academic Registrar remained the owner of student data, but the planning team was responsible for pulling the data together to submit to statutory (government) bodies. The planning team worked closely with the data owners to ensure all data represented the most accurate picture of activities. The need for accurate data was emphasised by the linkage between the statutory returns made and funding and the usage of data to create metrics that formed the university's Key Information Set (KIS), it's "league table positions" and will be



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used in new initiatives like the Teaching Excellence Framework (TEF). The planning unit also supported other service departments by disseminating key information such as student numbers and survey results in order to improve the level of service offered to students. The DOP team also worked closely with IT to ensure the systems were kept up to date and fit for purpose to ensure the provision of accurate information in an accessible format.

### *Estates*

This function had responsibility for timetabling in 2010. The timetabling team moved from estates into the planning department in 2014. It was (and to some extent still is) an area of high staff sensitivity throughout the university. The process was becoming more effective from a management control perspective, as it became integrated with student numbers planning and staff workload planning. It may not have been so popular with academic heads who perhaps felt a loss of autonomy in terms of staff activity management, but that had started prior to the move (with a new workload policy being devised and negotiated with the unions). The planning team became responsible for producing the room utilisation returns to the Higher Education Statistics Agency (HESA), so interaction with estates was mainly to input to the estates management report and to deal with extra-curricular room allocations handled by the conferencing and events team.

### *Finance*

There was regular interaction between these two 'sister' departments, again with the planning team providing student forecast and registration numbers to allow finance to make the link

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with student loan data and update revenue forecasts and cash flows. They also worked together on the “What if? scenarios” to support strategic decision making.

### *Human Resources (HR)*

The main interaction was to compile the annual staff return to HESA. The accuracy of staff numbers and classifications (e.g. support staff, academic staff, subject areas, qualifications) impacted on both internal and published measures such as staff student ratios (SSR) that in turn impacted on league table positions. The DOP sat on the phase one project group to design a new human resources (HR) information system, so the level of interaction was higher during that time. Another ad hoc link with HR was over staff union matters such as the academic staff workload policy and information, the responsibility for which the DOP took on (from a timetabling management perspective). The planning unit worked with HR on annual reports in relation to equality and diversity data related to staff. In addition the planning team worked closely with HR, providing data collection and analysis expertise in developing staff surveys.

### *Marketing communications and recruitment*

The frequency of interaction between the DOP and the heads of these two marketing functions was at least weekly, almost daily, mainly on the subject of student numbers in relation to applications and enrolments identifying areas of strength and weakness, especially at key times in the annual cycle, reporting actual against target student numbers. As this was driving the main revenue stream it was the single most critical KPI the university had. They

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worked together to produce and interpret trend analysis and benchmarking data. In addition the units worked together to identify new markets and areas of recruitment.

### *Students*

In 2014 the annual Destination of Leavers from Higher Education (DLHE) survey was brought in-house to be handled by the planning team after a period of time in which it had been outsourced. The new planning role also included responsibility for collecting and analysing module evaluation forms that students were asked to complete towards the end of each module. Other student surveys included an applicant survey to discover why an applicant decided to come to the university (or not), a new entrants survey conducted in the first year to see how students were settling in and a graduate survey to find out what graduates were doing ahead of the official DLHE survey which was conducted six months after graduation. This helped academic and service departments to gauge student satisfaction and make improvements that may have had an impact on the National Student Survey (NSS) conducted by Ipsos Mori half-way through year 3 (that appeared in the league tables and will be a key metric in the TEF).

### *Competitors*

The direct interaction with competitors (as opposed to via HESA) was mainly through attendance at the National Planners group, where representatives of other universities met quarterly to discuss responses to government initiatives and new regulations as well as through informal networks of former colleagues. As a result of the many changes to policy in

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the sector HEIs found themselves unsure of what was happening or what was expected of them, therefore informal links with others in the sector provided reassurance and insight. This networking helped to build up a number of personal contacts who could be contacted for advice, e.g. “how are you handling the x initiative at your university?” Universities compete in home and overseas markets for students but generally talked to competitors more in the HE sector than managers might in other industries. They also collaborated for example on solving information systems problems. It was possible to use the planners meetings to gauge how well an institution was doing vis-à-vis its competitors by how much information was given and how much was taken. Over the 5 years, the DOP felt he had moved from being a ‘taker’ to being a ‘giver’, e.g. by making presentations on using HESA statistics.

### *Board of Governors (University Council and its committees)*

The DOP was required to attend both an annual council meeting to present the university performance against KPIs and also sub-group meetings such as the audit committee or finance and general purposes committee (FGPC) on an ad hoc basis e.g. on risk management. He also had quite regular informal conversations with the chair of FGPC concerning matters such as student numbers. In addition to this the DOP provided data analysis and ad hoc reports to the Governors. Reports included analysis of student satisfaction, student achievement (academic outcomes) and success (employment).

### *Government bodies (e.g. HEFCE, HESA and NCTL)*

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The Higher Education Funding Council of England (HEFCE) and the National Council for Teaching and Leadership (NCTL) are government agencies responsible for the regulation and funding of Universities. Together with HESA, they call for statistics from Universities in the form of statutory returns, for example on student numbers (recruitment and retention). Compliance with this requirement was essential for the University to retain its status as a University and entitlement to government funding. In return these three bodies provide the University with national statistics and competitor information, including sector league tables to inform its strategic planning. Whilst the main interaction was annual, the nature of this relationship and the accuracy of the data provided were considered to be crucial to the future of the institution.

The nature and emphasis of this relationship had shifted over the past 5 years from one of data accuracy and compliance (giving information) to one of enhancing the institution's position in terms of funding and reputation. Benchmarking (using information received) was used to take actions to ensure that the University could be portrayed in the best light in future league tables while retaining the integrity of accurate data. Whilst the senior team would not have regarded the University as being totally driven by league tables in what it did, many of the key measures used in league tables marry with key objectives and assisted with their wish to improve the position of the University in the published league tables that may have influenced student choice.

Government was also considered in this study as a policy-making body. This would not necessarily have featured in the diagram so much in 2010 in relation to the planning role as it

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was then defined, but related to the responsibility in the new job role to “lead on the interpretation of and provide guidance and recommendations on policy relating to Higher Education”. The responsibility for co-ordinating responses to government white papers and consultations lay with the Director of Communications (DOC) within the VC’s office, but the setting of fees within the new government funding policy required the modelling of alternative fee levels and likely student numbers to support decision-making on this key issue to forecast the impact on revenues. This work obviously also overlapped with the work of the finance function.

### **Management role analysis**

In this section we analyse the role of the DOP using Quinn et al.’s (2007) framework. The framework was developed for eight general management roles, Director; Producer; Co-ordinator; Monitor; Facilitator; Mentor; Innovator and Broker. Sharrock (2012, p.333) positioned two roles into each of four quadrants in a two by two matrix using the dimensions of inward or outward looking and flexibility versus stability. On the inward looking side of the matrix he paired the Mentor and Facilitator roles together as seeking flexibility, labelled *Professional Community* and the Monitor and co-ordinator roles as seeking stability, labelled *System Integrity*. On the outward looking side he paired Innovator and Broker roles as seeking flexibility, labelled *Creative Engagement* and the Director and Producer roles as seeking stability, labelled *Sustainable Enterprise*. He then added six indicative tasks to each of the eight roles for university management. In table 10.1 we have used Sharrock’s university-specific framework to analyse the role of strategic planning in university performance management and control by taking extracts from the DOP job specification and

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matching illustrative activities and university performance measures to the indicative tasks identified by Sharrock (2012, pp.333-335).

Insert table 10.1 about here

While there were elements of the DOP role and strategic planning activities in each of Quinn's (2007) eight management roles, it was the coordinator and monitor roles where there was greatest emphasis and a larger number of illustrative activities. The emphasis of the DOP role on Sharrock's (2012) *System Integrity* quadrant (monitor and co-ordinator) was unsurprising. While we agreed that generally the role of the DOP was about making sure that the statistical information used by the university to support its planning and control activities was accurate, complete and fit for purpose, it was not always intended to seek stability, where for example the benchmarking data pointed to a need for change to ensure the university maintained or improved its competitive position. Also, given the competitive landscape in HE, the monitoring role had a more external or outward looking focus, for example monitoring the university's position in the national and international league tables.

So, while we found Sharrock's (2012) indicative tasks useful to aid our analysis, (in column 3 of Table 10.1), we did not find the matrix dimensions so applicable. For this reason we stuck to Quinn et al.'s eight roles (in column one of Table 10.1). With the focus of this book on PMC, we have identified specific measures used in the case university (and many others) to monitor inputs, outputs and progress, for example entry qualifications (tariff) and degree classifications achieved by students, which could be combined to measure progress in terms of added value (though added value is not included in league tables as such).

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The monitor role for strategic planning teams in HE was two-way, in that internal data was collected to report to both senior management in the university and external agencies, for example the main funding bodies, but then the analysis compiled by external agencies from across the sector accessed by the university was a crucial part of the market intelligence informing the university's strategic plans. One of the most crucial and newest areas of responsibility for the DOP was leading the timetabling team, allocating physical resources and co-ordinating this with staff resources (the responsibility of the academic departments). The responsibility for space utilisation used to be with the estates team, but there were issues with the co-ordination with student number planning and academic staff workload planning. The authors of this chapter were both instrumental in the decision to move this responsibility across to the strategic planning team. The move had not solved all of the issues to everyone's satisfaction (see section 5 below), but progress had been made. It gave the DOP role a higher profile within the university than it had previously and freed up the estates team to manage the huge campus development programme that started in 2014/15.

The innovator and broker roles were possibly more relevant for the DOP at this university as he had greater profile in the sector networks and higher level access to key policy makers and external agencies in the UK than other similar post-holders may have had. The raising of the job specification to a higher grade afforded the post-holder to place more importance upon the director and producer roles. Whilst the planning team worked alongside the finance team, both the DOP and DOF roles were clearly becoming more strategic as the university faced the growing challenges of a HE sector that was expected by government to become more financially self-sustaining. In terms of a critique of Quinn et al. (2007), we found that the eight roles lack sufficient emphasis on risk and feel risk management could be justified as a



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ninth role. In the next section we analyse ways in which the DOP interacted with other actors in setting strategic goals and identifying action plans and KPIs to deliver the university's strategy.

### **Strategic planning and performance management practice**

We adopted and adapted the set of eight functional questions from the Ferreira and Otley (2009) framework (see Figure 9.1), introduced by Dugdale in chapter 2 of this volume (pp.17-18), as our analysis framework for exploring PMC practice. We replaced the sixth question on target performance (so as not to disclose confidential information) with one about the current topics of debate on PMC in the organisation. As our focus of enquiry was on the role of strategic planning in PMC, these eight questions seemed highly relevant.

#### *What is the vision and mission and how is it communicated?*

The time frame of a strategic plan in a UK university has normally been 5 years (Lerner, 1999), but after an especially turbulent time in higher education during the 2011-2014 cycle, where the funding model changed significantly and the uncertainties of market forces began to sink in, the university developed a new mission statement communicated in the 2014-19 strategic plan (text in the shaded boxes below is quoted from that document):

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We support all of our students, whatever their background, to reach their full potential. We provide a personal learning experience, helping our students grow as individuals and to be responsible citizens and leaders.

We ensure our students become the sort of graduate most valued by employers: a confident, critical thinker, adaptable, open to new ideas, able to work well with people from all walks of life, and with first-class communication skills.

We are focussing on creating new knowledge and ideas that help us to understand our world and make it a better place and we ensure our research informs our teaching.

### *What are the organisation's key success factors?*

A set of longer-term goals for 2025 was developed with two overarching aims:

- to develop successful alumni,
- to create and disseminate world-class knowledge and ideas.

The organisation's key success factors articulated in a set of eight 2025 goals covered:

1. international reputation,
2. research quality ranking,
3. student satisfaction,
4. the university rated highly as an employer by staff,
5. citizenship and place of students/graduates in society,
6. graduate employability,
7. campus environment,
8. quality of partnerships with other institutions and organisations.

### *What strategies and plans are adopted and what processes/activities ensure its success?*

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The 2014-19 strategic plan (see below) was developed by following a process that matched well with the ten steps recommended by Lerner (1999, p.7-8) in the strategic planning primer for HE, namely:

1. vision/mission,
2. environmental scan (i.e. strengths, weaknesses, opportunities and threats (SWOT), market forces, labour market etc.),
3. gap analysis (between desired future and current state),
4. benchmarking (reference point from selected sample across the sector),
5. strategic issues (fundamental to achieving desired state),
6. strategic programming (goals, plans, actions/tactics),
7. emergent strategies (Mintzberg, 1994: 23-25),
8. evaluation of strategy (KPIs, monitoring),
9. review,
10. strategic thinking (embedding strategies).

In terms of a critique of Lerner's process, there was no mention of strategic facilitation, which the authors felt was part of the DOP's professional role.

### *What is the organisation structure and how does it affect the strategy and control?*

The university had a relatively flat organisational structure, appropriate to its size and cost base. Whilst we did not feel the presentation of a traditional organisation chart to be especially helpful here, we placed more emphasis on the actor network (mapped out in Figure 10.1). Suffice to say there was no elaborate matrix structure or hierarchical faculty structure, but ten subject-based academic departments and a similar number of non-academic departments covering academic support (registry, library, IT and learning services, students services etc.), estates, finance, human resources and marketing. The process outlined above was initiated by the top team lead by the VC, working closely with the Director of

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Communications (DOC) and the DOP. When it came to step 6 the board of governors, provosts (DVC plus 3 deputy provosts) and departmental heads were consulted and Senate formally approved the plans.

The strategic planning process, and more specifically the annual operating plans, had moved from being a more bottom-up process pre-2014 to a more top-down process post-2014, in part due to a more challenging HE environment. There was a change of emphasis as the bottom up process had proved too difficult to integrate, with 20 or so disparate departmental plans based on uncoordinated assumptions. It could be argued that whilst departments liked to have some input to the former operating plans, the plans had very little impact on the day to day management of departments or on actual performance, especially where so many agents (such as academics and students) seemed to have and exercise the “ability to do otherwise” (Giddens, 1979, p.56). The top-down approach to planning may have resulted in a more coherent plan, but there were other mechanisms (for example strict budgetary control) employed to control the activities of individuals and departments (see below).

### *What KPIs are derived from objectives and strategy?*

The strategic plan 2014-19 had an action plan and associated KPIs in each of seven areas. Rather than listing them directly from the strategic plan, they were summarised and organised into a form of balanced scorecard (Kaplan and Norton, 1992) in Figure 10.2, as this gave a picture of the ‘balance’ (or not) between them.

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Financial	Customer
<ul style="list-style-type: none"> <li>Financial sustainability (2 measures: EBITDA &amp; liquidity)</li> </ul>	<ul style="list-style-type: none"> <li>Student recruitment (3 measures: new subjects, market share &amp; entry tariff)</li> <li>Student satisfaction &amp; retention (4 measures)</li> <li>Graduate employability (6 measures)</li> </ul>
Learning & Growth	Operating environment (replacing Internal Business Process)
<ul style="list-style-type: none"> <li>Staff profile &amp; satisfaction (2 measures)</li> <li>Knowledge creation (2 research measures: REF &amp; funding)</li> </ul>	<ul style="list-style-type: none"> <li>Campus enhancement (4 measures: 2 based on NSS &amp; 2 campus awards)</li> </ul>

*Figure 10.2* Balanced Scorecard with 23 KPIs

There were 13 KPIs (57% out of a total of 23) within the ‘customer’ quadrant that were all about the students, that drive revenue in what Sharrock (2012) calls a mixed economy university (focussed on both teaching and research). There were only 2 KPIs in the ‘financial’ quadrant, but it was the student recruitment targets that impacted the most on revenue. It was the 4 campus-based KPIs in the quadrant typically labelled “internal business process”, but labelled operating environment here that required heavy amounts of financial investment. What appeared to be missing here were measures of productivity of the main resource (academic staff time) so this is explored more below.

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There may only have been four KPIs in the ‘learning and growth’ quadrant, but the two research-based KPIs carried an exceptional amount of weight as they determined staff recruitment decisions and reward policies. If one were to expect (as management accounting text books tend to portray) a balanced scorecard to have more or less an equal number of KPIs in each of the four quadrants, it could be interpreted that our analysis shows an “unbalanced scorecard”, with a range from 2 (financial) to 13 (customer) KPIs. However, we note that KPIs may not be equally weighted, for example maintaining a satisfactory earnings before interest, tax, depreciation and amortisation (EBITDA), liquidity and research excellence record were of crucial importance.

Also the quality of the campus (our operating environment) was seen as a strong competitive factor as it has tended to attract students who have had considerable choice (around 150 HE institutions nationally, with some 20 within close proximity) and was seen as a vital investment for long term sustainability. Even though the market for on-line or off-campus education was expanding, so many institutions wish to have a physical presence in the nation’s capital city, that the demand for shared space was expected to fill any gaps that could arise from recruiting fewer campus-based students ourselves. Hence campus enhancement was seen as a relatively low-risk activity. We therefore suggest that the apparent imbalance is justified and that the term ‘balanced scorecard’ is potentially unhelpful. The alternative term ‘dashboard’ may be more appropriate to this case study.

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*What are the current topics of debate in terms of performance management and control?*

The current topics of debate amongst academics and university management in the university (and the HE sector generally in the UK) in terms of PMC broadly fitted under the following four headings:

- Research excellence framework (REF) – how could changes in the rules and process recommended by the Stern (2016) report impact on PMC.
- Teaching excellence framework (TEF) – new process about to be implemented in 2016/17 that places greater emphasis on measures such as the NSS scores.
- Britain’s proposed exit from the European Union (EU) – impact on research funding if as was expected the EU funding accessed up until 2016 is cut off.
- Staff recruitment, motivation, retention and individual workloads, rewards and penalties (see section 5.8) – impacted by changes in the HE environment above.

Chapter 27 in this volume written by Broadbent deals with the impact on our research of the most recent REF and Chapter 13 by Carter deals with this and workload issues, essentially arguing the time spent by academics on research outside normal contract hours has not been measured. There was much dissatisfaction with seeing students as customers and the NSS as a flawed measure of teaching quality (see for example Bennett and Kane, 2014; Lenton, 2015). These debates will no doubt continue.

*How is individual and group performance evaluated and with what consequences?*

The ten academic departments each had a distinct set of programmes and projects, so it was relatively straightforward to set targets/KPIs derived from the university set, covering the ‘customer’ and ‘learning and growth’ areas, mainly based on student data (recruitment, entry tariff, retention, achievement, satisfaction etc.) and research performance (number of

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publications rated 1\* to 4\*). The KPIs for the non-academic departments were obviously related to the functional areas concerned. Departmental performance was also monitored by budget variance reports, where targets were set for non-fee income such as research contract income and revenue generated from collaborative partnerships.

Individual academic staff performance was monitored annually through a performance review process, based on self-evaluation and management evaluation against agreed objectives. The objectives may have been partly suggested by individuals and partly by management to align to departmental and university priorities. There was interim monitoring based on module evaluations (student surveys), but that was not strictly attributed to individuals in the case of team-taught modules, though module conveners were held responsible for the results for their modules, both student satisfaction and achievement. The consequences for individual members of staff are dealt with in the next section. For the department, the consequences could have included a strategic review involving more scrutiny and the possible addition or closure of programmes, financial rewards or penalties in terms of increases or decreases in discretionary elements of the following year's budget, and more or less challenging target KPIs set for the next year.

### *What rewards and penalties follow from meeting (or not) performance targets?*

There was no performance-based pay structure as such, so little opportunity for individuals to earn financial rewards for meeting objectives. However, there was a structured pay-scale with an annual opportunity for those lower on the scale to apply for promotion, for example from senior lecturer positions to reader or principal lecturer positions. It was also possible for any academic staff member who was not a professor to apply at any time for promotion to



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professorial level. That could leave a majority of staff with little more than a nice comment for good performance. However, there was also a form of reward that was time allocation within the workload for the following year, where meeting research output targets resulted in 30-40% of time being given as a research allowance. Equally if such targets were not met for two consecutive years the research allowances previously given may have been taken away. It could be argued that this had greater consequence as it would have been very difficult to regain this allowance once lost. The penalty for poor research performance was therefore to be given a higher teaching load.

Poor teaching performance in an annual review normally resulted in an improvement plan at the individual level, e.g. staff training, or at the module level. If no improvement was made or the issues were more severe it could lead to disciplinary action being taken. This could lead to written warnings and ultimately loss of position or renegotiation of the employment contract. However, this was a very time-consuming and slow process, so such decisions were not taken lightly. Evidence could be difficult to establish or justify where predominantly team performance was measured. Often the outcome of poor performance in one role may have resulted in the allocation of (and retraining for) a different role or the restructuring of a failing part of the organisation. This situation applied across the sector, which involved working closely with union representatives and was not seen as particularly satisfactory by employees, unions or management.

In terms of the conceptual model Broadbent and Laughlin (2009) developed to build on the Ferreira and Otley (2009) framework (see Figure 9.1), the additional questions they suggested were not explicitly used in our conversations and analysis, but their models of rationality were considered in drawing the conclusions presented in the final section of this chapter.

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### **Concluding comments**

Our main aim in this chapter was to provide an insight into PMC in a university setting from a DOP role perspective and to examine how that role has evolved and how it relates to other business functions, in particular finance. The case study presented here should be interpreted in the context of the size (small) and history (merger of four colleges). We conclude that planning has developed strategically as a distinct role in PMC in this case (and in the HE sector more generally), which is both separated from the finance professional role (as a contrast to Nevries & Payne's Chapter 9) but also operates alongside the finance function.

From our analysis of performance management practice in the case organisation the design of the performance management system could be seen as following more of an instrumental rationality than a communicative rationality, using Broadbent and Laughlin's (2009) model. We argue this transactional approach to PMC is also likely to be taken in many other HEIs in the UK given where they are in the development of strategic planning in HE and the extent of government regulation imposed on the sector. However, our analysis of the professional relationships in section three above does show signs of a more communicative rationality at play and a more relational approach could therefore be developed. It is clear that interviews with more organisational members would be required in order to make full use of Broadbent and Laughlin's model, which was beyond the scope of our project.

For the purposes of our participatory action research project the Ferriera and Otley (2009) framework (see Figure 9.1) served us well. It was found to be helpful to the authors in understanding the significance of the changes made by the university. Broadbent and

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Laughlin's (2009) model could be employed more fully if a further case study were to be conducted. Alternative approaches to a further study might also be to use actor network theory (Callon, 1986) or strong structuration theory (Stones, 2005). A further study could usefully include more analysis of risk management practice and processes to deal with complexity and uncertainty in strategic decision making.

The case study adopted a very relational model of enquiry, but the choice of analysis frameworks and the process of sense-making resulted in a more structural and technical analysis. More critical insights could be uncovered at the departmental level and in the involvement of more colleagues in the organisation. However, the focus here on the functional aspects of strategic planning offers an insight into PMC in the context of a university that could illuminate the pathways to a deeper understanding of PMC in the HE arena.

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Table 10.1 Quinn's management role analysis

<b>Quinn's Management Roles &amp; indicative tasks</b>	<b>Extracts from DOP Job Specification</b>	<b>Illustrative activity/ relevant University Performance Measures</b>
<p><b>Director</b> Highlight the risks and opportunities faced by the enterprise</p>	<ul style="list-style-type: none"> <li>Ensure that risks spanning the University are identified from the operational &amp; strategic planning process &amp; managed effectively.</li> </ul>	<p>Through managing the risk management process for the University. Providing an annual report to Audit Committee of our assessment of institutional risks.</p> <p>Through analysis of data and provision high quality management information to inform staff and senior management of our relative performance in a range of performance measures.</p>
<p><b>Producer</b> Use everyone's time, talent and energy efficiently</p>	<ul style="list-style-type: none"> <li>To ensure that all departments, academic &amp; professional services are fully supported to manage their respective areas effectively &amp; efficiently, taking account of financial constraints.</li> </ul>	<p>Robust information systems have been developed to allow staff to help themselves to a range of data to answer queries efficiently and effectively.</p> <p>More streamlined approaches to business and operational planning have been produced with an emphasis on data led metrics.</p>
<p><b>Co-ordinator</b> Use effective systems to keep programmes on track</p>	<ul style="list-style-type: none"> <li>Lead the design, establishment &amp; delivery of internal strategic &amp; operational plans, providing information, advice &amp; consultancy support to departments.</li> </ul>	<p>Measurement of inputs, outputs, progress:</p> <ul style="list-style-type: none"> <li>entry qualifications and tariff</li> <li>student satisfaction</li> <li>retention (programme completion)</li> </ul>

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<p>Effectively combine the contributions of different work units</p>	<ul style="list-style-type: none"> <li>• Leading the timetabling team to ensure that an effective timetable is delivered to students in an efficient timeframe to maximise student &amp; staff satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>• achievement (degree classification)</li> <li>• destination (employment)</li> </ul> <p>Collate staffing, teaching and room requirements &amp; allocate physical resources across the University:</p> <ul style="list-style-type: none"> <li>• space utilisation</li> <li>• Student satisfaction</li> <li>• Staff satisfaction</li> </ul>
<p>Make sure all contributors know what to do, by when</p>	<ul style="list-style-type: none"> <li>• Work with staff throughout the university to develop strategy that will effectively assist in enhancing performance across the University including alerting the University to new strategic opportunities.</li> <li>• Promote good practice throughout the University in all areas of planning, such as, the value of target setting, benchmarking, monitoring &amp; review of performance against KPIs, ensuring that this practice is embedded within every area of University operation.</li> </ul>	<p>Communicate timetable &amp; process for annual planning cycle.</p> <p>Build relationships with key contributors across the University and communicate effectively deadlines for activities and workflows.</p>
<p>Keep all contributors clear on their budget limits</p>	<ul style="list-style-type: none"> <li>• Support the Pro Vice-Chancellor &amp; Director of Finance &amp; Head of Finance in developing &amp; maintaining, an integrated budget &amp; strategic planning cycle &amp; associated processes &amp; be a lead contributor on establishing the University's approach to future planning.</li> <li>• To be responsible for setting &amp; monitoring of achievable annual intake targets to meet University academic &amp; financial objectives &amp; external controls &amp; policies.</li> <li>• Provide detailed monitoring, forecasting &amp; advice on student</li> </ul>	<p>Target student number setting &amp; monitoring:</p> <ul style="list-style-type: none"> <li>• Target, forecast &amp; actual FTE students by programme, mode, fee category &amp; department</li> <li>• Feed target data into the University budgetary forecast model</li> <li>• Provide contributors with timely management information</li> </ul>

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<p>Communicate changes to targets and schedules as needed</p> <p>Resolve conflicting priorities between different work units</p>	<p>recruitment including the Clearing process.</p> <ul style="list-style-type: none"> <li>• Devise &amp; champion a professional approach to strategic &amp; operational planning which will successfully inform the future direction of the University.</li> <li>• To ensure that rooms are available for corporate events to maximise the University's non-regulated income while having minimum impact on the teaching timetable.</li> </ul>	<p>Strategic, operational and business planning:</p> <ul style="list-style-type: none"> <li>• Provide key information sources alongside templates for plans to be completed in</li> <li>• Use data to prioritise areas of improvement within a range of metrics to be addressed within plans</li> <li>• Maintain feedback loop with key contributors to maintain a schedule of work and activities</li> </ul> <p>Resolving clashes within the teaching timetable &amp; between teaching &amp; events.</p>
<p><b>Monitor</b></p> <p>Keep stakeholders reliably informed and up to date</p> <p>Follows relevant policies and procedures</p>	<ul style="list-style-type: none"> <li>• To provide strategic direction for the provision of all Management Information, analysis &amp; statutory returns, including HESA, NCTL &amp; HEFCE data submissions.</li> <li>• Drive strategy through the provision &amp; analysis of insightful data in a range of formats to meet target audience needs including the FSG, Senate, University Council &amp; all other University committees.</li> <li>• Interpret &amp; advise on the policies, rules &amp; initiatives of funding bodies &amp; other appropriate bodies to ensure that the University is in the best position to respond to these &amp; remain compliant with them.</li> </ul>	<p>Providing statistics &amp; annual returns to external/funding agencies</p> <p>Providing regular data analysis for internal stakeholders</p> <p>Interprets information coming from central Government and Government agencies and provides advice and guidance to senior management on how best to respond, thus</p>

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<p>Tracks performance with suitable measures</p>	<ul style="list-style-type: none"> <li>• Monitor the achievement of University objectives &amp; provide comprehensive reports to FSG, Council &amp; other University committees &amp; senior staff as appropriate.</li> <li>• Develop &amp; manage analyses of externally produced indicators (e.g. HESA PIs, league tables, NSS) &amp; produce internal briefings on our relative performance in the sector.</li> </ul>	<p>steering the University.</p> <p>Provides analysis of KPIs by subject area &amp; department against sector averages:</p> <ul style="list-style-type: none"> <li>• Staff student ratios (SSR)</li> <li>• Student satisfaction</li> <li>• Spend on IT/library resources per student</li> <li>• Research assessment</li> <li>• Student achievement</li> <li>• Student continuation</li> </ul>
<p>Judges quality against suitable standards</p>	<ul style="list-style-type: none"> <li>• Develop &amp; manage analyses to inform recruitment &amp; retention strategies &amp; support continuous review &amp; refinement of the University's academic portfolio, including competitor &amp; benchmark analysis.</li> <li>• Conduct primary market &amp; opinion research, including the student satisfaction surveys &amp; provide analysis &amp; advice based on this.</li> <li>• To be responsible for the annual completion of University-wide evaluation of all modules undertaken by students. In conjunction with LTEU, develop the questions asked, the use of the data &amp; dissemination of the results.</li> </ul>	<p>Measurement &amp; analysis of performance against sector averages and key competitors</p> <p>Student satisfaction surveys at module, programme &amp; department levels</p> <p>Measurement &amp; analysis of performance against sector averages and key competitors</p>
<p>Produces financial reporting that is timely and accurate</p>	<ul style="list-style-type: none"> <li>• To interrogate, analyse, &amp; provide an in-depth review/audit of all of the University's statutory returns &amp; sign-off all information that is submitted to our statutory customers.</li> </ul>	<p>To be the first part of the financial reporting process. Feeding in student number targets into the University financial models.</p> <p>To review and compare financial performance</p>



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<p>Produces activity reporting that is timely and accurate</p>	<ul style="list-style-type: none"> <li>• Develop &amp; manage a predictive model for student number target setting, including financial implications, to inform business planning scenarios &amp; resource allocation.</li> <li>• To contribute to strategic direction for student data quality &amp; those activities whereby this is monitored, &amp; strategic assurance that student data is utilised internally &amp; externally to maximum accuracy, timeliness &amp; institutional advantage.</li> </ul>	<p>indicators (FPIs) to our key competitors and the sector</p> <p>Predicting &amp; reporting student recruitment (weekly then daily during clearing):</p> <ul style="list-style-type: none"> <li>• Variances between targets &amp; forecast Through working with data owners in compiling our statutory returns.</li> </ul>
<p><b>Facilitator</b> Encourage people to collaborate a lot</p>	<ul style="list-style-type: none"> <li>• Ensure that the Departments engage with all functions of the University to provide advice &amp; support on-going strategic developments</li> </ul>	<p>To facilitate cross departmental working through joining up a number of University functions. To work with all departments, support and academic supporting their aims and objectives</p>
<p><b>Mentor</b> Encourage individuals to learn and develop their careers</p>	<ul style="list-style-type: none"> <li>• Support the professional development of all team members.</li> </ul>	<p>Openly participate in work shadowing, mentoring and development of staff. Encouraging staff to learn and grow in their roles. Encourage staff to be involved in a local, regional and national level and to promote training and development opportunities.</p>
<p><b>Innovator</b> Adopts up to date work methods and makes best use of new technologies</p>	<ul style="list-style-type: none"> <li>• Build a multi-perspective approach to horizon scanning &amp; use established networks of contacts within the HE sector &amp; beyond ensure that the University benefits from innovative thinking from within HE &amp; other sectors/industries.</li> </ul>	<p>Works closely with internal and external (to the University) colleagues on a local, regional and national stage to stay up to date with most up to date working practices.</p>

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		To maintain good working relationships with Government and Government agencies to gauge and test good practice.
<p><b>Broker</b> Gain access to the meetings where key decisions are made and tap external resources</p>	<ul style="list-style-type: none"> <li>• Represent the University at a range of local, national &amp; international initiatives, for example working &amp; development groups</li> </ul>	<p>To sit on local regional and national, working groups, committees and development groups, both internal and external to the University.</p> <p>To assist Government and Government agencies in setting policy through working groups and consultations.</p> <p>To assist third parties such as Ipsos Mori in developing key initiatives such as the National Student Survey.</p>