



# *Setting the Context for Strategic Planning*

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**Strategic Planning Defined**

**The Contemporary Context for Strategic Planning**

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## Strategic Planning Defined

The fundamental purpose of strategic planning in higher education is to provide an ongoing process of examination and evaluation of an institution's strengths, weaknesses, goals, resource requirements and future prospects, and to set out a coherent plan to respond to the findings and build a stronger, more effective institution. It has been defined as '... a conscious process by which an institution assesses its current state and the likely future condition of its environment, identifies possible future states for itself, and then develops organised strategies, policies, and procedures for selecting and getting to one or more of them'.<sup>1</sup>

Strategic planning is designed to strengthen and enhance the performance and quality of an institution. However, it should not be used as a vehicle to conduct reductions in staff or programmes considered unproductive. While one of the results of strategic planning may be the loss of staff or programmes, this should occur only as the result of careful institutional analysis that occurs throughout the strategic planning process. In fact, if staff reductions are anticipated, these should occur prior to launching the strategic planning process. Failing this, the process will be linked to the resulting losses, thus undermining its potential for success.

In some environments in which there is a near-total breakdown of institutional organisation and infrastructure owing to political misrule or armed conflict, strategic planning may very well have to be about restoring efficiency and bringing about operational effectiveness. Even so, the general aim should be to build an institution focused on what it can do best in the context of the national and global environments, and on its potential to maximise its contribution to meeting the needs of a nation and its citizens.

## The Contemporary Context for Strategic Planning

Strategic planning does not occur in a vacuum. It happens within, and is shaped by such externalities as the higher education environment, national higher education policy and available resources, on the one hand, and by internal factors such as institutional culture, mission and vision, on the other.

### Environmental factors

Universities around the world are confronted with external challenges requiring that they regularly reposition themselves if they are to survive. In the United States, the American Council on Education (ACE) observes how 'the pendulum has swung from the heyday of growth, prosperity, and public favor to new times that call for institutions to adapt themselves to current, harsher realities'.<sup>2</sup> There are six key challenges facing institutions of higher education. These are as follows:

### ***A shift to the 'knowledge society'***

The rapid, world-wide expansion of new information technology and improvements in communications technology have spawned a major expansion in the importance and promise of the knowledge society. The world is fast becoming a place where knowledge is in the process of supplanting physical capital as a source of wealth, and in which the quality and relevance of the knowledge conferred by higher education institutions (HEIs) is becoming increasingly crucial. Institutions perceived as offering quality education that is relevant to the 'real' world are more likely to survive. If national higher education systems are to be internationally competitive, and produce graduates that are employable in the current environment, they must make investments in information technology and the trained personnel required to operate and maintain the new and increasingly sophisticated equipment. This adds to the challenges of strategic planning and budget management. The challenges for African higher education institutions are particularly critical: avoiding the digital divide by obtaining state-of-the-art information technology for teaching, research and administration; providing high-level training for staff and students in information technology; and finding the resources needed to catch up and remain up to date.

### ***Globalisation***

In a world in which globalisation is a growing force – with expanding mobility of people, access to knowledge across borders, increased demand for higher education (including e-learning) in developing countries, growing world-wide investment, and increased requirements for adult and continuing education – the need to expand the capacity of higher education to meet the needs of globalisation has increased tremendously. As the World Bank's *Constructing Knowledge Societies* has emphasised, however, the developing world is behind in this area. Only careful planning will allow developing nations fully to become part of international economic, political and social structures. For most African higher education institutions, this poses a major challenge.

### ***Under-resourcing***

Higher education institutions worldwide are facing the problem of 'shrinking resources and rising costs, even in industrialised countries',<sup>3</sup> owing to a variety of causes including: declining state financial support; inability of students – particularly from poor backgrounds – to afford the ever-increasing tuition and fees; and the massive spending needed to bring and keep libraries, classrooms and science and technology laboratories up to date. In this new 'electronic age', institutions are also grappling with the significant financial pressures generated by maintenance and repair costs of expensive equipment and the rising staff costs associated with specialised training required to manage new technologies.



### ***Increased competition among institutions of higher education***

Higher education has become extremely competitive with respect to students, staff and resources. Public higher education institutions face intense competition among themselves, from private institutions at home and abroad, and from public and private institutions offering alternative models of post-secondary education delivery, including distance education and Internet-based programmes. Ann Grimes observes how profoundly Internet education (e-learning) has come to influence strategic thinking and planning, even at traditional HEIs. Grimes notes: 'Perhaps nowhere is the pinch between the old way of doing business and the new being felt more acutely than in the very birthplace of the Internet; the hallowed halls of academia ... With so many entrepreneurs out to chip away at their brick-and-mortar souls, colleges and universities of all stripes are defending their turf – in what analysts estimate to be a \$250-billion U.S. market – [and are] carving out a space for themselves in the for-profit online education world, trumping some 'e-learning' companies at their own game.'<sup>4</sup> In addition, competition in higher education has increased markedly in recent years in Africa, Asia, Europe, Latin America and the United States as policymakers turn to market forces to reform higher education and cut costs.<sup>5</sup> These are external factors that must be taken into consideration at the institutional level as plans are made for the future and lead to consideration of the following questions:

- How well can your institution meet the challenge of national and international competition?
- How can you prepare for more open markets?
- What protections should you seek from your government?

### ***The needs of a diverse and divided society***

Higher education institutions are called upon to serve an increasingly diverse and sometimes divided society in terms of language, ethnicity, socio-economic status, philosophical and political outlook, religion and educational background at the same time that globalisation demands greater mobility and flexibility. Nigeria is one example – among many in Africa – of a country split along all of these fault-lines in the wake of years of military rule. In South Africa, higher education institutions must also operate in the context of a society severely traumatised by decades of apartheid, and still in the process of recovery and healing. Apartheid created societal inequalities that have come to constitute perhaps the most difficult challenge with which the South African higher education institutions must contend.



## Endnotes

- 1 Peterson, M.W. 1980. 'Analyzing Alternative Approaches to Planning'. *Improving Academic Management*. San Francisco: Jossey-Bass Publishers. p. 114.
- 2 Eckel, P., Hill, B. and Green, M. 1998. 'En Route to Transformation'. *ACE Occasional Paper Series*. p. 1.
- 3 See Mahoney, R.I. 1997. 'Reinventing the University: Object Lessons from Big Business'. *The Chronicle of Higher Education*, 17 October 1997.
- 4 Grimes, A. 2000. *The Wall Street Journal*, August 1, 2000.
- 5 See Newman, F. and Couturier, L.K. 2002. *Trading Public Good in the Higher Education Market*. The Observatory on borderless higher education, January 2002. p. 1.

