

Strategic Planning Approach in Educating Organizations in Iran

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ABSTRACT

Prosperity or the success of organizations in today's complicated and competitive business environment is extensively dependent on awareness from their strong and weak points, and continuous improvements in the related key features. Thus, one of the main concerns of these organizations managers is finding a comprehensive and perfect assessment method, so that by which they can obtain a precise view of their organizations and the relevant performances. One of the effective models with strategic approach, which deals with evaluating the organizations performances, is the balanced scorecard that in addition to the organizations financial assessment, evaluates the organizations performances with regards to the customers, internal processes, growth and also learning aspects. Due to the existence of traditional management viewpoints in Iranian education systems, educating organizations and institutes rarely use balanced scorecards (BSC). It has been tried in this article to show the executing trend of strategic planning by the aid of balanced scorecards (BSC), draw appropriate structural modeling for education systems, and determine relevant performance indices.

KEYWORDS: Balance Scorecard, Performance measurement, Strategic Planning, Education systems, Structural modeling, Instruction Organization

INTRODUCTION

Strategic planning is a process, by which comprehensive plans and also operative plans in an organization are compiled for achieving the strategic goals. One of the main differences of strategic subjects and classical subjects is considering the effectiveness of surrounding environment variables and parameters on strategies, involving opportunities and threats for the organization and its aims. This process includes a series of regular and consecutive actions done in two main parts. These parts are as follows: A) strategic compilation according to the mission (prophecy), internal weak and strong points and the upcoming opportunities and threats; B) Compiling operational plans and allocating resources and facilities to these plans for executing the strategies [1].



Fig 1. Schematic diagram of strategic planning process [1].

Strategic planning in organizations started in 1950s and got its popularity in 1960s and 1970s, rapidly, and many managers found out that strategy is the response to many problems. Qualitative and quantitative strategic models were developed in 1960s. Shareholders value and Porter models used to be considered standard for strategic planning in the beginning of 1980s. The second half of 1980s marked the beginning of strategic models referring to eligibility basis and focusing on the market. The end of the second half of 1980s and the beginning of 1990s marked the beginning of second generation of strategic planning, mainly concentrating on the importance of organizational conformity with changes, flexibility, strategic thoughts and organizational learning. Many articles in management magazines in the U.S.A and Europe were published by the end of 1980s, about inefficiency of different performance measuring tools in factories. Extensive researches were done in 1987 by NAA (National Accountants Association)

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and CAM-1 (International Production by Computer Association) in the U.S.A. They showed that 60% of 260 accountant managers and 64 executive managers of American factories were dissatisfied from the measuring tools [2]. Balanced Scorecard (BSC) is one of the performance measuring tools, measuring intangible assets in organizations. This system is frequently used in strategic planning more than performance measurement. Due to traditional management ideas in Iran, education managers rarely use this type of measuring tool, and it is mostly used in financial measurements, in which the following disadvantages can be indicated:

- Financial measurement criteria are mainly short-termed and non-strategic.
- Assessment is based on historical information; the assessments are mainly one-dimensional.
- Assessments are only based on accounting information, and important variables such as quality, renovation and customers' satisfaction are not considered in that. In this balanced system (BSC), the forces attentions are based on the intangible assets of organizations [3].

This type of assessment (BSC) is similar to when a person is continuously looking in the middle mirror in a car, only considering the road behind, while the car is moving forward. Primarily, high speed in the current international trade has caused the organizations needs to comprehensive and pervasive assessments to be more prominent than before. To make the organization management system ready to be on the same level as the present speed of trade and making the required information available for management for better decisions, scorecards were created.

After general description of BSC, It has been tried in this article to show the application of this model for establishing a strategic chart and then indicate the advantages of strategic planning.

GENERAL POINTS

The basis of all the strategic planning methods is usually the competitive environment, and strategic planning is used for achieving the goals and considering viewpoints, while the organization competes with its competitors. The performed researches by Kaplan and Norton [5] show that strategies are more important than planning methods. The most important challenge for arranging the strategies are: "Lack of strategies relations with low levels in organizations"; "Lack of strategies coordination with people"; "Lack of managerial commitments"; "Lack of adequate allocated resources". Experiences of successful organizations in strategies applications prove that BSC can solve the above hindrances, which causes the strategic planning method and performance measuring tools to work. The most important strong point of BSC is its capability in showing the causes, relations between the strategy and processes via four financial views, customer, internal business process, training and developing the viewpoints. Accordingly, to reach the financial benefits, an organization is to provide the requirements and expectations of its customers [2].

Kaplan & Norton[4] started a research for investigating the reasons for the success of 12 prominent American companies, and studies on the methods of performance assessment methods, in these companies. The result of this research was published in an article "The criteria that stimulate the performances", in Jan. 2012. It was pointed in that article that successful companies are not only relying on financial matters for their own performance assessment, but they evaluate their performances with regards to three other criteria, namely customers, internal processes, and learning and development, each of which are described briefly, as follows. Kaplan & Norton [4] stated that performance should be evaluated with regards to four different views for perfect assessment of an organization performance: 1- Financial aspects; 2- Customers; 3- Internal processes; and 4- Learning and development. The findings by Kaplan & Norton [4] indicated that successful companies determine their aims with regards to these viewpoints, and select some specific criteria for assessing success for their goals. To acquire financial achievements (in financial aspects), we should determine the values of our customers (customer aspects), and this cannot be achieved unless we develop in our operational processes and conform them with our customers' requirements (internal processes). Acquiring operational prominence and creating values for the processes are not possible, unless we create an appropriate working environment for the workers and develop renovation, creativity, and learning in the organization (learning and development aspect) [3].

Analysis results on Iranian educating organizations show that they rarely use a planned model. Thus, the researches in this regard showed that BSC is a perfect and effective model in Iranian education system. The stages of making a structural modeling used in BSC are as follows: Stage 1: Organizations should determine their strategic basis and analyze them for finding 20% of high-level goals, which influence the verification of 80% of the goals. Stage 2: A related activity is required for each one to be decided upon it. Finally, the causal relations between strategic activities should be drawn as a schematic view. It is a fact that the aims and required financial resources should be properly defined for each activity, and eventually be considered in the strategic planning scheme, but it is not regarded in this article.

STRATEGIC BASES

Educating organizations can determine their strategic bases by analyzing the seven defined domains in fig. 2.

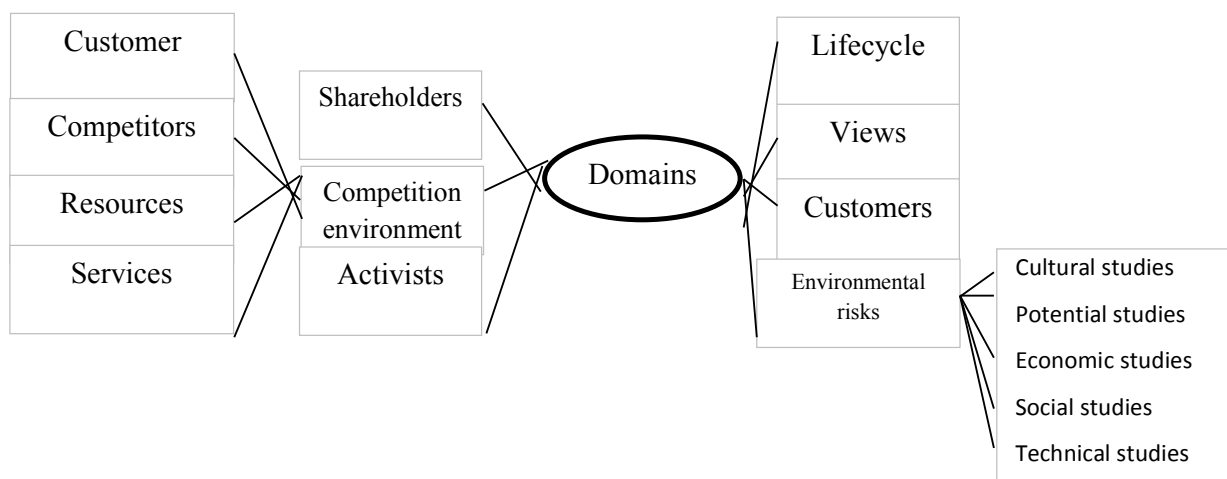


Fig 2.Strategic domains [2]. [Note: Some of the domains may be considered less in some organizations due to their type of business and activities. It has been shown that each domain may be analyzed].

Competitive environment

The factors that can create competitive conditions for the organizations are analyzed in this section.

Competitors: The organization should analyze its competitors and their situations, in this domain.

Resources: The organizations using common resources are competing with each other.

Customers: A customer is one who uses organization’s services, which is important for the organization. In this case, the customers’ requirements and satisfaction is a strategic point for the organization, since such customers help the organization survival. Possibility for appearance of new competitors (input obstacles): Entering into any instructive business at any field has its own trend. Possibility for new competitors may change. The important point is to deal with the competitors’ speed of growth. In other words, entering into instructive occupations may be easy, but being a strong competitor and achieving successful results may require a long time.

Replacement services

Customers may have different opportunities for obviating their needs. This causes competitive environments.

Viewpoint: Instructive (educating) organizations should develop their views, and their strategies may be affected by their views.

Developing and stimulating aspect

Educating organizations should identify their own strong and weak points. These points should be controlled by the organization. For instance, proper instructive spaces, teachers and their effective methods, and financial capabilities can be the strong points of organizations.

Environment(Risks)

Identification of opportunities and threats is essential for educating organizations. In contrast to strong and weak points, opportunities and threats are not controlled by organizations. Opportunities and threats are studied in five different basis:

Economic studies: Educating organizations are influenced by financial, social and state situations (E.g. Families incomes, gasoline costs, inflation, etc.).

Political studies: Changing important political situations (such as changing the president or the education minister) may be effective for the organizations.

Social studies: Population growth and many other social changes may be important for the organizations strategies.

Cultural studies: Cultural factors such as religion, cultural differences, etc. may be important for organizations.

Customer

Absorbing students is quite important for organizations, causing competitiveness. Market share for the education organization may be defined with regards to talented students. Moreover, customers’ requirements are determined with the aim to satisfy their needs.

Beneficiaries

Beneficiaries of an educating organization (shareholders, customers, workers and the community) may be different from each other. The duty of the instructing organization is to balance different verifiable requirement limits of the beneficiaries.

LIF CYCLE OE AN ORGANIZATION

Behaviors of educating organizations may be different according to their life cycles.

Innovations and strategic operations

The obtained results from the strategic planning models in at least 20 educating organization show that most of them have chosen the strategic basis among other cases, according to Pareto principle (increasing advantages, management of trademarks). The next subject is structural (strategic) modeling that indicates innovations and strategic

operations. This is shown in strategy tree, in fig. 3, which is obtained by meetings, negotiations with organizations managers and different sessions.

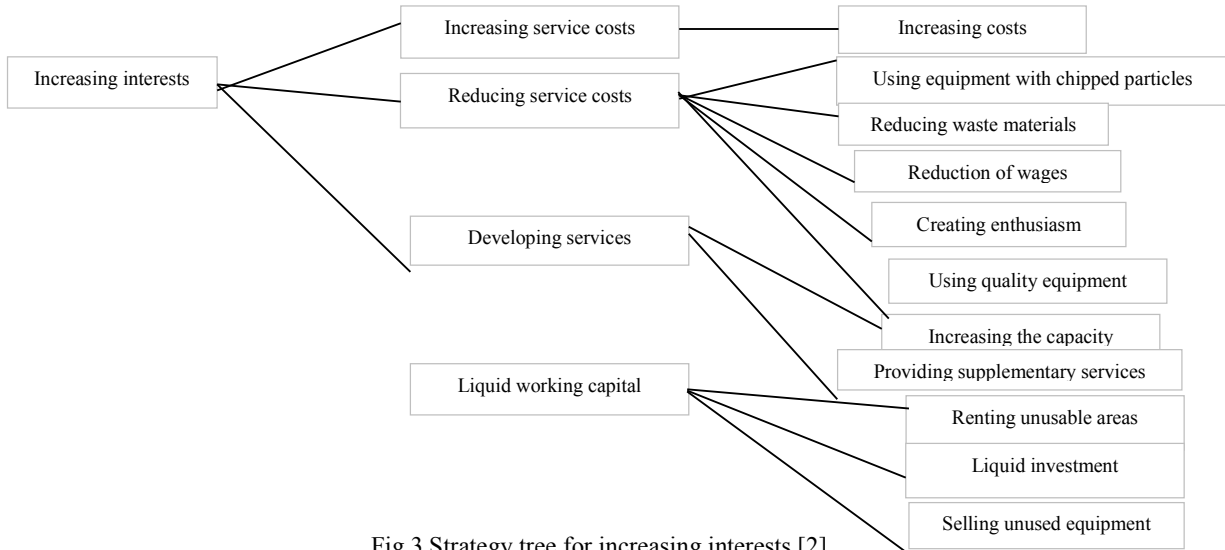


Fig.3 Strategy tree for increasing interests [2].

STRATEGIC APPROACHES IN EDUCATION PLANNING:

Strategic approaches to education start by the relation between the organization mission and activities, goals and requirements for expanding human resources. There are five main approaches affecting the education strategic planning process, which are as follows:

- 1- Supply-led approach: the main source of information for compiling education strategies is derived from the interests and viewpoints of managers, traditionally considers educating units exclusively responsible for identifying the instruction planning and needs.
- 2- Demand-led approach: There are three aspects for compiling strategic plans; A) Business-oriented; B) Process-oriented; C) Trainee-oriented.
- 3- Strategic approach: This approach provides main relations between educating programs and long-term organizational strategies. The main emphasis for this approach is that the organization should create supportive policies and instructions about education programs appropriate with organizational strategies for qualitative and quantitative developments.
- 4- Systematic approach: According to this approach, the education programmer should consider the organization as a prominent system, and combine its social, cognitive and technological processes with each other.
- 5- Expedient approach: it is obtained by combining systematic and strategic approaches. All the instruction programs in this approach are based on the condition in which the organization is in. In other words, definition of aims, strategies, activities list and education analysis is only valid when the organization is in proper conditions [6].

STRUCTURAL MODELING (STRATEGIC MODELING):

Strategy indicates how an organization guarantees sustainable advantages for its beneficiaries. Structural modeling is based on some principles. 1) Starting point in describing strategy, balancing and clarifying short-term financial aims to reduce costs and increase productivity, together with long-term aim for increasing profits from income and dividends; 2) Strategy is based on providing

Distinctive values for the customers: The clear values presenting to the customers is the important aspect of strategy. There are 4 different types of values to be presented to the customers: 1- Low final cost; 2- Leading the product; 3- Customer satisfaction; 4- Providing an exclusive environment; 3) Creating valence and values is possible by relying on internal business processes. These processes determine the state establishing and maintaining the values [4].

The first challenge we face in an organization for compiling an organizational strategy is providing a proper definition of the managers and decision-makers knowledge. What is knowledge? Who has the knowledge? How can it be achieved? The main views indicate that the knowledge of organization management is a simple aspect for providing the access to information, databank, internet, and outputs, etc. [7, 8]. Thus, a strategic model is essential for all the stages of programming and executing a plan, for obtaining a comprehensive view for the strategic planning.

The application of strategy tree is indicated in the previous subject. The educating organization should make its own structural model. Hence, some of the innovations shown in the strategy tree are not shown in the strategic model. According to strategic tree, the structural model of an educating organization is similar to fig. 4.

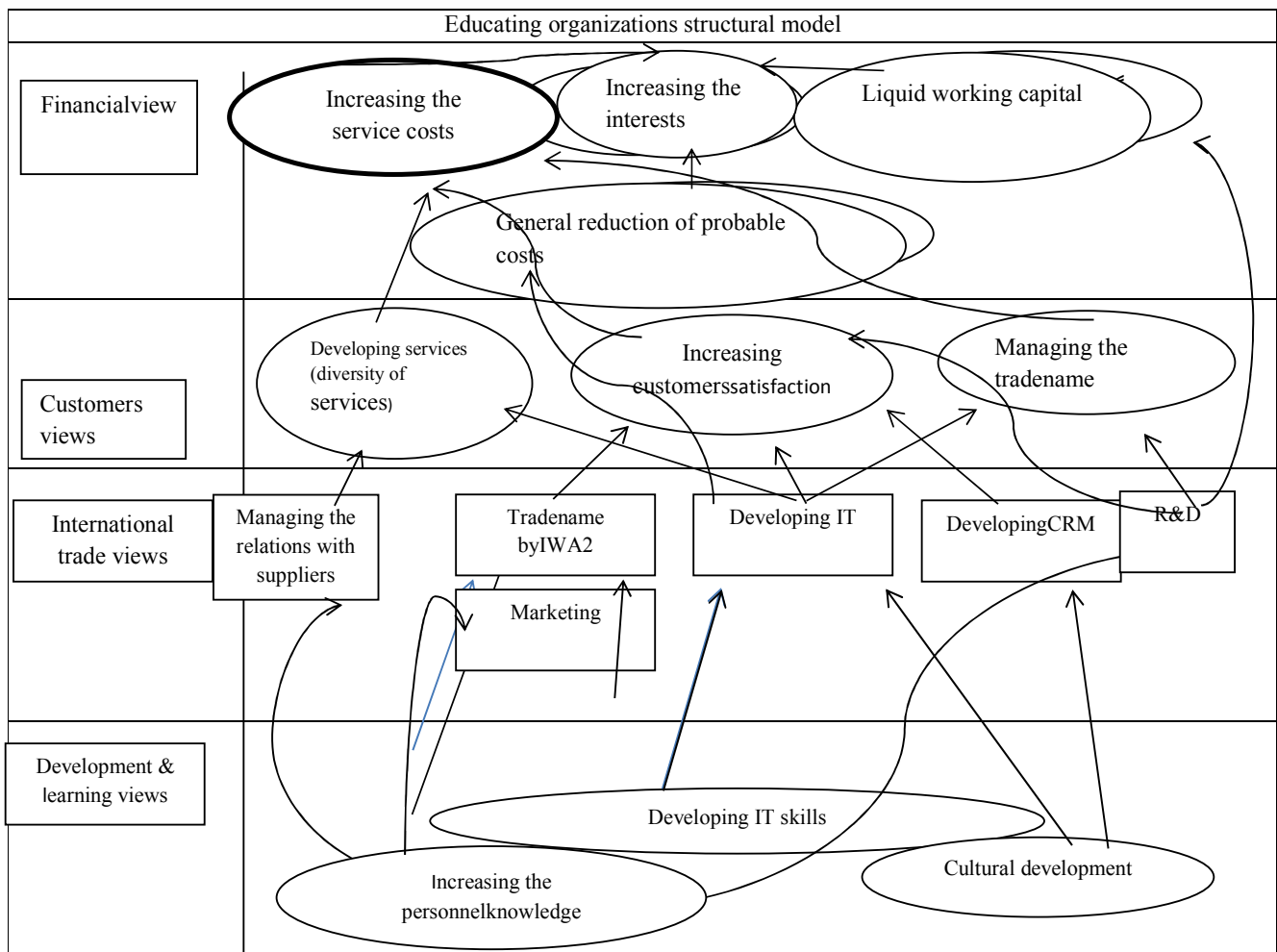


Fig. 4: Educating organizations structural model [2].

Note: Financial views are intensely affected by the organization customers in non-governmental organizations.

Any organization intending for strategic modeling and compilation of structural models should have the following scheme.

- 1- One or more persons in charge of process, who can legitimate the process
- 2- An authority that can execute and develop the process
- 3- The organization with a strategic planning team
- 4- The possibilities for any deviations can be expected
- 5- Conformity of the elements of the strategic plan
- 6- Capability to acquire information and recruit the required workforce [9].

ADVANTAGES OF STRATEGIC PLANNING:

- 1- One of the advantages of strategic planning is its conductivity. This type of planning defines the directions and the routes of activities and operations in an organization.
- 2- Future aims: this type of planning defines the priorities and determines today's decisions with regards to future consequences.
- 3- Strategic planning acts as the coordinator between the organization operating programs and directs the activities of different units towards a unique route
- 4- By the rapidly changing conditions, this type of planning acts effectively and creates specialized team works
- 5- By long-term views, strategic planning predicts the future, having the information that are useful for managers long-term actions
- 6- Strategic planning and management requires strategic instincts in all over the organization departments, including administration offices, and instead of being a mechanical practice, it recognizes the principle roles of individuals, groups and the influence of the organization culture.

Despite the above advantages for strategic planning, some experts consider disadvantages for that. These include long time of execution, high costs of execution, imaginary schemes and ignoring social/political potentials of the organization, inaccessibility of the organizations to specialized workforce for designing and executing strategic

programs, inaccessibility of organizations to comprehensive information, lack of familiarity of managers with the subjects about strategic planning and management, and distrusting such programs [10]. Education strategic planning provides the possibility for the organization to act in creative and innovative manners, and not perform separately. Education strategic planning helps select the real requirements of managers and workers and the best methods of education to be chosen by benefiting from more regular, reasonable and logical methods.

STRATEGIC PLANNING MODELS:

As stated earlier, strategic planning is a long-term planning and is accompanied with precise assessments in capabilities, limitations and the changing environment, by which, the activities of the organization are determined for achieving the goals. This type of planning deals with what should be done [11]. Hence, in addition to sufficient knowledge, managers should follow a comprehensive model for providing a comprehensive strategic planning. There are many provided models for strategic planning and management. However, by considering the model by Pierce & Robinson [12, 13], an appropriate model can be established for educating or training units in organizations, as in fig. 5.

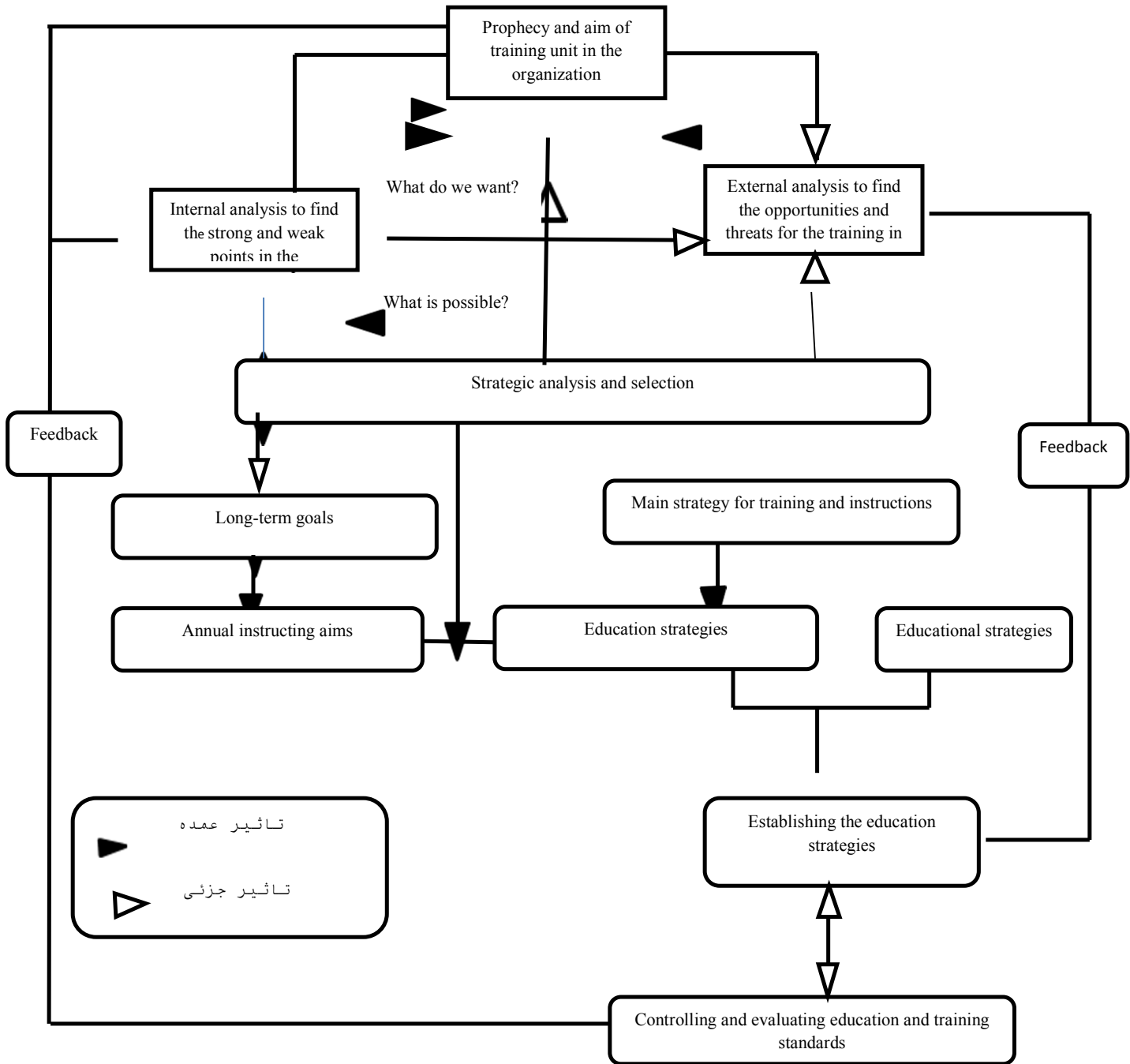


Fig.5: Process of Education and Training Strategic Planning and Supervision in Organizations [1].

OBSTACLES AND PROBLEMS OF STRATEGIC PLANNING IN IRAN (EDUCATING ORGANIZATIONS)

- 1- Disagreement among authorities of the countries education system for compiling the strategic planning documentation
- 2- Lack of comprehensive analysis about opportunities, threats and upcoming damages in the country's education system and inaccessibility to a comprehensive strategic model
- 3- Inattention to renewing the values
- 4- Ambiguity in the limits of national commitments about other countries regarding the executing of education programs
- 5- Inconsideration of strategic priorities in the country
- 6- Lack of comprehensive viewpoints in recognizing the national capabilities in the country and lack of supports from creative and innovative human resources
- 7- Improper execution of strategic programs in the country
- 8- Inappropriate supervision and assessment of practical results of strategic planning in the country
- 9- Weakness in the information structures in the country (lack of updated and adequate information) [14].

In a research "Analysis and prioritizing the hindrances for implementing organizational strategic programs" [15] considered various factors as the most important factors in hindering implementation of organizational strategic planning. These factors include weakness of organizational culture, organizational structure, inefficacy in management of human resources, ineffective human workforce and weakness in strategic planning, environmental inter-organizational conditions and disability in applying the management of change.

CONCLUSION AND APPROACHES

Along with increasing the importance of strategic planning, assessing the effectiveness of these programs has also been considered as important, too. However, in today's changing and evolving world, the performance assessment and effectiveness of plans are not useful on their own by only relying on the financial indices. Thus, the models such as balance scorecards that assess the performance of organizations are used nowadays. According to the above, there are various methods and tools for strategic planning. Processes in educating organizations are done by different methods, without using the required standards. The education system and the specifications for that are investigated and some advantages for using BSC in Iranian education system have been identified for the educating organizations and institutes. Strategic education services are mainly considered in the educating organizations, and the relevant services are of low quality. Regarding the analysis of the process effects, the proposed model is for more research in this regard, and the applied method by using IWA2 international standards for BSC strategic planning is for the educating organizations.

To compile the planning process and education strategic supervision in organizations, the following stages should be followed:

- Expressing the mission or prophecy of the education in an the organization for the organizational aims and prophecies, analysis of the internal environment, and considering the strong and weak points of education in the organization, analysis of the peripheral environment and considering the facing opportunities and threats, expressing the education long-term and strategic aims, compiling educational strategies.

Policies, strategies and programs are usually considered as education standards for supervision and for controlling the educations, regulating short-term aims and obligated strategies or education operation programs. And, proper resource allocation for executing the strategies and education programs for reaching the educational goals, strategic control on proper execution of programs within the considered framework of education standards (policies, strategies and programs).

Although strategic planning has limitations and bottlenecks, but its proper application by thoughtful managers can have positive results. According to Alfred Marshall [16], the well-known British economist, if all the capitals, technical tools and the technical matters in the world undergo simultaneous destructions, but the wisdom of managers is in strategic levels, the community shall be flourished in a very short time. Thus, applying required trainings for managers is essential in executing the strategic planning. Strategic planning stimulates the strategic views in organizations, causing the members not to remain in the time limits and pay attention to the far away horizon. Using strategic planning causes a common instinct among the organization members. Adequate attention should be paid in executing the strategic planning, to the organization culture and the cultural conditions of the environment. For instance, in a community that ordinance orientation is the instinct of most people, using the process of strategic planning provides problems for the community and the organizations. Management observes strategic planning as an instrument and not the aim. Thus, organizations should consider strategic planning as a step for reaching their goals.

In her MA thesis "The basis for verifying strategic planning in education organization (case study in the city of Esfahan)", [8]. Considers inadequate knowledge in strategic planning as an existing weakness in Esfahan province education organization. Thus, she regards establishing short-term courses in empowering operating managers, establishing training workshops for managers and planners for increasing their knowledge in expressing the problems and extending awareness in identifying educating requirements in education organization. She also considers paying attention to new approaches and creating opportunities for emergence of creativity and innovation in the workers and other individuals, more attention to qualitative programs in education organization, emphasis on results instead of

instruments, and the programs based on demands instead of supplies. Furthermore, she considers the most effective factor in verification of strategic planning to be strategic thoughts. Hence, changing the views of decision-makers and their thoughts should be done in all the stages of education.

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