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ABSTRACT

Strategic planning is a technique that has been developed to help managers and leaders address the need for organizational transformation in response to societal change. Its elements include external environmental scanning, internal capacity analysis, participation and involvement, mission and strategic goals, implementation/linkage plans, and monitoring and assessment. This monograph addresses the need for strategic planning in restructuring education to accommodate the societal changes brought about by information technology. After an introductory overview, the paper addresses the use of strategic planning at the state level, suggesting that such planning must be coordinated at three levels of state leadership: state policy, state program management, and state leadership. A typical model of strategic planning involves five phases of effort: (1) planning to plan and establishing a climate for change; (2) developing the strategic plan; (3) developing implementation plans; (4) implementing and monitoring plans; and (5) renewing the strategic plan. A brief concluding section discusses strategic thinking and the implications of strategic planning and related management techniques for state policy, effective management of state agencies, the state support system for leadership development, training in change management, and building statewide consensus. Appended is a discussion of strategic planning in the Appalachia Educational Laboratory's region. (TE)

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POLICY ISSUES

State Strategic Planning

by **Shirley D. McCune**
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Laboratory
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November 1986

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STATE STRATEGIC PLANNING

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State Strategic Planning

Why Strategic Planning? -- The Need

The impact of societal changes and the transformation of our society from an industrial to an information society is being felt in every sector and in most areas of daily living. We are aware of many of the structural changes in the economy, changes in the nature of work, and changes in America's role in the world. What we may not recognize, however, is the impact of these larger societal changes on the structure and nature of organizations (including schools) and the ways that organizations are managed.

We must reexamine nearly every aspect of organizational life -- the mission, goals, leadership, activities, financing, decision making, and accountability in light of these societal changes. To ignore the need for a reexamination of the organization (and the probable consequences, i.e. the need for renewal and transformation) is to place the future of the organization at risk. The complex, interdependence of change factors along with the accelerated rate of change requires that managers, decision makers, policy makers, and leaders find ways of understanding and making positive responses to change. The task of organizational leadership at all levels is not simply to keep the organization going or to maintain the status quo. It is, rather, to develop a vision of the future potential of the organization and to "manage" change.

One of the techniques which has been developed to help managers and leaders deal with change and the need for organizational transformation is strategic planning.

Strategic planning extends traditional planning techniques in a number of ways. Strategic planning is an effort to evaluate changes in the larger society and determine their probable impact on the organization. These changes represent threats to and opportunities for the organization. Next, an effort is made to assess the capacity of the organization -- what it currently does well, what limitations exist and what has to happen to build and strengthen the capacity of the organization. In this sense, strategic planning is an effort to develop a "match" between changed societal conditions and the programs and activities of the organization.

Achieving this "match" is a long-term process, and strategic planning is a process for change and transformation, not simply an event or a plan. Strategic planning, therefore, may be described as:

- a process for change and transformation
- a method of organizational and community involvement
- a method of identifying issues and decision making
- a method of managing programs
- a way of thinking and responding

Elements of strategic planning -- external environmental scanning, internal capacity analysis, participation and involvement, mission and strategic goals, implementation/linkage plans, and monitoring and assessment -- are not new. What is new is their systematic use in a process which begins with some sense of the need for change. The process described thus far could apply to any organization -- public or private, business or social services, large or small, total organization or organizational units. What is its specific application to education and why is it needed?

A basic characteristic of the information society is that information and the ability to apply information is the strategic resource of the society. The society is fueled and driven by our increased ability to use and apply information -- an ability made possible by the information technologies.

In the past fifty years, great strides have been made in information technologies -- the telephone, television, satellites, calculators, records, cable transmission, etc. These discoveries provide new ways of storing and transmitting data. It was not, however, until Jack Kilby developed the microchip that we had a cheap, efficient, and effective way of processing data. In a sense, this ability to process presents an extension of the human brain and its capacity to create and problem solve. The power of the microchip was the missing piece -- the piece that sparked and will continue to ignite new technologies and applications of existing technologies.

Despite the power of technologies, they only become meaningful when human beings use them as tools to explore the frontiers of knowledge and search for better ways of solving common, human problems. If information is the strategic resource and use of this information is a key activity of society, it follows that those institutions which provide people with the skills, experiences, and opportunities for learning how to use information will be of prime importance to society.

Education and training systems are the human infrastructure of an information society. The growing realization of the importance of education and training is being recognized within all sectors. A recent article in The Los Angeles Times (December 7, 1986) reported:

Developing the best educational system in the world is the key to America's strength, according to a growing number of citizens -- more important than having the most efficient industrial production system or strongest military force. The Gallup Poll found that nine in ten Americans (89%) cite education as very important to the nation's strength 25 years from now, while 65% hold that view about industrial productivity and 51% about military power.

Austin Kiplinger, in his preface to The New American Boom, stated:

In 1925 Calvin Coolidge said, 'The business of America is business.' Today I say, 'The business of America is EDUCATION.' Education constructs the foundations of technology, and technology in turn provides the track for industry and commerce to advance into the 21st century.

Recognition of the need for the best educational systems began in the late 1970's. Politicians and the business community were first to call for educational reform. When these reforms were articulated, they were frequently phrased in terms of "How can we improve schools?" The phrasing of this statement shaped the response. Educational researchers and educators began with the structure and programs of existing schools and identified ways that schools could be "fixed up" or improved. This is known as the improvement approach to reform and it has become the primary approach for state educational reforms. In many ways, this approach has been productive. We have seen substantial areas of improvement in student achievement, understanding of the schooling process, and an enhanced commitment to education professions. Missing, however, is a response to the long-term questions, namely: "Given changes in our society, what type of institutions do we need to prepare youth for a future society and to meet the wide range of new educational and training needs?" The answer to these questions demands a broader perspective and an openness to ways of restructuring education to "match" the needs of a changed environment. Restructuring education has been raised in recent reports stressing the need for educational reform, e.g. the Carnegie Report, the Holmes Report. Restructuring may be exercised with respect to educational goals, the delivery of educational services, the roles of educational personnel, financing of education, community outreach, and accountability.

Difficult as the task of restructuring is, we are already beginning to see a district response to restructuring. Nearly half of the school districts in the nation are implementing some type of improvement effort, and an estimated 300-500 districts have continued to move into restructuring. These are districts that have redesigned the goals of education (e.g. increased emphasis on self-concept development, communications skills, science, mathematics, technology, world history, world geography, and second languages); expanded the delivery of instructional services (use of information technologies, instruction for developing thinking skills, applied instructional methods); initiated programs for new clients (early childhood, senior citizens; adult education, business groups); redesigned professional roles and responsibilities (principal as instructional leader, teacher career ladders, local staff developers); added to financial resources (provided services to other districts); strengthened community outreach (business partnerships, work with social service agencies, improved communications and activities with parents and community groups); and expanded measures of accountability (new outcomes measures of student performance such as speaking, writing, problem-solving, and criterion normed tests). In many instances, districts have initiated and moved to these restructuring efforts as an outgrowth of their strategic planning activities.

Use of Strategic Planning At State Level*

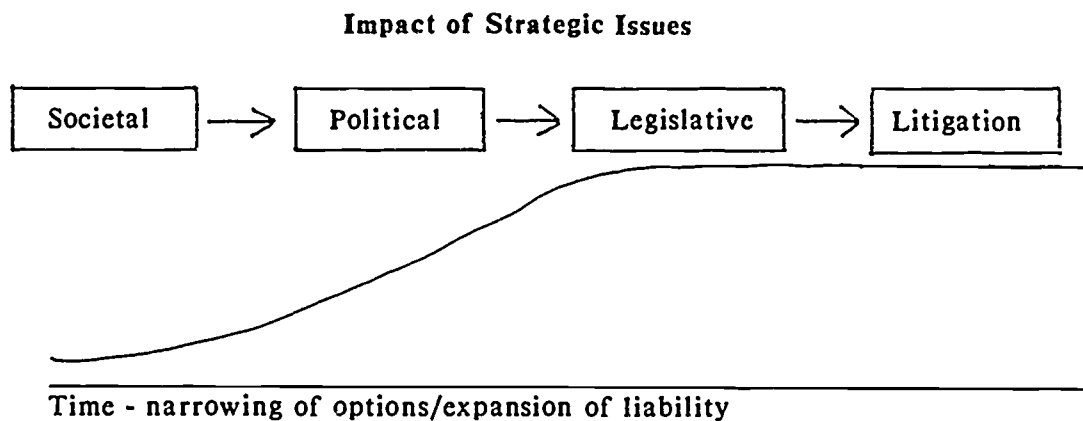
If we accept the need for improving and restructuring education, then the role and function of state decision makers becomes that of change masters or change managers. States have the constitutional responsibility for education and the furthering of education. Bringing about the social, political, and organizational transformation needed is a task established institutions instinctively resist. Change which is not widely understood or is linked to an individual leader is not likely to be sufficiently comprehensive or adequate to meet today's needs.

*Appendix A includes a description of strategic planning activity in states served by the Appalachia Educational Laboratory.

Strategic planning provides a tool and a mechanism for the planned, comprehensive change essential to meet the new role of states in stimulating, encouraging, and managing change. The change process must take place at three levels of state leadership -- state policy, state program management, and state leadership.

State Policy

State policy provides the structure for the operation of state education programs and for the handling of issues as they arise. The critical issues are those likely to have the greatest impact on education. Strategy may be defined as "exploiting the inevitable and positioning the organization in a way to benefit from a proper handling of societal issues." Strategic issues, those which require a response to head off threats or build opportunities, have an evolution of their own. Strategic issues tend to be felt first as societal issues, then political issues, legislative issues, and litigation issues. The timeline for strategic issues may be visualized as:



Early childhood education is an example of a societal concern that is becoming a political issue, and is likely to become a legislative and litigation issue in the future.

Strategic planning provides a means of dealing with these issues through the (1) early identification of issues by environmental scanning; (2) the development of a mission or sense of direction to guide decision making; (3) the translation of policies/goals into implementation plans; and (4) the systematic monitoring of outcomes.

State Program Management

Management of state programs implementing policies is the area where strategic planning applications may be applied most comprehensively. State agencies traditionally provide regulatory, research, and leadership functions. Over time, the role of state agencies has begun to change with greater emphasis being placed on technical assistance, consulting, training, and other capacity-building activities.

Nearly all activities of a state education agency may be used to support change at the local level. Frequently, the activities of the state agency are not designed or coordinated in ways which support local agency improvement or restructuring. Strategic planning for the state education agency provides a means of updating state programs and providing a consistent sense of direction to local districts.

State Leadership

A key element of leadership is the articulation of a direction or vision of ways to meet social and educational needs. State leaders can utilize strategic planning by (1) using data about societal changes and their implications for education obtained by environmental scanning; (2) gaining a sense of what programs are underway and what is possible (internal scanning); (3) having a state sense of direction set forth in the state mission and goals; and (4) maintaining a sense of progress by monitoring the progress of the strategic plan. When used this way, strategic planning provides a foundation for leadership.

Implementing Strategic Planning

Strategic planning could be initiated at a variety of state levels -- governor's office, state education agency, or legislative committees. The most specific educational plan is likely to be one developed by the state educational agency. In this instance, strategic planning may be applied to ongoing program management with the possibility that aspects of the plan can be used for policy or leadership purposes.

A variety of approaches can be used in strategic planning. The model selected should have the following characteristics:

- it should be futuristic and based on analysis of economic, social, political, and educational trends;
- the plan should include internal scanning to determine the existing capacity of the organization and what is needed to accomplish the proposed mission and tasks;
- it should have a statement of assumptions, approaches, mission, and goals, which provide direction for all groups;
- it should allow for the involvement and participation of representatives or the total population of all groups of shareholders;
- it should have implementation plans, which outline specific activities to attain the mission.

Implementing strategic planning is an effort which must be maintained over a period of time if it is to have a "pay-off." A typical model of strategic planning involves five phases of effort. These include:

Phase 1: Planning To Plan and Establishing A Climate For Change

Four primary activities are usually implemented during the planning-to-plan phase. These include:

External Scanning

External scanning calls for the identification of economic, social, political, and educational trends and their implications for schools. When possible, trends should be delineated at the national, regional, state, and local levels. This analysis of trends should include a listing of issues which are likely to impact state and local educational systems.

Internal Scanning

Internal scanning is a comprehensive audit or analysis of the effectiveness of the organization. States need to examine finances, programs, human resources, and state and local educational outcomes. Internal scanning should provide an analysis of organizational capacity.

Community/Organizational Education

Asking individuals their opinion about educational needs is likely to produce familiar answers because people draw on their past experiences. When people have an opportunity to learn about current and future trends, they are likely to provide a different quality of response. Any strategic planning effort should include an adequate effort to give staff and members of the shareholder community an opportunity to develop an understanding of possible futures before surveys or needs assessment activities are undertaken.

Stakeholder Input

An important consideration in decision making is the perceptions of stakeholders or persons who have a stake in the organization -- legislators, business groups, educators, agency staff, students, etc. Surveys, seminars, interviews or other data collection techniques may be used for gathering these perceptions.

Gathering the data necessary for the strategic plan may seem like a great deal of effort, but it has a purpose beyond the initial formulation of a strategic plan. It provides a framework for the establishment of a data base and a management information system. Most of the data is needed for a variety of purposes. Using this process offers an opportunity to establish coordinated procedures for data collection, and analysis contributes to the overall effectiveness of the organization.

Phase 2: Developing The Strategic Plan

When the scanning data has been compiled and analyzed, a group of key individuals should be assembled at a retreat or seminar to (1) examine the data; (2) identify implications and issues for education; (3) develop a preliminary mission and goals statement; and (4) design plans for obtaining reactions to the proposed strategic plan.

The critical purpose of the strategic plan is to provide a sense of general direction rather than outline specific programs. Strategic plans commonly include a statement of assumptions and/or philosophy, a mission, and strategic goals for achieving that mission.

Phase 3: Developing Implementation Plans

When the strategic plan has been refined and adopted, implementation plans should be developed, which outline specific programs and activities for achieving the mission and strategic goals. These plans should reflect the activities of various units of state education agencies. Implementation plans may include activities not included in the strategic plan, but they should be consistent with the strategic plan. These plans form a structure for evaluation of programs and personnel for the agency.

Phase 4: Implementing and Monitoring Plans

Implementation of most plans requires careful preparation. Staff assignments, timelines, resources, and staff preparation activities must be given careful thought. As this managerial planning is finalized, procedures for monitoring the progress of the plan should be specified. Monitoring provides the data necessary for evaluating the impact and progress of the strategic plan.

Phase 5: Renewing The Strategic Plan

Strategic plans must be evaluated periodically and evaluated according to changing external and internal conditions. This evaluation should be reviewed by the group developing the plan, and other groups of interested stakeholders. The plan may be revised or updated to reflect changing needs or views.

Strategic planning contributes to the management process in a number of ways. These are outlined in the following table. Moving the plan to strategic management and strategic decision making should be a goal for all strategic plans.

Table

<u>Strategic Planning</u>	<u>Strategic Management</u>	<u>Outcome</u>
1. Environmental scanning (External and Internal)	Management Information System	Shared understandings data base
2. Mission	Base for decision- making	Common sense of direction
3. Implementation plans	Activity coordination	Linkage among units
4. Stakeholder involvement	Stakeholder involvement	Participation

Elements of strategic planning may be used without moving through the total process. Environmental scanning (both external and internal) is essential for policy development and leadership. Adaptations may be made as needed.

Techniques of strategic planning may involve a number of related concepts and activities. These include:

Trends Analysis

Maintaining a data base of information and trends is a necessary activity for the state education agency and other state agencies. Following developments to determine trends, trend variations, and the progress of trends is an essential framework for state policy and program development. These data are also important for local districts.

Change Management

Helping education systems move from bureaucracies, which tend to resist change, to more open change-oriented organizations is a major task for the education community. Providing staff development and incentives for managers to move from maintenance of the status quo to the management of change must be a high priority for every organization.

Issues Management

Trends analysis as used in strategic planning provides insights to guide the internal development of the organization. Trends analysis also serves to identify ways of redirecting the negative aspects of trends or in some instances, revising the trends. The use of trends as a means of designing community outreach, public relations, lobbying, and other influence methods is an integral part of organizational work.

Strategic Thinking

Learning to think futuristically and strategically is not easy. The individual must use analytical skills to assess data, develop conceptual skills to identify relationships and possibilities, integrative skills to grasp the "big picture" or the whole of the situation, psychological skills to be open to the future and change, and organizational skills to insure the survival of the organization and leave it in better shape than it was found.

Strategic planning is one method of dealing with changed organizational conditions in our society. It reflects our growing understanding that decision-making, leading, managing and policymaking must change in response to a changed society and a changed context for the future of education.

The implications of strategic planning and the related management techniques include the following for state policy makers and state agencies. Strategic planning has relevance and importance for:

- state policy, the handling of social/educational issues, and the decision making process;
- the effective management of state agencies and the development of state plans;
- the state support system for leadership development -- to be utilized in preparing leaders and assisting them in the exercise of their leadership skills;
- a key change management technique, which should be made available to local administrators and board members through preservice and inservice training programs; and
- a method of building statewide understanding and consensus regarding the future, the role of education in the future, and the necessary steps for actualizing that role.

In short, strategic planning and its related management and educational methodologies, is a priority area for every level of state activity. It is an important tool for systematic change and gaining a sense of control over realizing our desirable future.

APPENDIX A

STRATEGIC PLANNING IN THE APPALACHIA EDUCATIONAL LABORATORY'S REGION

Strategic planning involves the development of comprehensive long-term plans that take into consideration changes in society and their probable impact on the organization. It is, in effect, a process that attempts to develop a "match" between changed societal conditions and the programs and activities of the organization. A telephone survey of state department of education personnel in states served by the Appalachia Educational Laboratory (Kentucky, Tennessee, Virginia, and West Virginia) reveals current state activity regarding strategic planning.

Tennessee

Tennessee State Board of Education officials report that Tennessee has made a "major investment" of time and effort in strategic planning in the last two and a half years. The effort has, in part, been directed at the creation of a master plan for education in Tennessee.

The legislative base of this effort was the creation in 1983 of a new state board of education, administratively separate from the state department of education. The new board has broad authority in the area of policy; its major function is strategic planning. The new board is comprised of corporate leaders whose training and professional work make them intimately familiar with the use of strategic planning. The board issues an updated version of the Tennessee master plan each year.

The board encourages all the state's 141 local school districts to develop their own strategic plans. Over half the districts have a strategic plan in place; others are in the developmental stage.

West Virginia

West Virginia's major strategic planning effort in education is attributable to a state supreme court decision in 1982. The decision mandated development of a master plan for education in West Virginia. The plan was to include high quality educational standards, proposals for educational financing, and proposals for school facility construction. The plan was subsequently developed by a number of task forces and implemented as State Board of Education Policy 2510. Implementation is based on short-term compliance statements and long-term, 20-year goals.

The plan directs counties to develop 4-year plans for county excellence. Parts of the plan are to be used by local school districts for assessment of county educational programs. The results of the assessment form the basis on which local school personnel identify priorities for school improvement. District personnel then establish goals to be addressed in local strategic plans. Work toward these goals is monitored by school site councils, structured locally, except for the provision that a majority of members be parents.

Since the compliance statements are optimal (high-quality) standards rather than minimal standards, Policy 2510 provides for exceptions as defined by the state board of education. State department officials say the rationale for such exceptions is that the state recognizes that while some counties are able to implement high-quality standards, others are not. The department expects that improvement will come about as the result of the implementation of local plans for county excellence.