STRATEGIC PLANNING AND IMPLEMENTATION

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ABSTRACT

The major literature on the topic of strategic planning is examined with focus given to its use in the public sector. A case study is performed in a large state agency in Texas to describe managers' views as to the effectiveness of strategic planning in meeting its mandated purposes, and to explore how well strategic planning is integrated into other agency processes.

Managers report that strategic planning effectively establishes agency vision and overall direction. They report mixed views as to the level of involvement of agency consumers and other stakeholders. They are unanimous that coordination between agency units is not good. Integration of local planning efforts with state level strategic plans was viewed as needing improvement.

Strategic planning has not been well linked to agency appropriations requests, operational plans or performance measures. Strategic planning was reported not to be effective in coordinating and rewarding interagency initiatives, or incorporating the views of agency staff. Performance measures in the current strategic plan were criticized as imperfect measures of the quality of agency services. Strategic planning was reported to help managers and the agency to set and focus on the most important priorities, and was seen as worth the effort.

Recommendations for enhancing the subject agency strategic planning process and for future research are proposed.

CHAPTER 1: INTRODUCTION

Research Purpose

Strategic planning was mandated by law for all Texas state agencies by the passage of House Bill 2009 in 1991. The law and subsequent regulations issued to implement it require that agencies use the plans as the basis for developing their requests for legislative appropriations, and measure agency effectiveness by the outcomes and outputs they achieve. Agencies developed the requisite plans and funding requests for consideration by the 73rd Texas Legislature (1993). The second cycle of strategic planning is now underway, and it is timely that the effectiveness of the new system be examined.

The purpose of this research is twofold. First, the research will describe the strategic planning process in a major State of Texas human service agency and explore the views held by agency management regarding the effectiveness of strategic planning in meeting its legally mandated or agency stated purposes. The second objective is, based upon manager reports and agency documents, to explore how well strategic planning is integrated into other agency processes such as budgeting and performance measurement.

Conceptual Framework

The literature on strategic planning contains two major branches. One branch, strategic planning and management, focuses on the elements which comprise strategic planning and the tools organizations can use to carry it out. This branch of the

literature contains descriptions of many models which organizations use for planning. The other branch, management science and operational research, analyzes, largely by advanced statistical techniques, organizational and environmental factors which are associated with successful and unsuccessful strategic shifts, and develops evidence to support theoretical models for predicting success of strategic planning in organizations.

This paper will review important writings in both branches of strategic planning literature. There is a description of the standard strategic planning model (Steiner, 1979), some variations[1], and a brief discussion of three common alternatives to strategic planning - Total Quality Management, or TQM (Deming, 1986), Reengineering (Martin, 1993) and Management by Objectives, or MBO (Odiorne, 1987).

The models, or applications of strategic planning, are categorized by their stated purposes and the results they intend to achieve, using the major categories developed by Paul Nutt and Robert Backoff (1992). The attention these methods give to translating plans to action is examined.

The research effort focuses on the theory and mandated application of the State of Texas Strategic Planning and Budgeting System in a major Texas state human services agency. The Texas Strategic Planning and Budgeting System is analyzed in light of the theoretical views of John Bryson and William Roering

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[1]Interactive Planning, Ackoff, 1981; Strategic Management, Nutt and Backoff, 1992; and Strategic Planning and Budgeting, Craymer and Oliver, 1992.

(1988) and Nutt and Backoff (1992) to determine if it contains the characteristics they use to describe effective planning in the public or third sector organizations.

Strategic planning is most often defined as a systematic effort to establish basic organizational purposes, objectives, policies, and to develop the strategies which will be used to achieve the organizational purposes (Steiner, 1979). The reasons for planning include obtaining funds to run the operation, as in business plans[2], focusing business efforts and resources to maximize shareholder value (Steiner, 1979), or to help governments achieve mandated or discretionary objectives in the most effective and efficient way, while balancing stakeholder interests[3]. Many planning systems are said to be good at getting staff organized around guiding principles (visions, ideals and missions) and setting broad organizational agendas (goals and objectives) (Steiner, 1979; Livingston, 1992).

But a major weakness of planning is in getting action to occur to implement strategies[4]. Bryson and Roering (1988) observe that most efforts to produce fundamental decisions and action in government through strategic planning will not succeed because of the involvement of so many players and the amount of

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[2]See for example Hatry et al., 1990; Timmons, 1992; Craymer and Oliver, 1992

[3]See for example Hatry et al., 1990; Craymer and Oliver, 1992; Nutt and Backoff, 1992

[4]See for example Timmons, 1992; Reimann and Ramanujam, 1992; Senge, 1992

time it takes to develop the plan, and, in fact, that strategic planning systems have been known to drive out strategic thinking.

Recent trends in theory and practice suggest that organizations should tie planning to measurement of performance and provision of rewards for individuals and organizational units.[5] This shift may have potential to move managers from merely using planning processes to guide organization actions, toward using planning processes to cause action.

Report Structure

The chapters that follow include: a review of the pertinent literature; a discussion of the research setting (describing the organization chosen for the case study) and the legal setting (describing the legislative mandate in Texas for strategic planning); a methodology chapter, which discusses at length the case study methodology and the advantages and disadvantages of the qualitative approach; a chapter which contains an analysis of the results obtained; and a chapter which summarizes the findings and draws conclusions.

The next chapter, the literature review, describes the most common models of strategic planning and related systems improvement methodologies, their history and current uses.

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[5]See for example Hatry, 1990; Oliver and Craymer, 1992; and Crant and Bateman, 1993

CHAPTER 2:   LITERATURE REVIEW

Chapter Summary

This chapter examines the major writings on strategic planning theory and practice and focuses on factors found to be associated with successful strategic planning efforts.

The literature on strategic planning contains two major branches. One branch, strategic planning and management, focuses on the elements which comprise strategic planning and the tools organizations can use to carry it out. This branch of the literature contains descriptions of many models which organizations use for planning. The other branch, management science and operational research, analyzes, largely by advanced statistical techniques, organizational and environmental factors which are associated with successful and unsuccessful strategic shifts, and develops evidence to support theoretical models for predicting success of strategic planning in organizations.

This chapter surveys the important writings in both branches of strategic planning literature. The author examines the literature to discover the history, purposes and basic elements of "generic" strategic planning and to categorize the major strategic planning processes in relation to those purposes. This chapter defines the strategic planning process and examines two current versions (interactive planning and strategic management) and reviews the pertinent literature regarding their usefulness in making things happen in the workplace. Some discussion is

included regarding related systems, such as Total Quality

Management, Reengineering and Management by Objectives.

<div align="center">Discussion: What is Strategic Planning</div>

<u>Definitions</u>

Strategic planning is a term which includes a variety of

formal or informal efforts organizations engage in to improve

their chances to survive and prosper. Robert Dyson (1990, p. 3)

describes strategic planning as decision making which results in

actions which have enduring effects, are broad in scope and are

difficult to reverse. The literature offers many variations on

what comprises strategic planning. Major views are described

below.

Strategic Planning is defined by Peter Drucker (1974, p.

661) as:

> ...thinking through the mission of the business...asking the
> question 'what is our business and what should it be?' This
> leads to the setting of objectives, the development of
> strategies and plans, and the making of today's decisions
> for tomorrow's results. This can be done only by an organ
> of the business that can see the entire business; that can
> make decisions that affect the entire business; that can
> balance objectives and the needs of today against the needs
> of tomorrow; and that can allocate resources of men and
> money to key results.

George Steiner (1979, p. 15) states:

> strategic planning is the systematic and more or less
> formalized effort of a company to establish basic company
> purposes, objectives, policies, and strategies and to
> develop detailed plans to implement policies and strategies
> to achieve objectives and basic company purposes.

Steiner emphasizes that strategic planning does not attempt

to make future decisions. Decisions can only be made in the

present. Strategic planning looks at the alternative courses of

action that are open in the future. When choices are made among

the alternatives, they become the basis for making current

decisions.

Nutt and Backoff (1992, p. 57) define strategic planning as:

> ...decisions an organization makes that determine or reveal
> its objectives, purposes, or goals; create the principal
> policies and plans for achieving its aims; define the range
> of businesses or services the organization is to pursue;
> identify the kind of economic and human organization it is
> or intends to be; and specify the nature of the economic and
> non-economic contribution to be made to the organization's
> shareholders or trustees, employees, customer, and
> communities.

Russell Ackoff (1981, p. 62) views strategic planning as

"the design of a desirable future and the invention of ways to

bring it about."

Bryson and Roering (1988, p. 113) in a succinct synthesis

state that strategic planning is a "disciplined effort to produce

fundamental decisions and actions that define what an

organization is, what it does, and why it does it."

Consensus seems to exist that the purpose of strategic

planning is to maximize the ability of an organization to survive

by focusing its actions and allowing it to adapt to the rapidly

changing external and internal environment[6]. Other purposes for

planning include obtaining funds to run the operation, as in

business plans[7], focusing business efforts and resources to

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[6] See for example Steiner, 1979; Melcher and Kerzner, 1988;
Ackoff, 1981; Bryson and Roering, 1988; Dyson, 1990; Nutt and
Backoff, 1992.

[7] See for example Hatry et al., 1990; Timmons, 1992; Craymer
and Oliver, 1992.

maximize shareholder value (Steiner, 1979), or to help

governments achieve mandated or discretionary objectives in the

most effective and efficient way, while balancing stakeholder

interests⁸. Many planning systems are said to be good at getting

staff organized around guiding principles (visions, ideals and

missions), and setting broad organizational agendas (goals and

objectives) (Steiner, 1979; Livingston, 1992).

Vision/Mission

A major component of a strategic plan is the vision. Vision

is an orientation that guides an organization's movement in a

specific direction (Hinterhuber and Popp, 1992, p. 109).

Sometimes referred to as the ideal (Ackoff, 1981, p. 63; Nutt and

Backoff, p. 18), the vision allows the people at the very top of

an organization to clearly state where they want to take the

organization. It is often inspiring, appealing to both the

emotions and the intellect of the employees. It serves as an

organizing principle, allowing all in the organization to see how

their daily efforts contribute to creating a desired future.

Depending on the size of an organization, a distinction may

be made between the vision and a more formal statement of

mission. According to Evan Kemp et al. (1993, p. 130):

> A vision is a picture of the desired future of an
> organization, in terms of its impact on the environment, the
> major roles it plays, and its image; [while] A mission is a
> straightforward description of the current organization, in
> terms of its broad goals, customers and clients, products
> and services, and the functions it performs in delivering

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⁸ See for example Hatry et al., 1990; Craymer and Oliver,
1992; Nutt and Backoff, 1992.

the products and services.

Developing the mission or vision is usually the first step in creating a strategic plan. The other steps in strategic planning vary with the technique chosen, but most authors include some version of the steps outlined by Kemp (1993, p. 131):

- Perform a "scan" of the external and internal environment. Externally look at political, economic, legal, technological, social, demographic trends and conditions that could have an impact on the organization. Internally examine the organization's strengths and weaknesses in terms of human, financial and technological resources and performance as compared to stated goals.

- Based on the scan, identify strategic issues, in the form of threats and opportunities.

- Fashion action strategies to address the strategic issues that demand attention because of their potential impact upon the organization, or because they represent new directions top management wishes to take the organization.

Implementation

Most authors who study strategic planning give only scant attention to implementation of plans. Implementation is defined as carrying out the decisions made and controlling subsequent performance (Ackoff, 1981, p. 233). The literature on strategic planning deals largely with the processes involved in arriving at the strategic plan[9]. Authors of articles and texts give only limited attention to actions taken to implement plans, favoring instead the thought processes involved in developing thorough strategic plans. Some authors have gone so far as to say that implementation is not within the purview of strategic planning

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[9]See for example Steiner, 1979; Ackoff, 1981; Melcher and Kerzner, 1988; Bryson and Roering, 1988; Dyson, 1990; Timmons, 1992; Senge, 1992; Reimann and Ramanujam, 1992.

(Dyson, 1990; Peters in Reimann and Ramanujam, 1992). A major critique of this orientation is that plans become all talk and no action (Huston, 1992; Reimann and Ramanujam, 1992).

By way of contrast, Nutt and Backoff (1992, p. 20) offer the following additional steps to accomplish the intent of a strategic plan:

- perform a stakeholder analysis to determine what groups or individuals are "players" in the organization's world;

- develop scenarios to describe alternative futures;

- develop organizational targets such as goals, objectives, and performance measures to be achieved;

- select strategies, or methods to achieve goals and objectives;

- allocate resources (money, people and equipment) to do the job; and

- implement, or get the job done.

Larry Huston (1992. p. 23) proposes that managers take the following steps to ensure plan implementation: plan the strategic improvement; do the strategies (break into objectives, goals, strategies and measures); check results; act to remove barriers and improve the plan.

History of Strategic Planning

Strategic planning has its origins in the realm of military activity. The ancient Greek general Strategos was said to have had a view of the entire field of battle from high up on a ridge, and thus could formulate a general set of maneuvers to be carried out by individual units to overcome the enemy during combat (Nutt and Backoff, 1992, p. 56).

During the Renaissance, Machiavelli carried the concept of combat, adversaries, attack and generalship into the field of politics and redefined strategy as the planned exercise of power and influence to carry out the aims of a state (Nutt and Backoff, 1992, p. 56).

The modern view of strategic planning began to emerge in the early part of this century when the Harvard Business School added to its course work the concept of "the view from the top", which emphasized integrating the firm's external environment with its internal operations (Melcher and Kerzner, 1988, p. 20). This innovation began a long succession of works which contributed to the development of the conceptual framework of strategic planning. In 1962, Alfred Chandler produced a study of 100 firms which demonstrated that those which change product lines and internal structures to meet the changing needs of consumers not only survive but become industry leaders (Melcher and Kerzner, 1988, p. 21). The process of aligning a firm's products or services to the demands of the customer became identified as strategy formulation.

Melcher and Kerzner (1988, p. 21) suggest that current strategic planning theory evolved from two strands of thought in the early literature: strategy formulation and implementation and management processes. Nutt and Backoff (1992, p. 57) concur in this assessment, referring to the strands as content and process, respectively.

Through investigation of current literature, it seems that another major bifurcation exists in the strategic planning field. The literature on strategic planning reviewed for this paper contains two major branches. One branch, strategic planning and management, focuses on the elements which comprise strategic planning, and the tools organizations can use to carry it out. This branch of the literature contains descriptions of many models which organizations use for planning, as described by Nutt and Backoff (1992) and Melcher and Kerzner (1988). The other branch is found under the general heading of management science and operational research. Researchers in this branch analyze, largely by advanced statistical techniques, organizational and environmental factors which are associated with successful and unsuccessful strategic shifts, and develop evidence to support or refute theoretical models for predicting success of strategic planning in organizations[10].

In addition, several alternatives to strategic planning exist, which serve similar functions in organizations. These include Total Quality Management, or TQM (Deming, 1986), Reengineering (Martin, 1993) and Management by Objectives, or MBO (Odiorne, 1987). These models serve the purposes of focusing efforts, redirecting and improving management and production processes and causing employees to implement management intent.

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[10]See for example Dyson, 1990; Boeker, 1991; Wiersema and Bantel, 1992 Crant and Bateman, 1993.

Table 2.1 below summarizes the major branches of strategic planning literature.

Table 2.1:   Branches of Strategic Planning Literature

Strategic Planning and Management	Management Science	Alternatives
Theoretical and Practical School	Analytical School	Total Quality Management
Systems Theorists	Analytical Research	Management by Objectives
Organizing Theorists	Operations Research	Reengineering
Pragmatic Practitioners		

Strategic Planning in Government

In government, strategic planning is a relative newcomer (Wheeland, 1993). S. Kenneth Howard (1973), describes the demise of a predecessor of strategic planning, Program Planning and Budgeting (PPB), which was the official planning technique of the federal government and many state governments during the 1960s and early 1970s. Howard (1973, p. 360) states that PPB died as a formal process, but that many of the useful ideas live on in the newer management and planning systems which were developing even in 1973. He identifies these lasting contributions to organizational theory as encouraging a longer-range view, emphasis upon alternatives, evaluating choices in terms of effectiveness, more systematic analysis and stressing programs and problems rather than agency boundaries.

Howard offered as an alternative a system he called "rationalistic budgeting", which would take the best elements of PPB and attempt to improve public decision making by injecting more rationality and rendering politics to just one of the variables considered (Howard, 1973, p. 361). Howard's proposals were in a real sense a precursor to many of the newer systems for strategic planning and decision making.

Between the early 1973 and the early 1990s many state governments used a system called Zero Based Budgeting (ZBB) for organizing their desires for the near-term future and preparing their budget requests. The ZBB model was developed by Peter Pyhrr of Texas Instruments and was originally used by that corporation to facilitate budget cutting (Pyhrr, 1973, p. xi). Pyhrr published an article in 1970 about this system, which Jimmy Carter, then Governor of Georgia, read and adopted for that state. Subsequently, many other states and corporations adopted the ZBB system.

According to Pyhrr (1973, p. xi), the premise of ZBB is:

> The process requires each manager to justify his entire budget request in detail, and puts the burden of proof on him to justify why he should spend any money. Each manager must prepare a "decision package" for each activity or operation, and this package includes an analysis of cost, purpose, alternative courses of action, measures of performance, consequences of not performing the activity, and benefits.

ZBB was an attempt to focus governments on the purposes they were trying to achieve, instead of simply their ability to spend ever greater sums of money. In this sense it was a predecessor of strategic planning.

Current Theory and Practice In Strategic Planning

This section examines some of the significant literature on strategic planning from the theoretical and practical school and the management science and analytical research school.

Theoretical and Practical School

The theoretical and practical school is made up of individuals who develop models for strategic planning, but who make little effort to establish their validity or reliability other than by the force of logic or philosophical discourse.

Systems theorists and interactive planning.

A group comprised of systems theorists includes Russell Ackoff, Jamshid Gharajedaghi, Peter Senge and Stephen Harrison and Ronald Stupak. From a systems theory point of view, strategic planning should be a bastion of long-term thinking, but instead is often short-term and reactive in scope, for instance maximizing near-term profits at the expense of long-term shareholder value (Senge, 1990, p. 210).

Systems thinkers view the organization as an organism, with each part dependent on the others to function, and the organism as a part of the larger system which includes its external environment. Organizational activity is understandable in terms of its relation to the external environment which provides the resources and conditions on which the organization depends for its survival or the realization of its purposes (Harrison, 1993, p. 422; Senge, 1990, p. 212). This group emphasizes the necessity of achieving visions which are shared by all in the

organization, not created by top management alone.

According to Senge (1990, p. 210), strategic leaders need to learn to set goals that are worthy of commitment to create a shared vision for the organization. Without involvement of people throughout the organization, the strategic vision cannot come alive, or reflect personal ownership by all whom it affects.

An example of the strategic planning style endorsed by systems thinkers is Interactive Planning, or IAP (Ackoff, 1981). In this system, planning is defined as the design of a desired future, and the invention of ways to bring it about (Ackoff, 1981, p. 62). This counters the notion of other strategic planning models that require mangers to predict the future and prepare for it. The notion here is that the future is subject to creation (Ackoff, 1981, p. 62). The premise of interactive planning (IAP) is that your organization was destroyed last night and your job is to design the ideal system you would put into place today to replace it (Ackoff, 1980, p. 107).

Unique attributes of IAP include a system whereby every employee has the opportunity to be involved in making decisions which affect him or her. Involvement is accomplished by a network of interlocking boards composed of the manager, the manager's manager, and the people reporting to the manager. These boards are used for creating the vision of all management levels in the organization, developing policy which guides the manager in making management decisions, integrating activities and policy decisions with boards above and below, coordinating

activities and decisions horizontally with other units, and evaluating the effectiveness of the manager whose board it is (Ackoff, 1980, pp. 163-168).

Interactive Planning appears to have several advantages. Foremost are that it is a great visioning tool and sets up a unique system for ensuring participation of all employees in determining the future of their organization. This type of system was found by Wheeland (1993, p. 68) to excite participants by setting them free of existing constraints and allowing them to take part in the design of the ideal organization. Interlocking boards provide a means for communication to occur with three levels of the organization in any one board meeting and allow a way for employees' views to be carried by the manager to the board of the manager's manager, three levels above the subordinates. This network allows communication to flow from the bottom to the top of the organization. As a systems approach to planning, Interactive Planning assumes that all components of the organization relate to all others and must work together where their interests coincide. Interactive Planning is a robust and intuitively understandable system.

On the con side, IAP is less thoroughly developed regarding implementation. The 286 page book laying out IAP principles devotes only one and a half pages of text to implementation. This short section seems an afterthought and suggests using PERT charts, a form of project management, to determine who will do what by when. Another disadvantage is that the process of IAP

would probably be time consuming to roll out because it involves
so many people at so many levels of an organization. As a
result, people could lose interest long before they are ready to
implement their plans.

Organizing theorists and strategic management.

Another sub-category of the theoretical and practical school
is composed of organizing theorists: Nutt and Backoff (1992) and
Melcher and Kerzner (1988). These authors categorize existing
models in the field of strategic planning and evolve new
paradigms for other practitioners to consider for implementation,
testing or improving.

In *Strategic Management of Public and Third Sector
Organizations* (Nutt and Backoff, 1992), the authors show how
strategic planning systems developed for corporations should be
modified to be applicable to the public and nonprofit sectors.
They suggest that strategic management is different for public
and third sector organizations because of many factors including
the influence of oversight bodies, mandates and obligations which
limit their autonomy, collaboration (instead of competition)
among organizations offering similar services, financing by
budget allocation, political influence by elected and executive
officials, public scrutiny, ownership by citizen taxpayers, many
stakeholders to satisfy, and substantial limits on the
organization's authority (Nutt and Backoff, 1992, pp. 27-29).

An innovation the authors offer is specific techniques by
which the organization can perform a stakeholder analysis to

determine the needs of key individuals or groups which have an interest in the services provided by the organization. The analysis is intended to gain consensus among stakeholders and support for the organization's efforts (p. 128).

Nutt and Backoff suggest categories for different types of strategies with different aims for the organization: focus of staff effort, consistency of direction and commitment, and to give meaning to the organization and differentiate it from other entities (pp. 58-60). Nutt and Backoff point out that strategy has different functions for organizations, including serving as plans for action, ploys to outwit opponents, providing "patterns" or directions to guide future developments, and to position an organization and help it find its niche (pp. 62-66).

Another unique proposal Nutt and Backoff offer is a system for categorizing issues facing the organization as various kinds of countervailing tensions which need to be ferreted out and managed. They state that strategic planning should be a constant function of at least the top three levels of managers in an organization, whom they dub the Strategic Management Group, or SMG (pp. 155-59).

Regarding implementation, the authors almost casually suggest making action plan assignments to staff or task forces to deal with strategic issues (pp. 197-201). Nutt and Backoff spend some time discussing managing stakeholder groups so organizations can set the stage for implementation. An example of stakeholder management is the identification of potential coalitions and

knowing when to keep antagonistic groups in the dark until they can be co-opted. Nutt and Backoff acknowledge the benefits of the Machiavellian approach, which undoubtedly has applications in political environments. Their idea of implementation seems to be the vague notion that someone should tell staff to do their jobs.

The major innovations in Nutt and Backoff are the categorization of differences between public and private organizations from a planning point of view and offering techniques for dealing with such factors. Also potentially useful are their method for defining and resolving strategic issues (or tensions as they call them) facing the organization, and the active approach to managing an organization's stakeholders. Theirs appears to be a systemic approach with a holistic view of the organization, its internal and external stakeholders and its tensions. But their methods are heavily analytical. It is doubtful that many organizations would have the patience or staff time to conduct the level of issue and stakeholder analysis they propose.

Pragmatic practitioners.

Another group of writers can be classified as pragmatic practitioners. This group includes Bryson and Roering, Kemp, Wheeland and Gharajedaghi. These pragmaticians seem to take the most workable or promising aspects of different theories and make them applicable to real world settings. They provide a synthesis of existing thought. Pragmatism bridges the gap between theory and practice while focusing implementers away from flawed or

rigid visions of themselves and the world to those which are true
and useful (Shields, 1993). According to Shields (1993),
pragmatists look for what works when settling disputes or solving
problems. In this sense, the authors designated as pragmatists
apply the theories and techniques that academics have developed
and find ways of making them work in practical situations.

Bryson and Roering (1988) report on eight governmental units
in which they provided consultation to initiate strategic
planning. Each unit used the same basic eight step strategic
planning process. The stated purposes of the Bryson and Roering
study were twofold: to document what happens when units of
government work through a strategic planning process, and to
uncover the conditions necessary for successful initiation of a
strategic planning process by governmental units (p. 115).

The authors conclude that for strategic planning to be
successfully initiated in government, the following elements must
be present: (pp. 116-119)

- powerful process sponsor: a person in authority in the
  organization which is involved in the development of the
  strategic plan. This person has cross-departmental decision
  making power and legitimizes the process in the work place,
  and may or may not be on the planning team;

- effective process champion: an individual who serves as
  team leader who pushes the process by demonstrated
  enthusiasm, commitment and belief that it will produce
  desirable outcomes. A "cheerleader";

- strategic planning team: a group of unit members identified
  to represent the entire unit and charged with developing the
  plan;

- expectation of some disruptions and delays: an awareness
  that the process could be delayed or even stopped completely
  due to shifts in personnel, political and work priorities;

- willingness to be flexible concerning what constitutes a strategic plan: the consultants emphasized to the planners that development of strategic thought and action were what counted, not preparation of a formal strategic plan;

- ability to think of junctures as a key temporal metric: the team members and consultants viewed time not as the chronology of passing weeks or months, but in the sense that certain junctures or "coming together" of critical events were the drivers for completing process milestones;

- willingness to construct and consider arguments geared to many different evaluative criteria: informal evaluations team members applied to the elements of the plans they developed. These criteria were what the group felt were essential for the plans to be technically rational, politically acceptable, and morally, ethically, and legally defensible.

In addition, Bryson and Roering offer the practical cautions that:

> Most efforts to produce fundamental decisions and actions in government through strategic planning will not succeed (p. 113), [and] strategic planning systems have been known to drive out strategic thinking...If any strategic planning system gets in the way of helping key decision makers think and act strategically, the system should be scrapped - not strategic thought and action (p. 120).

Craig Wheeland (1993) lends support to Bryson and Roering by confirming several of the factors deemed necessary for successful strategic planning. He adds to the list the concepts:

- involving key institutions and stakeholders;

- using an intensely creative work process (like brainstorming) in a highly symbolic setting (Wheeland's team chose an abandoned building symbolizing the problem of urban flight);

- visualizing desired changes in pictures and graphs, down playing a formal written plan;

- securing broad-based citizen participation to build consensus and secure resources to implement the plan; and

- developing a living plan - one that can be monitored and updated (pp. 66-71).

Gharajedaghi (1992) makes a strong effort to synthesize two apparently divergent methods for dealing with the future. He describes the present uncompetitive state of the American economy and proposes as a solution, combining Total Quality Management (TQM) with a systems dynamics approach (Interactive Planning).

Davenport (1993) attempts a similar synthesis between TQM and Reengineering of an organization. He suggests that initiatives to improve operational performance can include some programs that strive for continuous improvement of existing processes (TQM) and others that attempt radical innovation (reengineering). Successful implementation depends on learning how to integrate the substantially different approaches of TQM (process improvement) and reengineering (radical innovation which alters the organization's basic approach) (p. 7). He describes four systems where organizations were successful with such integration (pp. 8-12). The techniques they used were:

- sequencing change initiatives over time so employees can focus on one area before another;

- creating a portfolio of process change programs as evidence that change is occurring;

- limiting the scope of work design so employees can focus efforts where they can do the most immediate good; and

- undertaking improvement through innovation.

Management Science and Analytical Researchers

The last category of researchers uncovered include those who use advanced statistical methods to uncover relationships between elements of strategic planning and its success or failure. Dyson (1990) edited a book filled with analytical techniques and

statements such as:

> [the] strategic planning process is one that ensures the generation of a sufficient flow of worthwhile strategic options, which can assess uncertainty and evaluate the performance conditional on possible futures (p. 306); [and] The implementation process may well be amenable to models...but is not part of the strategic planning process (p. 306).

This cerebral approach, while seeming to lack real world applicability, is nonetheless important for providing empirical evidence of the things an organization must do to successfully plan strategically. The analytical methods employed also point to factors which contribute to the success of planning efforts and subsequent implementation. Other authors in this category include Boeke (1991), Wiersema and Bantel (1992) and Crant and Bateman (1993).

Margarethe Wiersema and Karen Bantel (1992) found that factors associated with firms most likely to change corporate strategy included lower average age, shorter organizational tenure, higher team tenure, higher educational level, higher educational specialization heterogeneity, and higher academic training in the sciences (p. 91).

J. Michael Crant and Thomas Bateman (1993) tried to isolate some of the factors that people use in organizations to take credit for good things that happen and avoid blame when things go wrong in implementing plans. They found that use of self-handicapping ("there was nothing I could have done!") and external causal account ("It was somebody else's fault") diminished observers' assignment of blame for failure.

Self-handicapping and causal accounts did not influence
assignment of credit for success. Crant and Bateman found that
assignment of credit and blame significantly predicted reward
allocation and impressions others had of the actor (p. 7).

Alternative Methods: MBO and TQM and Reengineering

In *Reinventing Government,* David Osborne and Ted Gaebler
develop the theme that government should be results and mission
driven (Osborne and Gaebler, 1992, p. 111). They state that
zero-based budget's requirement that agencies justify every
element of their budget every year is too cumbersome and time
consuming (p. 116). Osborne and Gaebler also describe their
concerns with Management by Objectives (MBO) and Total Quality
Management (TQM), two other systems organizations often use to
plan for organizational improvements.

Management by Objectives usually has the manager sit down
with the subordinate and negotiate a list of objectives for the
year. A manager who meets or exceeds his or her objectives is
often eligible for salary bonuses (Odiorne, 1987, p. 63).
Critiques leveled by Osborne and Gaebler include: managers'
objectives rarely have anything to do with the organization's key
results: the quantity, quality and cost of its services; managers
tend to set their objectives artificially low, so they can be
sure to meet them; MBO can cause internal conflict in the
organization as each department focuses on its own objectives,
and not those of the organization or its customers (Osborne and
Gaebler, 1992, p. 111).

In Osborne and Gaebler's assessment, Total Quality
Management (Deming, 1986) has several advantages for producing
optimal organizational performance, but they state that TQM is
often not fully implemented by organizations.

TQM uses performance data to pinpoint problems and gives
employees the tools they need to find their root causes, find
solutions and implement them (Osborne and Gaebler, 1992, p. 160).
A further advantage is that TQM emphasizes employee involvement
in developing solutions (p. 160). However, according to Osborne
and Gaebler, in practice,

> ...most organizations only implement part of Deming's
> approach. Many fail to track the results of their work...or
> define exactly what results constitute quality performance.
> Very few focus on the basic systems that drive their
> organizations so they fail to transform their organization
> (p. 160).

Osborne suggests that budgeting for results is an answer.
The funding source (legislature) "buys" outcomes (results) and
outputs (services and products) and lets the agencies find the
way to supply them. If the agency does not meet the target, it
only gets funded next time for the proportion it did supply (p.
161). This concept holds the promise to radically alter the
relationship between agencies and legislatures. Agencies can
become responsible to produce results, not just activities;
legislatures can become focused more on outcomes, not processes.

A new technique called "reengineering" has been getting a
great deal of publicity lately. It sounds strikingly similar to
Interactive Planning. John Martin (1993) describes reengineering
as a complete rethinking and redesigning of the way a job is

performed or a service is rendered, with the goal of greatly improving the process (p. 27). A work group starts with a list of their desired outcomes and a clean sheet of paper; then designs the process as if it didn't exist. This approach attempts to avoid mere fixing of problems, and opts for developing totally new products and services and processes to meet customer demands (p. 28).

The next chapter will describe the setting in which this research occurred. Included are the legal setting in the state of Texas, as well as the setting in the state agency examined for this research.

CHAPTER 3:   RESEARCH AND LEGAL SETTING

Strategic Planning and Budgeting System (State of Texas)

This chapter will examine the history of strategic planning

and budgeting in the state of Texas. It will then describe the

organization chosen for this case study.

Legal Mandate

In 1974, Zero Based Budgeting (ZBB) became the method

required for preparation of requests for agency appropriations in

Texas for the 1976-77 biennium (Jourdan, 1993). Since 1991, the

state of Texas has legally required state agencies to use a

strategic planning and budgeting system which will be described

in greater detail later (H.B. 2009, 72nd Texas Legislature,

1991). In January 1992 the Texas Governor's Office of Budget and

Planning (GOBP) and the Texas Legislative Budget Board (LBB)

jointly issued to all state agencies instructions for preparing

agency strategic plans (Craymer and Oliver, January 1992). The

system agencies were directed to use was a result of staff

interpretation of House Bill 2009 of the Seventy-second Texas

Legislature. The law states in part:

> Each agency shall develop a strategic plan for its
> operations...The plan shall include...a statement of the
> mission, goals and objectives of the agency; measures of the
> output and outcome of the agency in terms of
> indicators...identification of priority and other service
> populations...an analysis of the use of current agency
> resources in meeting current needs and expected future
> need...(H.B. 2009, 1991, pp. 1-2)

As a result of H.B. 2009, the Legislative Budget Board and

the Governor's Office of Budget and Planning issued instructions

to agencies to develop their strategic plans, and later, their

requests for legislative appropriations incorporating the new

Strategic Planning and Budgeting system (SPB) (Craymer and

Oliver, June 1992).

Purposes of Strategic Planning in Texas State Government

The Texas Strategic Planning and Budgeting system is very

much the Steiner strategic planning model described in Chapter

two, with the important addition of linking plans to agency

budget requests and emphasis on performance measurement. The

Governor's Office and the LBB provided a statewide vision,

mission, philosophy and goals for all functional areas of the

executive branch of Texas government. Agencies were instructed

to develop their own mission, philosophy, external/internal

assessment, goals, objectives, outcomes, strategies and outputs

(Craymer and Oliver, January 1992. pp. 1-2). The purposes of the

state strategic planning systems are as follows:

> to establish statewide direction in key policy or functional
> areas and move away from crisis-driven decision making; to
> provide a basis for aligning resources in a rational manner
> to address the critical issues facing the state now and in
> the future; to make state government more responsive to the
> needs of Texans; to bring focused issues to policy makers
> for debate and review; to provide a context to link the
> budget and other legislative processes to priority issues;
> to impose continuity in budgeting, and to improve
> accountability for the use of state resources; to establish
> a means of coordinating the policy concerns of public
> officials with the implementation efforts of the public and
> private sectors; to build interagency, state/local, and
> public/private partnerships (pp. 1-2).

In addition, Craymer and Oliver state that strategic

planning should include participation of employees at all levels

of the organization and the input of the constituencies affected

by the agency (p. 4).

The first instructions issued in January contained no reference to budget needed to implement the plans. During the development of agency plans the requirement emerged that plans should link one-to-one to agency requests for appropriations (Craymer and Oliver, July 1992). This mid-course correction caused considerable difficulty for some agencies. It also created an important connection between the strategic plans and the process by which agencies get the money they need to operate. This phase of planning was named Performance and Achievement Based Budgeting.

Output budgeting.

Unique qualities of the strategic planning and budgeting system include the fact that it is required by law as part of a major effort to overhaul the legislative appropriations system in the state. The system does away with zero-based budgeting which had been in place in Texas since the 1970s and replaces it with "output budgeting". Output budgeting is an attempt to allow state agencies to describe in quantifiable terms the outputs, or products and services they will produce and the outcomes, or ultimate results which they hope to achieve by providing the outputs. The Legislature can then determine how many outputs it can afford to "purchase" from agencies, thus setting the state budget. This approach results from the Service Efforts and Accomplishments research (Hatry, et al., 1990, p. 12) conducted for the last several years by the Government Accounting Standards Board (GASB).

GASB research suggests that by establishing clear measures of the goods and services they produce, governments will be more accountable; will have more tools for motivating employees and providing them with rewards, incentives and sanctions for performance; be better able to justify the need for governmental programs and budgets; and be able to shift the focus of government away from politics and toward the results of programs.

The Texas State Auditor's Office, the LBB and the Governor's Office of Budget and Planning have adopted the GASB approach as an attempt to get state agencies to more clearly define the intent or results they plan to achieve by providing their services (Craymer and Oliver, July 1992). In addition to the standard purposes of strategic planning, the Texas system emphasizes the linkage of the plan to legislative funding of agencies and to improving accountability of agencies by measuring how well they do in achieving the level of outcomes and outputs they agree to in the legislative appropriations process (Craymer and Oliver, September 1992).

Performance auditing.

Strategic Planning and Budgeting has caused a critical shift in thinking at the Texas state Auditor's Office. In the past the Auditor has been interested only in financial auditing. In November 1991, the Legislative Budget Board directed the State Auditor, as part of Performance and Achievement Based Budgeting, to ensure that agencies performance measures are appropriate and

will provide accurate descriptions of agency performance (Alwin, June 1992).

Only preliminary work has been done on developing a certification process to date. But the State Auditor has made a paradigm shift. No longer will he be looking at agency activities only as a function of the money trails they leave. He has committed to developing ways to evaluate agencies by ensuring they have appropriate performance measures and determining whether they provide the products and services to which their budgets obligate them.

Performance and Achievement Based Budgeting is, on the state level, what Management by Objectives (MBO) is at an individual manager level in organizations. The basic principle of Management by Objectives is that every boss and subordinate will negotiate objectives at the beginning of each period. These negotiations are a formal discussion of goals, results sought, priorities and plans. The goals (outcomes) to be achieved organization-wide are set by top management. The objectives (outputs) are set by the boss/subordinate negotiations. By agreeing in advance to what is expected, and what an employee must achieve, the manager has the basis for control by conducting an end-of-period performance review. The employee, in theory, has the opportunity to operate independently, without having the manager looking over his or her shoulder and micromanaging the work (Odiorne, 1987). This arrangement is the essence of Performance and Achievement Based Budgeting.

Control versus innovation.

The strength of such a system is that it ensures a clear understanding between the manager and the subordinate as to what products and services are expected, and by when they are to be delivered. Those in control functions set up systems to measure whether an individual (or agency) has done what was agreed upon. This kind of system is action and implementation oriented.

This shift in thinking about performance is also seen in business. Financial measures are becoming one among a broader set of measures of success. The new measures are being given equal or greater status in determining strategy, promotions, bonuses and other rewards. What you measure is what you get, particularly when rewards are tied to the measures (Eccles, 1991; Kaplan and Norton, 1992).

A shortcoming of MBO, and by extension Performance and Achievement Based Budgeting, is that the ends to be achieved are imposed on the organization, while the organization only has the freedom to select the means by which to accomplish them (Ackoff, 1981). W. Edwards Deming, the father of Total Quality Management, states that such a system rewards short-term performance at the expense of long-term, innovative planning aimed at optimizing the performance of the entire system (Deming, 1986, p. 102).

While Bryson and Roering (1988) posit that the greatest value of strategic planning is to create change, the LBB and GOBP instructions to Texas state agencies state that the purpose is to

bring about more unity of purpose and accountability in government. To paraphrase Bryson and Roering (1988), such strategic planning systems tend to drive out strategic thinking and acting by key decision makers.

The state of Texas appears to have opted for conformance and control over innovation by merging strategic planning with the budgeting system. In the present environment of dwindling financial resources, this must have seemed the right strategic choice for the top decision makers who developed the implementation of House Bill 2009.

Texas state agencies have been directed to make sure they have the systems in place to be able to report on the measures of performance they have selected (Oliver and Craymer, August 1992). In addition, there is evidence that agencies are placing at lower levels in the bureaucracy the responsibility for achieving performance (Jackson, 1992).

What you measure is what you get (Kaplan and Norton, 1992). By placing an emphasis on performance measurement, the Texas system of Strategic Planning and Budgeting may achieve the goals of bringing about uniformity of purpose and a clear sense of what is expected of agencies by their oversight bodies.

The current biennium (fiscal years 1994-95) is the first where legislative funding was initiated by agency strategic plans. During the 1995 session, the Texas Legislature will provide its ultimate evaluation of agency performance - funds for the next two years. Not until then will a source external to the

agencies provide evidence whether the new strategic planning and budgeting system has brought more innovation and/or accountability to Texas government.

Description of Agency Selected for Study

Confidentiality

In the environment of limited state resources and political uncertainty, it was assumed that no state agency would willingly reveal its shortcomings to the public. It was also assumed that managers within any agency would not speak as candidly if they thought their comments would be attributed to them and shared with others. Thus, the decision was made at the outset of this study to keep the name of the agency and the respondents confidential. Even the agency documents examined for this study are not identified in the paper or the bibliography.

Agency Organization

The agency chosen for this case study has several thousand employees, 900 of which are in the central office in Austin. There are two major service provision branches in the central organization. Each oversees, decentralized service providers which provide services at the local level. The bulk of the agency's employees are housed locally throughout the state.

In the central office, the Commissioner's Executive Council is a group of 17 executives who answer to the commissioner or one of the deputy commissioners. Appendix 2 contains an organizational chart of the agency. The mission of the Commissioner's Executive Council (CEC) is:

To provide leadership within our organization by creating a vision for the shape of our agency's future and providing the supports, resources, and processes needed to help us efficiently and effectively achieve our vision. The Council goals include the following:

- Practice management by leadership -- create a vision, develop and prioritize goals, and ensure a constancy of purpose for the realization of the vision and for continual improvement of services and products.

- Promote effective work processes -- ensure the presence and successful implementation of work processes that are effective and can be managed in a way so as to continually improve quality.

- Build trust with the public and within the organization -- build and support the use of evaluation systems that assign accountability and are data-driven; the results of which can be used to build trust with the public as well as within the organization.

- Foster shared decision-making -- encourage shared decision-making activities and the redirection of decisions to the lowest appropriate level within the organization.

- Improve communication -- work to break down barriers between agency divisions and to foster cooperation at all levels through the use of cross-functional project teams.

- Build quality performance -- model quality behaviors and attitudes as well as creating an expectation for quality behaviors within the organization coupled with quality training and education for staff.

- Integrate continuous quality improvement -- ensure that the agency CQI plan is implemented throughout the service system.

The director of the Strategic Planning Office (not one of the interviewees) suggested that the investigation center on the members of the Commissioner's Executive Council and provided the investigator their names and phone numbers. The Director of Strategic Planning reviewed the prospectus for this research project and presented it to the Commissioner's Executive Council, which agreed to the interviews and requested that the findings of

the study be shared with them at the conclusion of the project. The Director then sent a follow up memorandum to the CEC members reminding them of the upcoming interviews (Appendix 1). The interviews were conducted over the period from October 1 through October 20, 1993. Interview lasted from 30-75 minutes. The Commissioner's Executive Council members were involved in the initial stages of the current cycle of strategic planning at the time of the interviews.

This study focuses on the views of the members of the CEC. Of the 17 members, two are administrative assistants and so were not interviewed. A third, the Director of Legal Services, is not involved directly in program development or operations and so was not interviewed at the recommendation of the Director of the Strategic Planning Office. One additional member of the CEC was not available to be interviewed during the time of the study. As a result, 13 members of the CEC were interviewed using the interview protocol in Appendix 4. In addition, agency documents were examined, including the Charter for the Commissioner's Executive Council, The Department Planning Process: Issues and Recommendations and the most recent agency strategic plan.

The agency is required by statute to prepare a strategic plan and has been doing so for several years. In March 1991 a project team of agency employees, local providers and consumers evaluated the agency planning process to solve two basic problems. First, the process did not always reflect the input from the different components of the Department and concerned

parties from outside the Department, and second, the relationship and timeliness between the planning process and other functions was not always well coordinated. The team was charged with recommending who should have input into the process and how it should be obtained, and how to integrate the planning process into other Department activities. The recommendations resulted in the strategic planning process outlined in Appendix 3.

In September 1991, when House Bill 2009 went into effect, the strategic planning processes of the agency became more complex in that it became directly linked to the agency request for funds from the legislature and was required to have performance measures. These factors complicated the planning process within the agency by overlaying two legislative mandates with an agency process improvement effort for strategic planning.

The planning process used by the agency (contained at Appendix 3) is basically that of Bryson (1985), described earlier. According to the model, the strategic plan is part of a larger planning process which results in special initiatives plans, the biennial budget request, and operational plans and budgets for agency managers.

Working Hypotheses

Formal hypotheses are not needed in an exploratory or descriptive study such as this. However, the following working hypotheses were deductively arrived at, based on the literature

review and the author's experience in this field, and reflect

expected findings which the case study may uncover. The phrases

in parentheses after each working hypothesis indicate the kind of

effectiveness each attempts to predict, based on the research

question:

1. Agency managers will not see strategic planning as useful in focusing top management efforts (effectiveness in meeting legislative mandate).

2. Agency managers will see strategic planning as assisting in getting legislative appropriations (effectiveness in meeting legislative mandate).

3. Agency managers will see strategic planning as an effective tool for obtaining customer involvement in defining agency programs and service delivery (effectiveness in meeting agency mandate).

4. Agency managers will not see strategic planning as a tool for creating innovations for service delivery (effectiveness in integration with agency processes).

5. Agency managers will not see strategic planning as improving agency performance (effectiveness in integration with agency processes).

The next chapter will discuss the methodology used to gather

information for this case study: the use of face-to-face

interviews and a limited examination of agency documents.

CHAPTER 4: METHODOLOGY

Overview

The research methodology selected was to conduct a case study, using the field research techniques of structured interviews to gather manager views and content analysis of documents to provide another source of evidence. Statutory and regulatory purposes for planning are examined and compared to agency managers' views about the agency plans. Although the study relies heavily on qualitative techniques, quantitative methods are used to summarize and present data as much as possible.

Qualitative vs. Quantitative

The study of public administration, the development of theories and principles and the effectiveness of their applications, has stemmed from two major philosophical streams - quantitative and non-quantitative (or qualitative) approaches (Ostrom, 1982). To summarize the debate, the "anti-quantitative position" argues that studying relationships using quantitative data does not provide an adequate understanding of the political world; quantitative approach advocates argue that without careful measurement and the use of analytic techniques, researchers will not have a basis for knowing or proving anything (Guba and Lincoln, 1981). As Earl Babbie (1986) states, "Essentially, quantitative research involves numerical analysis, whereas qualitative does not". Babbie (1986) posits that quantitative research is given a generally higher status than qualitative, and

cites as a reason for this the general high regard that Americans have for scientific research.

Elinor Ostrom (1982) suggests that the dominance in the last several decades of the quantitative examination of political science has occurred to the detriment of theory development which would lead to understanding of how and why processes occur. She says that the task of research and political science is to move "beyond positivism", to work toward development of theory and integrate the more quantitative methods for testing theory.

The debate still rages a dozen years later[11]. However, an attempt is being made to synthesize the best aspects of quantitative and qualitative research methods and encourage their use where appropriate.

Richard Box (1992) and Mary Bailey (1992) join Ostrom (1982), Robert Yin (1989) and Guy Adams (1992) in encouraging researchers in the field of public administration to advance beyond the mere either/or argument of quantitative versus qualitative approaches. Instead, they propose that the best of both approaches be used as appropriate to the topic being investigated.

The literature suggests that such a synthesis is beginning to evolve, balancing studies in the field between qualitative approaches for development of theory, and scientific, positivistic, quantitative approaches for demonstration of

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[11]See for example Adams, 1992; Cleary, 1992; Box, 1992; and Bailey, 1992.

statistical relationships between observable elements and empirical observables.

As a tool for quantitative research, the computer has brought a great advantage to that mode of study. Researchers are now able to manipulate vast amounts of data in many different ways very rapidly. On the other hand, qualitative researchers must either deal with smaller amounts of in-depth data, or they must find ways of quantifying their essentially qualitative information (Babbie, 1986).

Qualitative researchers generally use more judgmental techniques. Advantages of the qualitative methodology listed by Babbie (1989) are:

- Flexibility: The researcher can adapt quickly to changing conditions and/or new insights.

- Degree of depth: Since the inquiry can be adapted to the situation, the researcher can probe more deeply below the surface.

- Gestalt: Quantitative researchers must pinpoint and focus on only certain observations. Qualitative researchers can be open to all observations within the context of the situation - facial expressions, sounds, weather, smells, etc.

Qualitative research tends to measure things with greater validity, while quantitative research tends to be more reliable (Babbie, 1986, page 93).

Case Study

The case study research method is criticized for allowing insufficient precision, objectivity and rigor (Yin, 1989, p. 10).

But according to Yin (1989), case study is the preferred research

strategy:

> when "how" and "why" questions are being posed, when the
> investigator has little control over events, and when the
> focus is on a contemporary phenomenon within some real-life
> context. (p. 13)

Yin also states that case study is especially useful in

exploratory and descriptive studies. This methodology allows the

researcher to "retain the holistic and meaningful characteristics

of real-life events...such as organizational and management

processes" (Yin, 1989, p. 14). Case study has the unique ability

to deal with a variety of evidence - documents, interviews and

observations (Yin, 1989, p. 20). Yin (p. 23) offers the

following definition:

> A case study is an empirical inquiry that: investigates a
> contemporary phenomenon within its real-life context, the
> boundaries between phenomenon and context are not clearly
> evident; and in which multiple sources of evidence are used.

Yin's work (1989) was the primary guide for conducting the

field research in this study. Especially helpful were his

suggestions for improving reliability of the research.

Techniques use include developing an interview protocol (Appendix

4), a letter of introduction to get time with selected managers

(Appendix 2, using multiple sources of evidence converging on the

same set of facts to help create the "chain of evidence" and

analyzing the results of the study.

Content Analysis

Content analysis is a research methodology that utilizes a

set of procedures to make valid inferences from text (Weber,

1985). In content analysis, researchers examine products of civilizations and analyze texts or other forms of communication to make inferences about the sender of the message, the message itself and the audience of the message (Weber, 1985).

Content analysis for social research is most applicable to the study of communications in all its forms (Babbie, 1989). The strengths of content analysis include its unobtrusive nature, the ease of obtaining materials to analyze, and the ease of repeating portions of the study, if needed (Babbie, 1989). The chief disadvantages of content analysis include possible low reliability and difficulty of establishing validity that the research is studying what it purports to study (Babbie, 1989).

This research effort analyzes the content of a limited number of agency strategic planning documents to triangulate that source of stated intent with views related by managers in interviews.

Interviews

The author conducted structured face-to-face interviews with 13 key agency managers (Commissioner, Deputy Commissioners, Associate Commissioners, planning and policy manager, human resources manager, medical director and other department directors involved in and affected by strategic planning) to determine their views of the effectiveness of their strategic planning system and/or other types of planning in their agency.

See Appendix 4 for the complete interview protocol. Appendix 4 contains responses to questions from all subjects, in

italics, grouped below each question. Not every item has

responses, because they were intended as prompts or follow-ups

and were included to cue the interviewer to ensure topic

coverage. To summarize, the interviews were structured as

follows:

- Question #1 generally allows managers to describe the kinds of planning in which they are involved, and to compare or distinguish planning from total quality management. This question focuses on the managers' view of the statutory or agency mandate for strategic planning.

- Question #2, items a-h are the purposes for strategic planning given by the Governor's Office and the Legislative Budget Board in the strategic planning instructions given to agencies (Oliver and Craymer, 1992). This question focuses on the managers' view of the statutory or agency mandate for strategic planning.

- Question #3 generally gets at the perceived effectiveness of strategic planning in meeting the purposes described by the agency strategic planning process. This is approached by eliciting managers' views of what roles they perceive being played by top management, the external oversight bodies, stakeholders and internal planning staff.

- Questions #4-10 generally explore how easy to use and how well integrated the strategic planning system is with other agency processes. Items here include relationship of strategic plans to operational budgets, requests for legislative appropriations, performance measurement, actual work or results accomplished, and development of a shared functional area or agency vision.

- Questions #11-17 are more open ended and allow the interviewer to explore the perceived effectiveness of strategic planning in meeting mandated or agency stated purposes. Managers were encouraged here to offer suggestions for improving the planning system.

Data

The data collected consist of the information obtained from

review of the documents *The Department Planning Process: Issues

and Recommendations* (1991), the Charter for the Commissioner's

Executive Council (1992), the current agency strategic plan (1992), and interviews conducted.

Specific evidence to support working hypotheses is shown in summary form in the Findings Related to Working Hypotheses section, and in greater detail in Appendix 5. The evidence was derived from the interview responses which were combined in categories which were thematically similar. The number of respondents making similar points were tabulated and shown as a percent of the total number of respondents to that question. These combined responses were then applied against the working hypotheses, using pattern-matching techniques described by Yin (1989, pp. 109-115). This mode of analysis allows the researcher to compare empirically based patterns (combined interview responses) with predicted ones (working hypotheses, in this case). The resulting agreement can demonstrate internal validity of the case study and assist in generating hypotheses for future study.

Variable Measurement

Because of the qualitative nature of this study, there were no formal, a priori hypotheses or high level statistical analysis. However, the working hypotheses were tested against the responses provided by the managers. No attempt was made to analyze statistical significance of the findings. The findings merely point the way for inductively logical conclusions (hypothesis generation) and future study.

Field Research and Interviews

Babbie (1989) states that one of the major strengths of field research is "...the comprehensiveness of perspective it gives the researcher...[who] can develop a deeper and fuller understanding of it.." (Babbie, 1989 p. 261-2). This type of research is deemed especially appropriate when studying aspects of social systems which are not strictly quantifiable (Babbie, p. 262). Although the present research is not a replication of their study, Bryson and Roering (1988) successfully used interviews and inductive logic to tease out the themes of their study. Bryson and Roering also employed field research to gather and analyze data as they were involved in installing strategic planning systems in several governmental organizations. By observing directly the dynamics involved in implementing strategic planning, the authors were able to "discover" relationships between the actors which were associated with the success or failure of getting the planning system started. Bryson and Roering triangulated their data by using a combination of observations, interviews of team members, and follow-up questionnaires of all participants to uncover themes.

The sampling technique was not random, but as Babbie (1989, pp. 267-269) discusses, random sampling is normally inappropriate in field research. The selection of organizational units falls more into the classification of "purposive sample", as they are units of analysis which the author believes will yield a comprehensive understanding of the subject.

One of the strengths of this approach is that it provides a way to study the attitudes of agency managers regarding planning, while developing an in-depth understanding of the roles each plays in the development of plans and realization of results. This can allow an investigator to evolve his or her thinking about the processes and dynamics at work.

Another strength of field research, according to Babbie (1989, p. 286), is that it is likely to provide results with superior validity due to the in-depth examination of the subject. Guaranteed confidentiality of both the agency chosen and the identity of the respondents will improve the likelihood of getting honest answers, and thus improve the validity of the findings.

A disadvantage to the proposed approach is the lack of ability to generalize its findings in any precise manner to other governmental units. The findings may well be very descriptive of a large human services agency in Austin, Texas but may say nothing about other state, local or federal government organizations there or in another part of the country.

The next chapter will describe and discuss the findings regarding the managers' perception of the effectiveness and value of their strategic planning process. These findings will be compared to the results predicted by the working hypotheses. The planning system will also be categorized using conceptual systems proposed by Bryson and Nutt and Backoff.

CHAPTER 5: ANALYSIS

This section contains the analysis of the data obtained in the study, using the methods described in Chapter 4.

Statistics Used

The nominal and ordinal level of data collected allow only descriptive statistics to be used, including frequencies, and percentages. An attempt was made to develop logical and theoretically sound categories to display the responses and data derived in tabular form. A majority of responses could be grouped in ordinal-level scales (e.g.: well integrated, somewhat integrated, not well integrated).

Findings

The detailed compilation of interview responses are contained in Appendix 4. All statements by individuals responding to a question are gathered under each respective question. Appendix 5 combines those individual responses into logical groupings and presents the resulting information in tabular form. Refer to Appendix 5 for specific numbers and types of responses relating to interview questions.

The following sub-section, Findings Related to Working Hypotheses, synthesizes the data reported in Appendix 5, and relates them to the working hypotheses. See page 40 for the complete wording of working hypotheses. In the next sub-section the strategic planning system is evaluated and categorized according to principals developed by Bryson and Nutt and Backoff.

Findings Related to Working Hypotheses

Table 5.1 summarizes the findings based on whether or not the working hypotheses were supported by the evidence. No intensive statistical analysis was done to establish these findings, but the gestalt of the evidence, sifted by pattern-matching, gives empirical support to the observations.

Table 5.1: Summary of Working Hypotheses, Area of Emphasis and Evidence of Support

Working Hypothesis #	Area of Emphasis	Effectiveness Measure Area	Supported by Evidence?
1	Will not focus efforts	Meeting legislative mandate	No
2	Will help get funding	Meeting legislative mandate	Yes
3	Will get customer involvement	Meeting agency mandate	Mixed
4	Will not cause innovations	Integration with agency processes	Yes
5	Will not improve agency performance	Integration with agency processes	Yes

Evidence which either supports or does not support each working hypothesis is grouped under that hypothesis in the sub-sections below. Representative quotes from respondents are reproduced to give a flavor of the responses.

Working hypothesis #1: Will not focus efforts.

All respondents (100%) agreed that top management uses strategic planning for creating the vision and direction for the agency. Bryson's suggestion that strategic planning systems

often drive out strategic thinking apparently did not apply to

the vision and direction setting aspects of this planning system

(see Appendix 5, item 2.a.). This finding was exemplified by

such statements as:

> "Plans give us the direction for the government, the agency
> and individual programs, as well as our interactions with
> other agencies.", and

> "...The agency has consistency of purpose and the ability to
> focus on it."

Further demonstration that this planning system does not

drive out strategic thinking was given by 100% of respondents who

felt their planning system allows them to address real, important

issues (see Appendix 5, item 4). One manager stated that

"Planning forces decisions some would like to put off." Another

stated that "The strategic planning process...creates a forum to

discuss important topics: accountability, available finances, are

we customer focused, organizational structure..."

The 9 purposes for strategic planning laid out by the

Legislative Budget Office and the Governor's Office of Budget and

Planning (see page 30) were not consistently mentioned by the

subjects interviewed. One respondent (8%) felt the strategic

planning process improves accountability for the use of state

resources; four (30%) felt it established a means of coordinating

policy concerns of public officials with the implementation

efforts of the public and private sectors; four (30%) felt that

the plan served the purpose of building interagency, state,

local, and public/private partnerships (see Appendix 5, item 2).

The 9 purposes for strategic planning were not quoted in agency

documents either. It is concluded that such purposes were not
driving forces in the development of plans at this agency.

Eighty-nine percent of respondents thought planning helped
them do their jobs by setting direction, securing funding and
overcoming the tendency for crisis orientation (see Appendix 5,
item 13). As one manager put it: "Sometimes people think I'm
lucky. It's not luck -- it's the plan. You don't have control
of outcomes if you don't plan. They just happen."

Eighty-five percent said strategic planning was worth the
effort, while 15% (2) felt it was not (see Appendix 5, item 17).
One manager pointed out that: "Stuff's going to happen. We have
a choice to either shape it or let it happen to us." Another
summed up a practical reason for planning: "It's required to get
the money. That alone is reason enough."

On the other hand, 25% thought more ownership and commitment
to the plan by top management was needed (see Appendix 5, item
16). Examples of comments along these lines include: "[We need
to] make a distinction between the public relations document and
a document to be used by the department to make decisions."
Another manager stated that: "Getting beyond planning as
compliance activity and making it a true leadership process is a
critical issue."

Working hypothesis #2: Will help get funding.

The majority of agency managers saw strategic planning as
assisting in getting legislative appropriations. Sixty-six
percent thought the strategic plan was well or somewhat connected

to the request for legislative appropriations, but needing
improvement in this regard (see Appendix 5, item 9.b.). Several
managers indicated that the budget staff sits in on meetings
where planning occurs so they can conceptualize how things can be
costed out. "They think about how they can develop formulas to
sum up the activities into dollars."

Forty-six percent thought the strategic plan was used to
align agency requests for and use of resources (see Appendix 5,
item 2.b.). But the forced match between plan and the
appropriations request was not seen as beneficial to the planning
process or product. One manager stated that:

> "The Legislative Budget Office and the Governor's office did
> not like our plan, because it did not fit their picture of a
> budgeting tool. Our Commissioner and Board refused to change
> our plan to fit the budget. So we created another one for
> them which was solely to fit the budget structure."

This position was reinforced by others, as summed up by one
manager:

> "Sometimes the strategic plan initiatives don't tie to the
> appropriations process and shouldn't. There shouldn't be a
> lock step between the two. The planning process should allow
> you to think past the appropriations process."

Working hypothesis #3: Will get customer involvement.

There were mixed results for this proposition. Consumers
were thought to be well involved, although those at the local
level were not seen to have good input at the state level.
Agency employees were not seen as very involved, despite an
consumer/agency task force recommendation to improve their
involvement.

Sixty-nine percent thought consumers were well involved (see

Appendix 5, item 3.e.), but 31% thought local involvement was not translated into the statewide plan. A common theme was: "There is an effort and a belief in the agency to reach out and involve consumers. It is an important part of our values." However, as a counterpoint several managers' thoughts were exemplified by one who said: "Local entities involve consumers. They don't have a formal opportunity at the state level."

Fifty-four percent felt that employees are not very involved in strategic planning. Twenty-three percent did not think they need to be (see Appendix 5, item 3.c.). There seemed to be a conflict between the desire to have employees feel a part of the agency purposes and the lack of direct involvement in the planning process: "Not everyone can have a hands-on role. This causes a dilemma -- how do you help workers connect what they do to the mission?" The opposite point of view was held by a large minority who felt that employees did not need to be involved. As stated by one manager:

> "[Employees are] not very involved. This may be another
> step we need to take in evolving a better planning system.
> On the other hand, I'm not so sure that all [thousands of]
> employees should be involved in agency strategic planning."

Working hypothesis #4: Will not cause innovations.

A majority of agency managers did not see strategic planning as a tool for creating innovations for service delivery. As such, the plan was not effectively integrated with agency "continuous improvement processes". Bryson's contention that strategic planning systems often drive out strategic thinking apparently did apply to the creative, innovative and service

delivery aspects of this planning system.

Fifty-four percent report that required deadlines and emphasis on budget development tend to drive the plan and remove the creativity and innovativeness of traditional strategic planning (see Appendix 5, items 1.h. and 7). Several managers echoed the following: "Often the planning process, as structured currently, keeps us from looking at systems problems and instead just gives us a process." In addition, the "[tight linkage to budget] does violence to the integrity of planning." Several managers groused: "Development of the strategic plan should not be for the purpose of the ease of developing an appropriations request," and "By prescribing a format and content, the state has minimized creativity and derailed the customized strategic planning we were evolving into."

The imposition of seemingly irrational strategic plan deadlines by the legislature led was felt by many of the respondents to be detrimental to the planning process: "Deadlines have a chilling effect [on planning]." One manager offered an insight about deadlines and schedules which the newly developed strategic planning system has not achieved:

> "The legislature going into session every other January
> creates a rhythm. Strategic planning and budgeting don't
> yet have this rhythm."

Simply mandating a strict linkage between plans and resources does not make it happen. Fifty-six percent of the respondents reported that operational budgets and implementation decisions are not well connected to the plan (see Appendix 5,

item 9.a.). The lack of clarity as to how to operationalize the forced link between plans and budgets was succinctly stated by one manager: "If we develop the strategic plan and don't get the money, then what do we do? Do we have the right to put the money where we want to?"

Working hypothesis #5: Will not improve performance.

A majority agency managers did not see strategic planning as effective at improving agency performance. Seventy-five percent thought that actual work accomplished is poorly linked to the strategic plan despite a 1991 consumer/agency task force recommendation to improve linkage of the plan to other agency processes (see Appendix 5, item 9.d.). Fifty-four percent thought the plan was not linked well to performance measures and better accountability for performance was needed (see Appendix 5, item 9.c.). Performance measures were seen as imposed, not really representative of work accomplished or results achieved:

> "[performance measures] have tended to be just something to be reported to the Legislature, but did not really tell anything about how well we were doing our job or serving our clients. Our measures are not taken particularly seriously."

> "The plan doesn't dictate for me my day-to-day work. It doesn't lay out specifics."

Thirty-three percent of respondent thought better performance measures and accountability for performance were needed (see Appendix 5, item 16). They thought that improved measures and accountability for results achieved would "allow us to better show the citizens how their dollars are spent," and cause the agency to be "more efficient and effective." Several

managers mentioned recent efforts to improve and make more binding upon managers the performance measures.

Sixty-seven percent thought the planning process could be improved by forging a better link between planning and other processes, including operational plans, budgets and customer focus (see Appendix 5, item 16). Fifty-six percent thought that operational budgets currently are poorly linked to the strategic plan (see Appendix 5, item 9.a.). This contention was related by one manager as a need to "Make a better link between what is in the plan and what we do."

There was wide-spread agreement that Total Quality Management processes used in the agency were not a type of strategic planning, but a small minority felt the link between TQM and planning was not well forged. Eighty-three percent felt that TQM is a management system which is used pervasively in the agency to develop the strategic plan and other agency systems improvements. Two (17%) of the CEC members felt that total quality management is a type of planning and was not well integrated with agency planning processes (see Appendix 5, item 1.e.). The language of TQM was peppered throughout the interviews (getting the arrows pointing in the same direction, stovepipes, constancy of purpose, ownership, sub-optimizing, etc.), lending support to the idea that TQM is a system which provides at the very least the "background noise" to other agency processes. It is noted that this study did not focus on the

effectiveness of TQM in this agency, and such examination may be a topic for future research.

All managers interviewed (100%) agreed that the Strategic Planning Office offered great assistance in facilitating and ensuring that they get through the process and actually turn out a strategic plan product on time (see Appendix 5, item 3.b.). One manager spoke in praise of the staff: "Thank God for [the Director of Strategic Planning]. Without him, it [the completion of plan development] would never happen."

Several managers (38%) cautioned that the plan is not currently "owned" as much as it should be by the managers and, as a result, is thought of by some as "the Planning Office plan" (see Appendix 5, item 3). But this did not appear necessarily to be the fault of the planning office. Fifty-four percent felt that although deadlines are necessary in order to complete a plan, they distort the plan and give managers an excuse to not get thoroughly involved in the process and ultimately not feel ownership for it (see Appendix 5, item 7). As one manager put it:

> "Sometimes Planning staff have to drag managers kicking and screaming to get together and when time finally runs out, Planning staff have to write the plan. Then people are steamed, and say it is not their plan."

Sixty-seven percent thought the planning system was acceptable or user-friendly. Thirty-three percent said it was difficult to use (see Appendix 5, item 8).

One hundred percent felt coordination between units was either not good or needed improvement, and that "There is a

tendency to stovepipe", or be aware only of the needs of one's

own management chain, and not a larger or agency-wide picture.

(see Appendix 5, item 5). One manager described it this way:

> "There is none [coordination] between [one division] and
> [the other division]. We don't know what they are doing.
> We had different goals regarding consumers and didn't even
> know it."

Another manager said, "We have many points of view and relatively

little convergence."

When asked how to improve the system 42% of respondents

suggested that more cross-functional teams would increase

coordination between units (see Appendix 5, item 5). Thirty-six

percent felt that top management needed to get better at planning

or develop more of a feeling of ownership of the plan to improve

coordination (see Appendix 5, item 5). The rationale for this

point of view was that:

> "[We need] increased ownership by the CEC, especially the
> deputies, in the content of the plan. If it's theirs,
> they'll use it more, participate in it, and it will become
> part of the ethic of the organization."

Four respondents (33%) said the planning process is

disjointed and fragmented. They suggested this could be remedied

by having more time to focus on planning, including the

possibility of meeting away from the office (see Appendix 5, item

16). One manager described the problem and solution this way:

> "We are taking [strategic planning] a bite at a time. Maybe
> we should take three days off, with good information, and
> come back with direction. [Now] we take an hour or two in a
> meeting, get assignments, and come back. This is
> fragmented. Thinking about the future takes some time to
> reflect. One-hour segments are not conducive to this."

Findings Related to Bryson and Nutt and Backoff

This sub-section uses the conceptual framework provided by Bryson and Nutt and Backoff to describe the robustness and apparent purposes of the agency strategic planning system.

The agency studied has a strategic planning system in place which has most, but not all of the elements Bryson found necessary for strategic planning to succeed, as illustrated in Table 5.2 below:

Table 5.2: Evidence of System Meeting Bryson Elements for Successful Strategic Planning

Element Needed	Evidence of Element
Powerful process sponsor	Yes: Commissioner
Effective process champion	No: Diffused
Strategic planning team	Yes: CEC
Expectation of disruptions and delays	Yes: Experience with changing mandates
Flexibility on what constitutes strategic plan	Yes: Experience with changing mandates
Ability to think of junctures as temporal metric	Yes: Agreement to meet deadlines of Governor
Criteria for acceptable plan	Yes: Attempt to meet internal and external requirements

This system appears to meet 6 of Bryson's 7 criteria for successful strategic planning. However, the "process champion" role seems to be shared by the Director of Strategic Planning and the members of the CEC individually. This diffusion of the "cheerleader" role may result from the fact that the planning director is not a member of the CEC and so must push the process without direct authority equal to those who create the plan. The

diffusion of the process champion role may contribute to the feeling of 31% of respondents that better ownership of the plan by the CEC is needed, and the 100% of respondents who feel that better interdepartmental coordination in the planning process is needed (see Appendix 5).

Based upon the responses of the CEC to the interviews, the strategies contained in the plan address all four of the functions for strategies suggested by Nutt and Backoff (1992) to meet the different aims for organizations: focus of staff effort, consistency of direction and commitment, to give meaning to the organization and to differentiate it from other entities.

According to their responses, 100% of those interviewed feel their planning system allows them to address real, important issues, meeting another criterion proposed by Nutt and Backoff as a measure of plan success. Also, since the CEC sees itself as responsible for strategic planning, another element is met which Nutt and Backoff note as important for the success of strategic planning - involvement of the top three levels of managers in an organization.

The CEC responses about the purpose for planning and the kinds of issues it surfaces are compared to the Nutt and Backoff categories in Table 5.3.

Table 5.3:   Agency Uses of Strategies

Strategy Use	Evidence for Use
Plans for action	Weak
Ploys to outwit opponents	No evidence
Patterns to guide agency	Strong agreement
Position agency, find niche	Strong agreement

Categories developed by Nutt and Backoff

It stands to reason that the very public agency strategic plan would not contain "ploys" to outwit opponents, or, as two managers stated, initiatives which the public is not ready to accept.   Such disclosure would be folly in light of competition within government for limited state resources and possible lack of consensus support among agency stakeholders and the public for some initiatives.   But the weak link to actions and operational plan seen by 70%-100% of respondents (see questions 9d and 10.a in Appendix 5) is an area upon which managers agree they should focus for improvement.

Discussion

The strategic plan was seen more as a means to structure and focus agency thinking than to provide a basis for better organizing and delivering agency services.   Interestingly, the managers appear to believe any benefits of the planning process will accrue more to the agency than to the state, as demonstrated by the benefits managers described and the lack of congruence with the purposes for the plan as proposed by the Governor's Office and the Legislative Budget Office.

A majority of the Commissioner's Executive Council felt that

the legislative requirements which force the strategic planning
process to fit into the budget request structure took away from
the creativity and long-range vision aspects of strategic
planning. The resulting plan was felt to be focused on a much
shorter planning horizon which forced managers to be more
immediately pragmatic than visionary.

The strategic planning function of the agency investigated
is robust and mature and meets many of the criteria for success
found in the literature. The strategic plan is less successful
in the view of the managers in meeting their own criteria of
success: integration with other agency processes, involvement of
consumers and advocates and local planning, as well as connecting
well with implementation and monitoring efforts in the agency.
The agency has been attempting to incorporate improvements in
these areas since at least 1991 but, according to manager
responses, have not been successful to date. A factor which has
complicated this improvement effort is the additional
requirements placed on the planning system by the Legislature's
passage of HB 2009 and its subsequent implementation.

The top managers in the agency have a clear understanding
that strategic planning is intended to focus the agency toward
establishing a vision and setting about the ways of accomplishing
it. The managers feel that the current system, while useful in
establishing the direction of the agency, falls short in the area
of performance measures and budgets. They also feel that the
link is very weak between the strategic plan and operational

plans and budgets within the agency for accomplishing the long-term goals.

Several managers felt that plans should not be so closely linked to appropriations requests and performance measures since that reduces their flexibility, creativity, and vision. While some managers felt that better data would allow them to develop better performance measures, others felt that the entire system of measuring performance needed to be re-thought and new measures which are better measures of success need to be developed.

The managers largely agreed that total quality management is not a kind of planning, but that it is a management style which encompasses planning and other processes of the agency. The managers were split as to whether employees should be involved in strategic planning but were agreed that at present they are not.

Suggestions for Future Research

Four of the working hypotheses developed before the research began appeared to be well or partially supported. One was not supported as shown in Table 5.1. Future research could focus on developing these propositions into hypotheses which could test strategic planning theory as postulated by the State of Texas, as well as members of the theoretical and practical branches of strategic planning research.

This study made no attempt to engage in intensive statistical analysis to establish the reliability or validity of the findings, but the weight of the evidence, sifted by pattern-

matching, supports them. Future research could pose more
rigorous tests of these or other hypotheses deemed relevant.

Dependent variables which could be considered for future
study include: agency performance, as measured by managers'
perception; agency performance, as measured by agency performance
reports; and agency employee and consumer feelings of inclusion
in the planning process, as measured by customer satisfaction
surveys. Independent variables which emerged include: the
agency planning system; influence of outside political entities
upon the organization; and agency inertia.

Since this case study focused on one large health and human
service agency in Texas, the results are not generalizable to
other organizations. Future research could examine strategic
planning processes in other human service agencies to determine
if any of the findings can be shown valid for other, similar
organizations which have imposed or elective strategic planning
systems.

The next chapter summarizes the research in the context of
strategic planning in the public sector and makes recommendations
for improving the agency strategic planning system as part of the
conclusions.

CHAPTER 6:   SUMMARY AND CONCLUSIONS

Strategic planning is undergoing evolution. The traditional view of strategic planning holds that by developing an organizational vision and strategic objectives, the organization will gain competitive advantages and improve its performance. But the link to action and performance has usually not been forged as evidenced by this study.

By linking strategic plans to performance expectations and resource allocations, managers will focus activity toward accomplishing the intent of the organization. This linkage forces managers away from the creative thinking process and toward the processes of implementation. By shifting toward production of outcomes and outputs, the plan begins to become real, not just window dressing for the organization. This implementation orientation emphasizes a step standard strategic planning models include, but often give short shrift.

A potential pitfall of such a planning focus is that managers will neglect the advantages of long-term strategic thinking and planning and revert to short-term incremental thinking, bureaucratic reporting and action planning in order to "get their numbers." Unity of purpose and accountability may be achieved at the expense of long-term thinking and systems improvement.

This forced shift was noted by managers in this study as detrimental to their strategic plan. It remains to be seen whether a balance will be struck between bureaucratic application

of complex strategic planning systems and the potential for micromanaging away the spirit of adventure and entrepreneurship needed to keep organizations improving and adapting to an ever changing environment.

If the Texas Strategic Planning and Budgeting System is to succeed, the gap needs to be bridged between the strategic planning and budgeting process and operational plans and budgets and measures within the agency. Until that union occurs, the planning process at the strategic level will seem separate and even distant from operations within an agency and from the measures which the agency itself holds to be measures of its success.

Recommendations for Strategic Planning System Improvement

Based on the responses of agency managers, this agency should consider the following as they attempt to continuously improve their planning system:

- Make a member of the CEC the "process champion". Putting a person of equal authority in this role will improve ownership of the plan and the process by the strategic planning team while allowing staff to facilitate plan development.

- This agency should spend time to develop more meaningful performance measures to be used in the strategic plan and in the agency for its internal controls as well. Better measures will also position the agency to withstand the scrutiny of the State Auditor, who has committed to developing ways to evaluate agencies and their performance measures.

- Find ways to focus the planning effort more, removing managers from day-to-day distractions to enable them to concentrate on the plan. Solutions might include a planning meeting held at or away from the office for two or three days. The resulting consensus on issues for the plan should

continue to improve the ownership managers are developing
for the plan.

- Decide if, where and how local planning and agency employees
  fit into the strategic plan and develop ways to implement
  this needed consensus.

- Improve plan implementation by first defining the purposes,
  applications of and a system for operational planning and
  budgeting.

- Keep any operational planning and budgeting system
  streamlined and "user-friendly", since many managers
  complain of not having enough time to adequately fulfill
  their current planning responsibilities.

- Make liberal use of cross-functional teams in developing and
  implementing operational plans and budgets. This should
  improve the coordination of agency staff and give them a
  feeling of involvement in "the plan". A process for using
  cross-functional teams could be developed as a function of
  the Continuous Quality Improvement Office.

The author gratefully acknowledges the willingness of the

subject agency managers to participate in this study. Without

their candor, openness and time commitment this study would not

have been possible. It is hoped that some of these observations

prove worthwhile to their continuous efforts to improve the

system which serves with distinction the Texans who rely upon

them.

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September 15, 1993

RECEIVED
SEP 21 1993
PLANNING

To: CEC

From:

Subject: Strategic Planning Assessment Project

At its September 7 meeting, CEC agreed to be interviewed as part of a course project being conducted by Jeff Kaufman, a public administration graduate student at Southwest Texas State University. (Jeff is also the director of planning at the Texas Rehabilitation Commission.)

The study will explore (1) the views held by agency management regarding the effectiveness of strategic planning and (2) the integration of strategic planning into other agency processes, such as budgeting and performance measurement. Jeff will conduct interviews with selected members of CEC that will be 30-45 minutes in duration. He will be contacting you shortly to set up appointments.

The agency will not be identified in the report that results from the study and will be used by him only to meet course requirements. I have asked Jeff to share his findings with us so that we can apply this information to the development of our planning processes. The report should be completed by November 30.

If you have any questions, please let me know.

VG/cw

cc: Jeff Kaufman, Director, Planning, Texas Rehabilitation Commission

Appendix 2: Organizational Chart
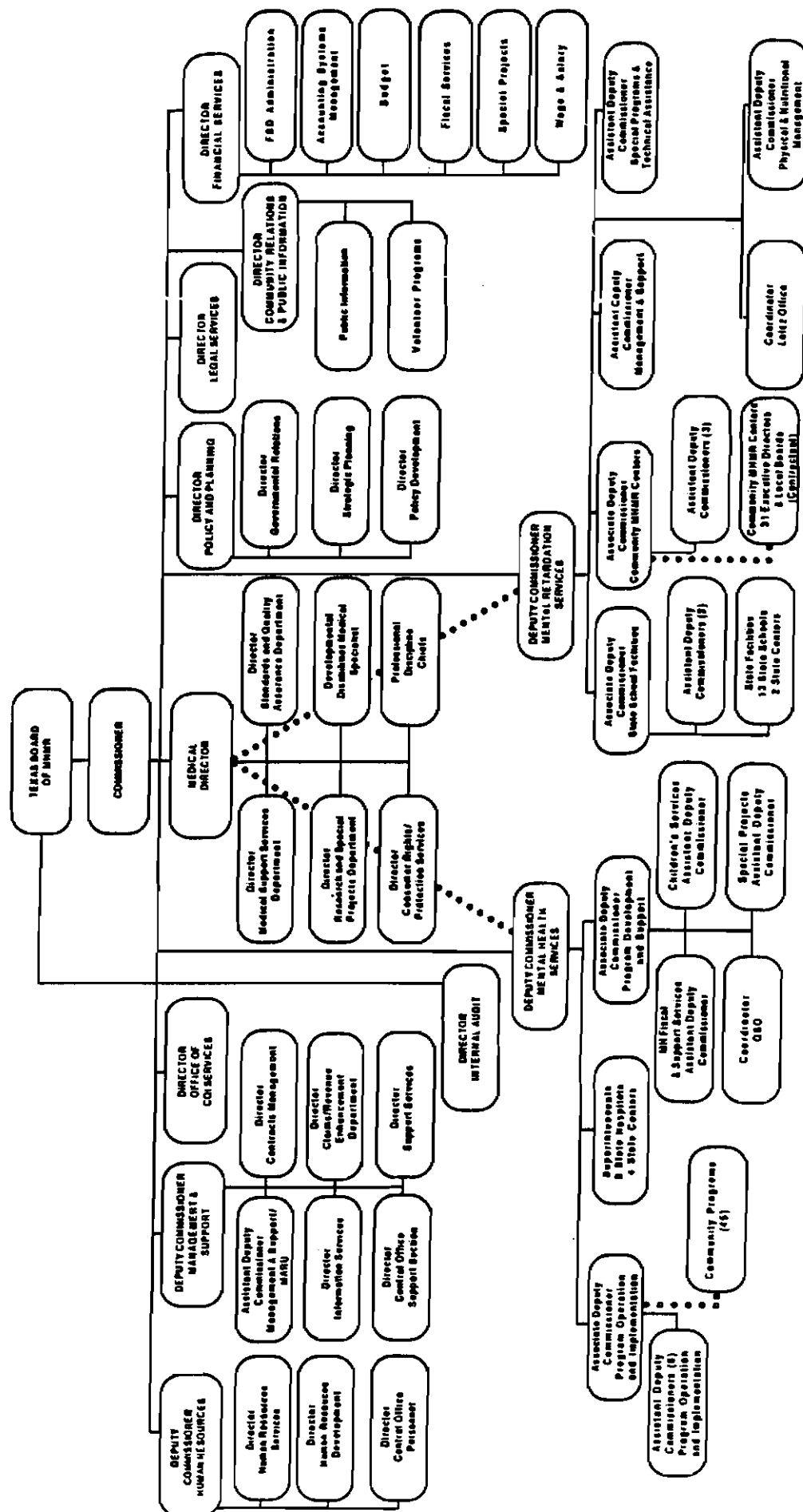
A project team consisting of consumers, family members, advocates, service providers and Central Office staff recently developed a new planning process which emphasizes local planning; involvement of consumers, advocates and family members in the planning process; the integration of the planning and budgetary processes; and the monitoring of plan implementation. This process is shown in Figure 10. The premise of the planning process is that the starting point should be at the local level, that local needs and priorities should drive the development of the strategic plan. For this to occur, local planning efforts should be encouraged. The purpose of the local planning process is to:

• Allow for meaningful participation by customers, advocates, service providers and other citizens at the local level in the planning process.

• Identify local needs and priorities.

• Provide input to the strategic plan being developed.

• Respond to the initiatives of the existing strategic plan.

• Be the basis of contracts/memoranda of agreement that are developed with

Based on the input provided from the local level and taking into account environmental factors (which include economic and demographic projections for the state), a long-range direction for ˮ   will be developed. This strategic plan will then guide the budgeting process ana the development of the biennial budget request.

The biennial budget request specifies the resources required for implementing the direction set forth in the strategic plan for biennium covered by the request. This request also specifies budget priorities.

Once   receives its budget appropriation, an operational or "tactical" plan will specify now appropriated dollars will be spent. If the appropriated dollars were not the same as the dollars requested, this document will also specify the activities proposed in the budget request for which targets would be reduced and priorities adjusted.

The operational budget, then, would specify in detail how actual dollars would be allocated and spent. Contracts and memoranda of agreement would be developed to conform to this budget.

These contracts and memoranda of agreement would be monitored and would ensure that the activities and direction stipulated in both the strategic and operational plans were being implemented.

The extent to which the objectives of the local plan were met would drive the development of the next iteration of the local planning effort. A revised set of local needs and priorities would be established. This would then, in turn, be used for the reformulation of the strategic plan.

THE PLANNING PROCESS

Environmental Factors

Local Plan Development

Special Initiatives Plans

STRATEGIC PLAN

Biennial Budget Request

Monitoring of Contracts/Memoranda of Agreement

Monitoring Strategic/ "Tactical" Plan Implementation

Budget Appropriations

Operational Plan/ Budget Guidelines ("Tactical" Plan)

Contracts/Memoranda of Agreement

Operational Budget
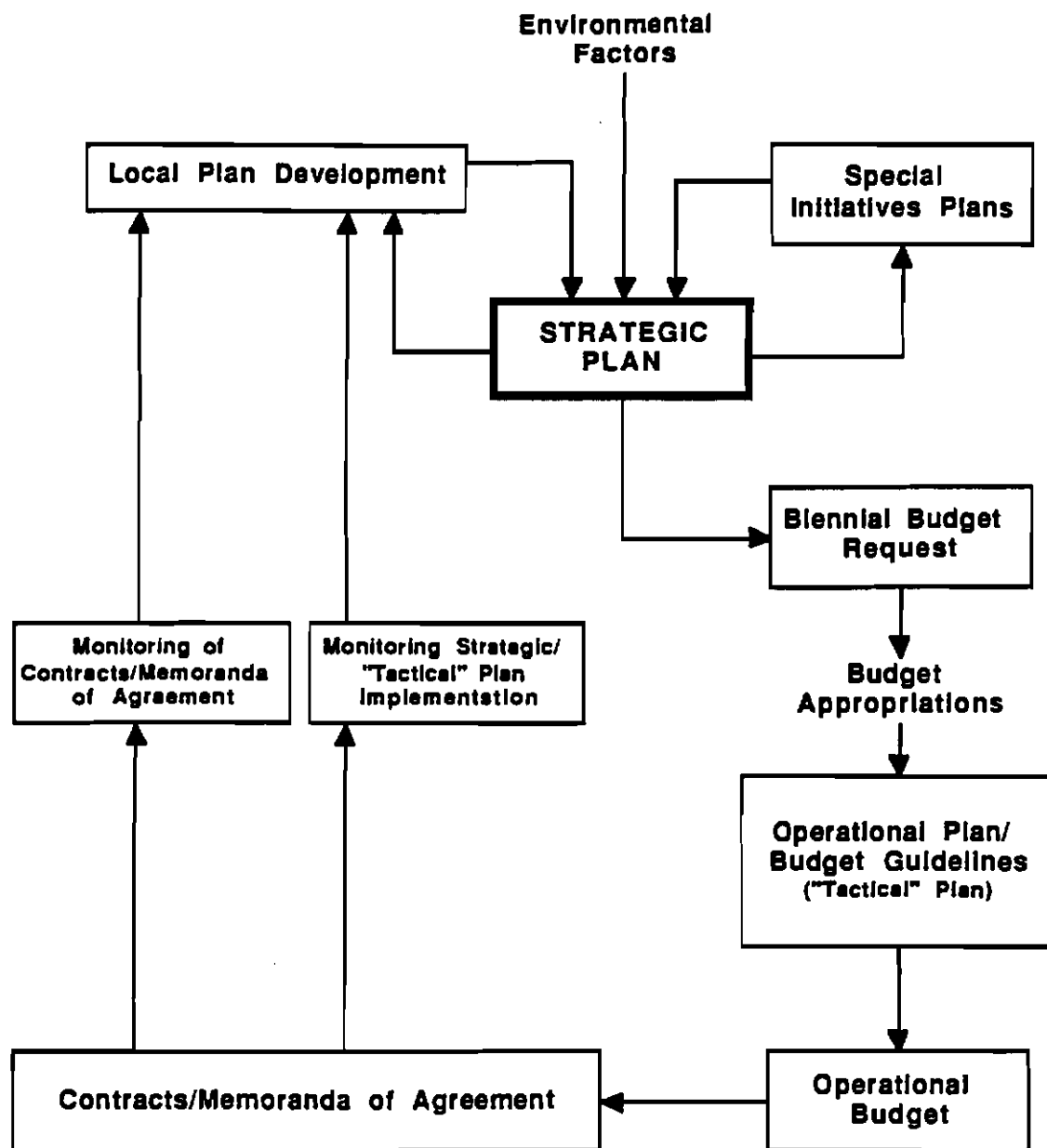
Appendix 4: Interview Responses From All Subjects

Responses to questions from all subjects are in italics below each question. Not every item has responses, because they were prompts developed before the interviews began.

Question #1 allows managers to describe the kinds of planning in which they are involved, and to compare or distinguish planning from total quality management.

For question #2, items a-h are the purposes for strategic planning given by the Governor's Office and the Legislative Budget Board in the strategic planning instructions given to agencies.

Question #3 gets at the effectiveness of strategic planning in meeting the purposes described by the agency strategic planning process.

Questions #4-11 explore integration of strategic planning with other agency processes.

Questions #12-17 explore the effectiveness of strategic planning in meeting mandated or agency stated purposes.

Introduction: Jeff Kaufmann, SWT student in the Master of Public Administration program. This information will be used in my applied research project which examines strategic planning in state government.

Remember: Responses will be kept confidential, agency will not be identified in final report.

Descriptive: Strategic Planning Process Used

1. What kinds of planning (strategic or other planning systems) are you involved in?

     a. public plan

     b. political plan

     c. internal/operational
          A. Staff is involved in special issues planning, including such things as [services] for a federal block grant application.

          B. Divisional, tactical

          D. Development and support. The future of [services] for children and adults. Community development, housing issues, interagency collaboration.

E. *Planning is used to resolve issues rather than to shape the future of the agency in this area. For instance, an issue such as the responsibility of the state schools be covered here.*

F. *I am more involved here. We are trying to make our strategic plan a down-and-in process. It tends to be strategic planning for its own sake currently.*

G. *We plan for what we do. As a provider of services, this is a tier of strategic planning. Our operational planning tells us how to provide our services and spend our money. We also do budget planning and plan how to operationalize.*

H. *I'm involved in plans to carry out legislative mandates. I implement pieces of the strategic plan relating to funding cuts. These take an enormous amount of time. Very little we do at my level does not involve planning. I refer to these as reactive plans.*

I. *We do planning for automation and telecommunications, both here and with other agencies. We also plan for construction and asset management (for the future development of land and buildings). We also plan for the implementation of the Medicaid program which was transferred to this agency.*

J. *We have medium- and short-range planning, as well as budget planning.*

K. *We do a human resource plan. That puts the legs on our systems goals.*

L. *I'm familiar with planning work, including the time and cost needed to accomplish something. We do a two-year plan for our public information.*

M. *We're involved all the time in brush fires and crises. We do a fair amount of crisis planning.*

d. unwritten
   E. *We can't be completely honest in a strategic plan. For instance, we will close more facilities over the long run, but we can't put that in the plan. It would not be politically astute.*

I. *We have plans that can't be put on paper, such as our plans to close facilities. If we were to put this on paper, this would cause great turmoil in the general public and with politicians.*

e. total quality management

A. *This is a framework within which planning occurs. Total quality management principles affect the planning and are not separate from it. The quality officer rolls out TQS principles, and they are shared with planning and used by planning.*

B. *We have a quality office - not well integrated yet with agency planning*

C. *This is separate from planning. It is a systematic management system*

D. *It is more pervasive than a planning system. It is a commitment to a customer-focused way of doing business. It makes the long-range plan more important. It makes critical today what is out there five and ten years into the future. It corrects for crisis management.*

E. *We use continuing quality improvement to establish planning groups in local areas. I provide guidance and the staff develops a plan for the activity. I provide the guiding principles. This is often "after-the-fact planning." After a decision has been made to do something, we use TQM to figure out how to do it.*

F. *This is more a way of doing business. It incorporates planning implementation and evaluation, and it is a part of you.*

G. *This is not separate from planning. To be effective, it must be cultural. It is not just an add-on. It is important for the life and growth of the organization. It allows us to meet or exceed customer expectations. It is a type of planning and a part of planning.*

H. *This is a framework for operations and management. Continuous Quality Improvement Office is an advisor in all major meetings. This is woven into the fabric of all we do -- central office, the field, community services, the state hospitals, and the state schools.*

I. *This is not planning -- it is a process of changing individual and corporate behavior.*

K. *CQI is how you do what you do. It is a process, philosophy, principles and values. It is how we make our objectives come true. It is not a planning process.*

L. *We started thinking that it was a type of planning (we did continuous quality-improvement plans). We began to use its principles. It has fallen into just being another plan.*

M. *This is more cross-cutting than planning. It's how we do planning. This gives us the processes that are involved in our agency. It is a broad-based way of doing business. It contains the principles about how strategic planning should be done. Planning is just a piece of TQM.*

f. Steiner model

g. Strategic Planning and Budgeting
   A. *Yes.*

   B. *Yes*

   C. *Not officially involved. But I sit on the CEC, so I am involved to some extent. CEC is trying to take a major leadership role. In that context I help set goals and intent, so that the field has flexibility to implement, as long as they move in the direction set for the agency.*

   E. *We do futures planning with all the state schools. We think 15 years, 10 years, 5 years, and 1 year from now. We establish goals and verify that we're on the right path. This has to be modified each year. Although I control $300 million worth of budget out of a billion-dollar budget, I have only one line in the strategic plan. I am trying to correct that.*

   F. Yes

   G. *We plan the direction for the agency and the organization and how we interact, what we do for our customers and who they are. Also, in the broader context, we define our role in state government and the role of government itself in society. We do a strategic plan for [services]. We have a strategic plan, an operational plan, budget planning, and project planning, which tells us how to maximize our budgets and to accomplish both broad and more narrow projects.*

H. *We have a variety of meetings and involvement. The Consumer Policy Advisory Committee of [our divisions] comes up with directions and shifts in resources that will be required to make this move in those directions.*

I. *I'm involved but not centrally, because my area is support. I am more of a participant/observer. Automation and telecommunication are statutory requirements. They have both strategic and operational implications.*

J. *Long-range planning involves goals and objectives and broad issues - - where the ship is going.*

L. *This is the first time the CEC has really been involved.*

M. *I'm involved in financial and capital planning, strategic planning. Program specific planning is an area of weakness in our agency. I'm involved in detailed thinking and in attempting to integrate actions between agencies.*

h. Performance-based budgeting
   A. *To the extent that the strategic planning and budgeting process includes this issue. It has not made it easier to plan. It does violence to the integrity of planning because it is an appropriations process. It is how we get the money.*

   B. *Development of the strategic plan should not be for purpose of the ease of developing an appropriations request.*

Descriptive: Effectiveness in Meeting Legally Mandated Purposes (whether strategic planning in the agency fulfills the stated purposes of the Legislative Budget Board and the Governor's Office of Budget and Planning).

2. What are the purposes of these planning processes?

   a. to establish statewide direction in key policy or functional areas and move away from crisis-driven decision making;
      A. *Course setting.*

      B. *To set course for the future. To identify factors in the environment, internal to the organization or external systems - and how they ill affect our priorities for the future. Political factors both state and federal, financial limits that face us, etc.*

C. *To set policy direction*

D. *To identify the goals relating to our customers. We do this through the strategic plan. We steer rather than row.*

E. *It helps us get on the same page in the organization, so that day-to-day activities are driven by the plan. It makes it easier for local managers to make decisions based on the plan.*

F. *It gets us in position for what's coming.*

G. *Plans give us the direction for the government, for the agency, and for individual programs, as well as our interactions with other agencies. They require leadership to look ahead, to allow them to agree to direction for the agency. This allows the agency participants to all move in the same direction.*

H. *Provide long-term goals of the agency, so people know where we're going for the next six years.*

I. *Planning involves making decisions today about actions to take to ensure the survival of the organization. It assists the organization in adapting to change in society, values and beliefs surrounding us.*

J. *Sometimes the time spent in planning is not all well spent, because conditions six years from now will be very different. If we are too specific in our plans, they will not be valid. We have an agency vision of where we want to be in the medium-to-distant future and a general way to get there -- so the agency has consistency of purpose and the ability to focus on it. The people we want to serve, how, and whether we want to serve more or less of them. This makes us proactive and not reactive to events.*

K. *To set the direction for the agency.*

L. *You need to know where you're going and how fast you want to get there. People below the top level need to know what it is they have to do, and they can learn this from the direction from above.*

M. *It lends clarity to our direction. It gives us coherence. It describes what we collectively want to make happen. It starts very general and then gets specific. We need to have a bias for action. The plan should not just say what we think, but what we will do.*

    b. to provide a basis for aligning resources in a rational manner to address the critical issues facing the state now and in the future;

        A. *It is a function which integrates all of our activities. It allows decentralization, communication throughout the agency.*

        E. *Yes. For example, closing facilities so that no one asks for additional funds to open new facilities.*

        F. *To put us on a longer-term basis and to make better use of our resources.*

        H. *It guides our decisions and where to put resources in our units. The plan is the guidepost for decisions.*

        K. *To set our funding priorities.*

        L. *We don't think far enough out into the future. We keep changing our goals and direction. When I worked in private industry, we set a five-year plan, and each year we took steps toward achieving that plan. Here, we don't. We just keep changing the plan.*

    c. to make state government more responsive to the needs of Texans;

        A. *We deliver services. We must make a system which allows us to do this. We provide leadership in [the agency]. Our current system does not "expose" the way we make state government more responsive, as we were required to take these out by the Legislative Budget Office.*

        J. *Government and the people we serve expect we will have a plan, so they can support us and have assurance what our money will be used for for the next six to twenty years.*

        K. *It is a communications tool.*

    d. to bring focused issues to policy makers for debate and review;

        C. *Establish the framework and interaction to enable the field providers to make decisions at the local level, but in conformity with the direction the agency wants to go.*

    e. to provide a context to link the budget and other legislative processes to priority issues;

        A. *I believe we need this, but they shouldn't be so tightly linked.*

B. *Budgeting is a piece of the planning process. Planning is done to set direction. You don't plan for an unfeasible amount of money, but you don't let available budget drive your plan. The budget process is where you identify resources - personnel, money, capital - needed to carry out the plan. Once you determine how much money is available, you may have to scale back from the plan. In government the tail often wags the dog. First you get the money, then you figure out what to do with it. It should be the other way around.*

D. *We define strategies for the agency and use them in the budgeting process. The plan helps us describe our funding needs.*

F. *It is related to the appropriations process. We take the plan and decide what to do with it.*

K. *It tells people what we're doing and what we're funding.*

f. to impose continuity in budgeting, and to improve accountability for the use of state resources;

g. to establish a means of coordinating the policy concerns of public officials with the implementation efforts of the public and private sectors;

B. *Implementation - what we will do and what it will take to get there.*

F. *To communicate our "product line." We coordinate with our suppliers and our customers. Our consumers and our funding providers are not the same. The consumers don't speak with their dollars. This is different than in industry, where the consumers of a product buy your product. Here, we get the money from a different group.*

G. *It allows us to understand how state agencies and the private sectors fit together in developing and providing state services.*

H. *All of our advisory groups are involved in developing the plan. The advisory groups have had a part. We explain their area to them and how it all fits together. Getting all the arrows pointing in the same direction.*

h. to build interagency, state/local, and public/private partnerships

I. *We have an eight-year record of failure to create an interagency database of clients. Although we plan to do this, money has never been available. Our problem is mainly that our proposal says that management of data is external to any individual agency's control. We have built good interrelationships with other agencies through our working together, but have not been effective in getting money or implementing our interagency plans.*

J. *We don't operate in a vacuum. We plan for other factors that must be involved in persons and citizens plans. For instance, we must be consistent with TRC, if possible. We should resolve our differences and work together with other agencies. We need to get consonant early in the process. We aren't the only players and don't speak to all facets of the lives of our clients.*

i. other
   A. *Statutory requirements for many kinds of plans and functions which must be included in plans.*

   E. *To measure progress and be proactive. It helps us to deal with problems before they come up.*

   F. *It helps you to be more and appear more open. Government has been largely closed. Strategic planning openly lets people know what's going on.*

Descriptive: Effectiveness in meeting agency stated purposes.

3.   How does strategic planning include participation of employees at all levels of the organization and the input of the constituencies affected by the agency?
   A. *There are 30,000 employees in the agency. We have consciously tried to make it a bottom-up and top-down process by which everyone has a chance to be involved. Not all the stakeholders would agree that they have a good opportunity. From the lower levels of the organization, the needs are identified through our local community programs and by the people who need the services.*

   B. *All Agencies have providers, advocacy groups. We do a good job of getting ours involved. We use focus groups, review of documents we prepare. In the agency it is different in different divisions, depending on the head of the divisions and how they lead the process.*

D. *We have a feedback system between the local planning and the statewide planning process. There is an opportunity for participation by all the constituencies. At the program level, programs must match the overall agency goals. We must reshape our services to meet customer needs.*

E. *We are not aggressive at getting consumers and the public involved in my section of the plan. It is state-run. Plans before didn't mean anything. Now they are tied to the budget request, so they definitely do mean something.*

F. *Not well. The plan is built partly on local input.*

G. *It has to be ongoing and iterative. I listen all the time to directors, people in the field, and people from the centers, as well as people from the outside, including consumers and families. All that input is used in the planning process.*

H. *Several planning groups hold meetings. All the major advisory groups, parent advocates, consumer groups are involved. They tend to select representatives to be involved in different phases of the planning. We share drafts of our plan we develop them.*

I. *Not good.*

K. *In the last four years, we have made a conservative effort to involve consumers. We are getting better and better at this.*

L. *We're not quite sure if strategic planning is supposed to be top-down or bottom-up. It's some of both in this agency.*

M. *We do several iterations of the plan at two or three different stages. Each time, we sharpen and tune it.*

a. What role does top management play?
    A. *It is easy to become compartmentalized. We have involved the CEC in a leadership role. The mission and vision are not highly participatory, and I'm not sure they should be. These are more a function of leadership while incorporating the ideas of people from other areas in the organization. Top management is beginning to take ownership of the vision for the future, and the goals.*

B. *This has changed in the past few years. Increasingly, the Commissioner lays out a broad view of where the agency should be heading. The Deputies of [the divisions] lay out the broad direction for their areas. Problems arise as you try to get more specific. Administration doesn't get tied in as well as it should. There is more involvement now, it is better than last time. But there is little willingness in the operational areas to get involved. They have more interest in maintaining the status quo. Management doesn't feel ownership. It has been (years ago) just a plan to meet a mandate. Now, the Commissioner and Board want it to be an agency plan.*

C. *Identify goals, and elaborate as to their intent so they can act as a blueprint so a person in El Paso can make decisions - guided by the direction the agency wants to go.*

D. *The CEC owns the process. They use it to determine their direction. We are focused this year more than ever before. Their plan is a living, working plan -- followed by action. The CEC makes sure the staff implements the activities based upon the goals.*

E. *They establish a clear vision that allows other managers to plan and contribute to plans. The CEC devotes time to strategic planning, as it is one of their major activities.*

F. *They set priorities and consolidate input. The fault with this process is that central office tends to do the planning and doesn't decentralize as much as it should.*

G. *They make the final decisions. They set the directions and set the framework based on the input they've received. We are not all-knowing and all-seeing, but we have a responsibility to put forward the directions and lead the people in our organization.*

H. *We design the phases of the planning process. The CEC has special meetings to deal with this. Our aim is to carry out the process. We have three goals, and we are currently involved in changing them. We have set up three groups to consider them. Each has one goal and will develop objectives and strategies to go with it. Based on the input from the last strategic plan.*

I. *Their job is to do it. They are better now. In the past, there was less ownership and participation. We thought that strategic planning was the job of planners.*

J. *The executive interfaces with the rest of the world and the future five, ten, and twenty years out. They develop the broad definition of the agency and define its interagency relations and relations with the legislature. I define the executives as the commissioner and the deputies. They guide policy and principles for the future. They are involved with our constituents, and they supervise the people who supervise the operations. The CEC and the CEOs of our facilities participate in policy development and monitor and oversee our operations. Executives should not be putting out fires -- they should give direction.*

K. *The deputies meet every Tuesday, and the CEC meets every Monday. Below that level, we need to develop forums for cross-divisional input. We set directions, and give the plan the vision. We look out for the required six years, but actually quite a ways beyond that, to define what our system will look like and to develop ways to translate that into reality. Constancy of purpose is important. We focus far out into the future, and we see a consumer-driven service system with choice. We will become more participatory as an organization.*

L. *The vision is the role of leadership. We have to balance that with our mandates.*

M. *They set the initial framework and describe the proposed goals for the agency. These are not done de novo. They have some relation to what we have done in the past. People then react to those goals and determine if they are viable and if they really set the direction for where we want to go.*

b. Internal planning staff?

A. *They are process people. They design and facilitate the process, evaluate data, get the right people in the room, and assure that there is a quality and timely product. They support the process. They don't own it or control it. They shouldn't decide what service array the agency should offer or what it should look like. They work collaboratively and create tension around deadlines to focus resources to complete the plan.*

B. *Should be the manager of the process, provider of data and technical assistance to people who determine the substance of the plan. Here we have improved in the last few years in better laying out the process - not content Also - they play the "bad cop" and make us*

do things to meet expectations, meet deadlines. Within the organization the process is set, time lines laid out by the Planning staff. They try to get us to make decisions, free up time to plan. Sometimes Planning staff has to drag managers kicking and screaming to get together and when time finally runs out, Planning staff have to write the plan. Then people are steamed, and say it is not their plan. This is improving. It is the same with budget writing.

C. *They are the mechanics. They collect information, seek input, forge it all into a plan. They don't come up with the ideas.*

D. *They are the guidance team. They know the nuts and bolts of the process. It is not adequately resolved how planning in other areas of the commission links to the strategic plan. In other planning (not strategic planning), the role should be reversed. They give support (for example, in developing block grant proposals). They consult and guide in the process. Now, as the next step, we need to take the lead in saying what we want to do and what we want to look like. The planning staff should coordinate with multiple agencies and departments. They should play an intensive support role.*

E. *They should facilitate the process. They try. They are as effective as they can be until managers understand that the plan means something. They used to write the plan (but it was meaningless then). Now, the managers know that the strategies in the plan will result in dollars in the LAR. The planning staff facilitates the CEC in the process.*

F. *Technical stuff. They help organize the input.*

G. *They play a facilitation role, a conscience role. They give us time-frames, deadlines, and expectations. They create the document from discussions. They provide information and challenge us. It is not for staff to make decisions, but sometimes they do, because deadlines come and go and someone who was supposed to did not make decisions. They establish the framework and the path for the planning process. Our system was better before the state government gave us instructions from the legislature. By prescribing a format and content, the state has minimized creativity and derailed the customized strategic planning we were evolving into.*

H. *They guide us. They come up with options and suggestions. They carry out the planning process -- organize meetings, choose sites,*

times, dates (based on CEC input). They report back to the CEC. They help develop goals, objectives, and carry them forward iteration after iteration.

I. *They facilitate and provide staff support, develop formats, data, and methods. Their job is not to do the planning.*

J. *They make sure our plans fit together and the words are consistent with the governors' and the legislature's directions.*

K. *[the Director of Strategic Planning] has put together cross-functional teams to review input. They coordinate. They are the keepers of the process. They keep issues before the CEC. They look for ways to improve the process based on feedback. They are facilitators.*

L. *They are the keepers of the process. Unfortunately, we have made them the keepers of the plan. We have made it their plan, and the problem is now how do we make it ours?*

M. *Their job is facilitation, technical support, coming up with the facts, including demographics and such. They keep our feet to the fire in doing our job. They make sure we get input as broadly as we can. They do some writing. They cannot and should not be the keepers of content, but instead the keepers of the process.*

c. Employees?
   A. *Not everyone can have a hands-on role. This causes a dilemma -- how do you help workers connect what they do to the mission? We hold semiannual meetings with the CEOs of the facilities, and they work on their visions and their goals. We use these meetings to get them involved. They get their employees involved. As they get involved overall, the strategic plan is an amalgam of all the pieces and an ongoing challenge.*

   B. *Not very involved. This may be another step we need to take in evolving a better planning system. On the other hand, I'm not so sure that all 30,000 employees should be involved in agency strategic planning. It may be more important for heads of section (like Budget) and managers to be involved. Lower salary group people should be more involved in planning that affects their unit. folks at lower levels lay out specific actions to reach agency goals.*

C. *We do not do well here. There are regional and local meetings, but there is not really much employee involvement.*

D. *We send (in [one division]) drafts of the plan to everyone. We have central office facilities, [local] centers involved. The local planning effort is an attempt to do this. How deeply individual administrators drill into their own organizations to get information, I don't know.*

E. *Not more than 100 to 150 out of 900 in the central office are involved.*

F. *We asked for input from the field, but this is raggedy. It is difficult to involve people in the planning process.*

G. *We send out requests for information from the field and have used focus groups.*

H. *There is less emphasis here. The shift is to involve consumers and customers. We really have no complaints from employees, except where they are directly affected and haven't been included. For example, sometimes there is resistance where we must downsize facilities -- it can mean less jobs. It tends to show up on [one division's] side more.*

I. *We do not involve them. Our plan is mostly top-down and not participated in by employees.*

J. *They have little opportunity to react to and be involved in planning. We have 30,000 employees and 10,000 contracted persons. We send drafts of the plan to facilities, and the CEOs probably share it with some of the people who work there.*

K. *[the Director of Strategic Planning] requested information from the CEOs of the facilities. This morning, we talked about getting input from central office personnel. We tend to work somewhat isolated from each other and within our own divisions.*

L. *We want to ask what they want -- but balance this with what we can get funded. They may be more involved in operational planning. I may suboptimize my division and get extremely good at doing something, but because I don't understand the whole system, this may not assist the system in getting ahead as a whole. We are too competitive in this agency.*

M. *We share the plan with them. We involve them by focus groups and try to build ownership with them through their input.*

d. External oversight bodies?

I. *They are not involved typically. Our customers are the audience.*

1) Legislature?
A. *They gave us a highly prescriptive process. The organicity of the plan is made very difficult. They have said we can't have too many objectives, but don't tell us how many is the right number. The rules about how the plan and the LAR will look masks the support activities within the organization. They can't be shown. They are rolled up into the direct-service activities. The appropriations bill pattern should not drive the plan. Our plan and our budget cannot be identical and meet the needs that we have in our organization.*

C. They set mandates we must follow

E. *They assign performance measures that don't make much sense. I'm not sure they have a clear sense of where the agency should go in the future. They have a lot of control by way of appropriations. They should be out front in setting direction and giving better instructions. They don't.*

G. *They have passed legislation about the process. The ideal would be for them to support and provide incentives to the planning process rather than to dictate it. They set parameters that don't always fit. The legislature has the right to expect strategic planning but should not prescribe the detail used to go about it.*

H. *Our emphasis that we proposed to the legislature was accepted. The legislature left it up to us. Our plan was accepted as the document which would guide us for the next six years. The Legislative Budget Office understood and saw that our budget submission was tied to the plan. They followed our recommendations for reductions (closing schools and moving away from hospitals toward communities). They followed our framework. The problem is that certain pieces of legislation target certain pieces of our system instead of the entire system. We try to work with legislators to minimize this. Overall, they gave us increases in the areas that were our priorities and decreases where*

we identified them. They are guided by our plan. It helped that people supported our efforts (including our consumers) and that they spoke out to support us as opposed to fighting among themselves or with us.

I. *Sometimes they move to counter the plan. Key legislators have belief in our general direction (closing facilities and moving to communities), but they say "not in my district." They want to protect employment in their local communities, and that is not consistent with our plan to decentralize. We shouldn't be insensitive to legislative interests, but keeping a facility open may not best serve our customers. We are forced to make choices by the policymakers, who have needs other than the strategic direction of our plans.*

J. *The statute defines strategic planning as a six-year time span, renewed every two years.*

K. *They set the legislative appropriations. Now, they are looking at performance measures and outcomes and expecting us to achieve them. These are not what we want. We don't want to measure the process, but rather outcomes. What we have achieved is what we should be measuring. The legislative instructions did not result in good measures. The legislature approves appropriations along with the governor and the controller.*

L. *They provide statutory expectations.*

2) State Auditor?
   B. *Not directly. Gave performance measures a cursory look. They referred in writing to a 4th goal, when we only have 3 in our plan. They do management audits on the agency, but they are not particularly useful.*

3) Board?
   A. *The board approves the plan. We keep them aware of the process and the timetable, issues and goals. The Citizens Planning Policy Committee and the board will meet in January to discuss the goals, our new initiatives, what will grow and what doesn't -- basic policy directions. The content of the plan and how it segues into the LAR will be discussed. They will put their stamp on it.*

B. *Active at the policy level. They are involved in work sessions where staff lays out issues. They review and are interested in direction of the agency. they are involved in direction setting, and od not just rubber stamp what staff propose. The Board has a policy committee that discusses issues with them, and they approve proposals. They should lay out direction and commit to help get the resources to accomplish them. the Board chair is wonderful at this. There has been a great change in this area since I have been wit the agency. Before, the board was always involved in day-to-day operations of the agency, not a good use of their time.*

C. *Approves the plan at a high level - not in great detail. The plan is a public relations document. As such, the board gets public input for it.*

D. *The board supports local planning efforts and gives a customer focus.*

E. *The board receives and blesses the plan. They don't direct activities much. They are interested in broad directions. They don't set out objectives.*

G. *The board has an expectation that we will have a consumer-driven plan. They have a policy and direction role, not operations.*

H. *This is our governing body. They approved the plan. Some are involved in planning and advisory groups in a direct way by working to develop portions of the plan and to review the phases and parts of the plan. By becoming experts in certain areas, they influenced others on the board with their recommendations.*

I. *They are moving toward ownership of the plan but are not there yet.*

J. *The board has a liaison member who sits on CPAC. They must approve the plan. They review progress as it is presented to them. Committees of the board guide us and shape the plan. The strategic planning director updates the board chair. They expect us to take care of the plan, and they don't get involved in its construction.*

K. *The board meets with the commissioner and CPAC to approve issues. Eventually they approve the plan and the funding request.*

L. *They set direction and the broad service philosophy. But they aren't responsible for the real vision and telling us where we should be going. We are now finally getting people on the board who understand services and grasp the national picture -- understanding the trends which will be affecting us. They are getting better.*

M. *They approve it. They are the approvers of this major policy document.*

e. Consumers?

A. *Advocacy groups, the Citizens Planning Policy Committee, are required by statute to be involved. Their involvement has in some ways made it harder to get internal agreement. We also have the community and the agency centers involved as "family," although they are really outside organizations.*

B. *Office of Consumer Affairs, advocates, organized consumer groups are involved. There is an effort and a belief in the agency to reach out and involve consumers. It is an important part of our values. We use focus groups. A major thrust is in consumer choice - to allow them choices within the range of what we have to offer with our limited resources.*

C. *Local entities involve consumers. They don't have a formal opportunity at the state level.*

D. *Consumer Advisory Council has input, and this is mandated by the legislature. They corner the governor and others to let them know our needs.*

E. *Community facilities have set up local groups. The state auditor wants us to phase out of certain activities, and so I developed guiding principles and the work groups plan on how to accomplish them. We don't want to promise something we can't deliver, so I maintain control of the guiding principles.*

F. *They have input to our provider agencies, not directly to the central office.*

G. *We have focus groups with persons with mental retardation, and they meet quarterly. We have informal groups, as well, which are not simply a part of the planning process but are ongoing. The Mental Retardation Planning Advisory Committee and CPAC. We are trying to find out what people with mental retardation think makes their life good and use this as a resource for the strategic plan.*

H. *The majority of emphasis is here. They shape the plan. Choice is a major element in our planning.*

I. *Consumers, families, communities. We hold public forums, but this effort is not terribly intense.*

J. *There are several official and unofficial ways. We have ongoing committees; CPAC has consumers and representatives of the professions on it. They monitor and advise us regularly. We hold public hearings for people to comment on drafts of the plan. We develop the plan internally, with consultation, and share it externally.*

K. *The Citizens Planning and Advisory Council is very involved. Consumer satisfaction is more important than ever before. We used to try to make consumers fit to our programs. Now, we want to find out what they want and try to make our services change to fit the needs of our consumers. We even have a position, a former recipient of services, to help us understand what is important for people who receive our services. Examples of consumer groups who are involved with us include ARC, advocacy groups. We also hold public hearings and invite input.*

L. *People raise issues as if they are only theirs and not related to systems issues. We debate whose issue it is. We are very protective of our own personal areas. We should be trying to move more toward team building. We need to own each other's problems. [One division] is constantly pitting itself against [the other division]. We need to determine where to put our money in terms of priorities. Instead, we just fight for our own areas. In order for the system to work, we must realize that we can't each get what we want.*

M. *We distribute the goals and draft strategies to them. They give us feedback. We use focus groups in order to get their commitment. The Citizens Planning Advisory Committee is statutorily authorized and we use it a great deal in this process.*

   f. Other stakeholders?
      A. *Advocacy groups. We do focus groups, and all the members of the group have a chance to articulate their key issues. These issues will become input for the board retreat in January. Professional groups are involved (organized medicine, nurses, and other professionals). Iterations of the plan are developed and shared with all stakeholders. We have the input from the focus groups to give insights, and then later give the information as feedback to all the groups for review and comment.*

      B. *State facility CEO's and providers are well involved through meetings, review and comment of documents. There is also local level planning going on. It probably varies how much, depending on the local CEO.*

      D. *Washington partners of this agency don't have a customer focus. This is difficult for us. An example of this is the Center for [agency] Services. The Health and Human Services Commission wants to use our plan as a model because we have reached out to the community to get input.*

      G. *The Health and Human Services Commission is being more prescriptive in making decisions about what we should be doing than I think they should. I worry that HHSC has the feeling that we should listen to our superiors, not our customers. I have reservations about their role. There's only so much power to go around. If you put another player into the mix, they usually get more of the power they receive from those below than from those above.*

      G. Public at large: *We hold public hearings, but this is probably the weakest link. People usually get up and testify about their issues, but not a lot of solutions come from these meetings. This is more of a paper trail to show that we have had public input.*

      H. *The people who deliver our services, including the state facilities and contract providers, are increasingly involved as strategic planning becomes more central to the life of the agency. They will get more involved.*

Integration with Other Agency Processes:

   4. What kind of organizational issues does strategic planning surface?
      A. *There is always tension. Planning forces decisions some would like to put off. It should surface data people can't ignore. It helps us come to*

grips with frustration, with the frustrations between desire for change and the fact that we're not dealing with a blank sheet of paper. Change will be, and has been, radical. This agency was created to run institutions. The strategic plan was used (before House Bill 2009) to anticipate new directions. Now the plan must be used to talk about the old, or current, way of doing business and the new. Tying the plan to the LAR and prioritizing the items in it is very difficult. This is a major change, since each LAR tended to be additive over the previous one. Texas used to have enough resources for additional services each biennium. Now, we have to choose between services and delete something if we add something else. We need the road map and the buy-in for making these decisions, and the plan does this.

B. *Commissioner's Executive Council looked at key issues for the future. We created a means to surface them. This is more productive than just talking about things. For example, [our divisions] focus on centers, institutions - internally to our service provision system. Policy and Planning and Budget look at external factors (accountability, Legislative and governor's office requirements). The strategic planning process - external assessment especially - create a forum to discuss important topics (accountability, available finances, the need to have better performance measures). We have not had good performance measures, but we are becoming aware of the need to have better ones - not just because the Legislature says to, but because we need them. They help us focus on our programs and their differences.*

C. *Issues such as how do you organize and fund functions, and avoid being at cross purposes to accomplish what's ins the plan. The process helps us to "align the arrows" so they are pointing in the same direction. The process also makes us think about how we communicate.*

D. *Are we customer focused? If so, how do we actually do it? This has tremendous impact on the organization and will for the future. It will impact every area of the agency.*

E. *Issues such as do we have the appropriate organizational structure for the future -- we don't. Our structure is a barrier preventing us from having a smoothly- functioning system.*

F. *There are different driving forces for [our two major divisions]. We don't say things the same way. The consumers and technology in our areas are very different. The planning process highlights this.*

G. *The process points out how difficult it is to optimize the system. The good of the whole versus the good of the part. Strategic planning tries to pull us forward as a system acting together. All the parts of our organization should move together, and the purpose of strategic planning is to get us to think and move in the same direction. But this is not always the case. Some components try to move in a different direction. Strategic planning helps us to try to get all the arrows pointing in the same direction.*

H. *We are currently challenged to reorganize to achieve the strategic plan. We are undergoing major reorganization to carry it out. This has caused enormous change in the central office, and this ripples out to the communities and facilities. We have flattened the organization and upgraded some staff. The centerpiece of the organization will be the contract process. We doubled the program staff by adding people with experience in our programs. However, only one of 25 to 30 staff is currently focused on hospitals. We have reorganized to focus on areas of common interest rather than specific programs. We are emphasizing accountability. This is a different way of doing business.*

I. *More and more issues are coming up. Planning used to be a paper document and was largely ignored. Now, it points out the lack of constancy of purpose between the desires and actions on a range of issues. We still operate to a large degree as though the facilities were the purpose for the organization. The strategic plan is the focus. As it becomes more viable and owned by leadership, divergence in action from the intent of the plan becomes more obvious. This divergence is questioned and creates stress among those who are not following the plan.*

J. *It starts with assessing the need in Texas, and then develops philosophy and principles of meeting as much as possible of the need. Then we decide what will be required in order to do that. There is little conflict in the needs. Priorities for who we will serve and the principles are agreed to. There is some disagreement on models to be used to reach our goals (the medical, social, crisis and intervention models, etc.). There is disagreement about where our funds should be spent and where our costs should be (for instance, whether we should treat or provide other kinds of intervention). There is no support for having this agency provide psychotherapy, but rather counseling and cheaper forms of therapy. Institutional versus community care. There is a place for both, but those in favor of community care are rolling over the others. Whether what we need to do follows what society wants versus what is clinically best*

(such as locking up violent patients when we clinicians may feel that they don't need to be locked up but society does, or using electroshock; electroconvulsive therapy, which the public says no to, but clinicians feel has applications). We wrestle with these kinds of issues.

K. *[The two major divisions'] services are somewhat separate. Strategic planning makes us look at our system and our similarities and communicate about issues shared by both sides. We do have conflict. We cuss and discuss and make decisions about issues. This helps us to talk through and make decisions. We make decisions such as, if our funding is limited and we need to put emphases in different areas, do we redirect funds, moving them away from other areas. Are things priorities for us only if we get new funding for them?*

M. *There is an inherent tension when you have limited resources and need to set priorities. We must determine what is the highest and best payoff and where we need to push for additional resources.*

5. What kind of coordination is there across units in the organization?
    A. *The CEC's role is to do this. The planning staff works with lead persons from operations and support divisions. They work for the commissioner directly, so they are not tied to the funding areas or another division in the organization. There is a tendency to "stovepipe." We try to break this down and get people into a room, propose the issues, and force decisions.*

    B. *Policy and Planning and the Financial area coordinate very well. Planning and Budget work closely together. Other areas do not coordinate well, though support areas are better coordinated than the operational areas. There is tension between the program people and support areas and financial areas. Support people are realizing that their job is to support the program, not themselves. But the operations areas remain isolated from support.*

    C. *The organized process calls for input from local groups. We collect information about what the providers are doing. We are getting better at the CEC assuming ownership of the plan. CEC is made up of decision makers. Their decisions should conform to the content of the plan they developed.*

    D. *It's uneven. There are some great successes in working with some areas in central office. Others, not so well.*

E. *There is none between [the two major divisions]. We don't know what they are doing. We had different goals regarding consumers and didn't even know it.*

F. Mediocre.

G. *It is okay, good, not great. The Office of Strategic Planning provides a lot of this -- but this can give the impression we don't need to do our own thinking. The planning staff would say it is very difficult. The staff work very hard but do not always have an easy job of it working across the units. This is not a natural process.*

H. *The major emphasis is on operations in the strategic plan. [The two major disivions] are mainly emphasized. Human Resources, information, and management support are not as much. Operations divisions are primarily involved, as are the constituency groups. [The two major disivions] have different issues, which makes coordination difficult. There is still a struggle in [one division] on whether to move to communities versus institutions. This is not a problem in [the other division]. Federal funding has different requirements for our major programs, which causes some differences. There is some overlap in areas where individuals have dual diagnoses of disabilities.*

I. *The strategic planning staff have to create the opportunities for cross-functional behavior. There are few cross-functional processes in place. Strategic planning manufactures these. Cross-functional behavior is one of the greater weaknesses of our process. We have many points of view and relatively little convergence.*

K. *Pretty good at the top (deputy level). We seek advice back and forth. The CEC is now expanded beyond the deputies to others who have systemwide interests. We are not doing well across divisions. We are working to improve this. We have meetings of management and program staff, and meetings with CEOs, in order to explain to them what we're doing. The people down and in the organization don't feel comfortable going across the organization to someone else who is their counterpart in a different area. With so many people in the organization, it is very difficult to know what everyone else is doing.*

L. *We make decisions based on individual units and facilities. We made guarantees, for instance, that employees at the state schools would not lose their jobs in spite of the closures. We didn't think far enough ahead to do the same thing for the state hospitals.*

M. *There is not enough. This time, we have really tried to get more involved. The Commissioner's Executive Council is very involved. The important task of leadership is to try to get us past the stovepipe situation where we plan in isolation. We have had too much planning which comes up through one side of the organization, be it [one division] or [the other].*

How could it be improved?

A. *Increased ownership by the CEC, especially the deputies, in the content of the plan. If it's theirs, they'll use it more, participate in it, and it will become part of the ethic of the organization. We'll have a better product and process. Also, the local-need information is often surrogate. If we want to be customer-driven as an organization, it must find better ways to find out what they want. For instance, a flexible delivery system, a raise which is responsive to their needs. Our next radical leap in the organization is to being customer-oriented. We need to improve performance measures. It is hard to measure the impact of services such as we provide. This measurement is often an art form, not a science. If we are to become outcome-driven, we must find better ways to measure what we do.*

C. CEC could get better at planning. The plan should be simpler. We tend to be crisis oriented and make decisions based on the crisis at hand, rather than the strategic plan.

D. *It can't be legislated. The TQM focus and being-aware-of-your-customer-and-supplier focus are necessary. Educating our suppliers as customers. We are their customers, but we have not always seen ourselves this way, and we have not often told them what we really need from them. And they have not understood what we need. Until now, we have had a codependent relationship. Now we are bringing them in.*

E. *We could increase our awareness. Everybody wants their piece to be included. Managers have a greater role now, and the CEC is taking leadership in developing the plan rather than the planning staff developing it under the cover of darkness. The strategic planning folks facilitate, not write the plan.*

F. *We don't clearly separate out long-term goals and strategies from the constant barrage of distractions. We should do a better job at picking out long-term initiatives. When you are constantly involved in day-to-day crises, it's difficult to plan.*

G. *We could go on a planning meeting and give top management a chance to focus on strategic planning, at one time, away from the office and distractions.*

H. *It has been improving. Associate deputies meet regularly. Interaction is now better. In some states, [the divisions] are separate agencies. It is a constant struggle. We get along personally, but we each want to focus in our areas. We coordinate at the associate level. The deputy level makes decisions and gives us the focus on an area of initiative.*

I. *Our commissioner is nondirective and consensus-based in his leadership style. This results in diffuse views in the organization. The agreement that does exist is real, not cosmetic. The commissioner is people-savvy enough to know that you can't just change behavior -- you must also change beliefs. I'm not sure how we could improve this.*

K. *If we had a forum, we could develop an awareness of what people do. But people change, and so it is not easy to know who to go to for things. In central office, we have a lot of chiefs and relatively few Indians.*

L. *We need to have more cross-operational work teams.*

M. *Our support groups want to be a part of the planning process so they can support us. We must start with top leadership. Leadership must be engaged, involved, and own the plan.*

If not already mentioned

6. What benefits or opportunities does planning create?

D. *We are beginning to anticipate the future, be preventive. We have reorganized the [one division's] organization.*

I. *It does create a single-world view. It can't by itself direct a management style.*

K. *The process allows the staff and I to talk about the future. It is a communication tool to collect input and explain to others what we do. It helps us build a common understanding and allows us to begin to make operational changes to make it happen.*

    L. *The opportunity for agreement. The sense of disagreement, as well. But we must both go out and support the plan after we agree to it. We have more power by going in the same direction together. We have a clear idea of what's expected because of the plan. We have more control of what we're going to do, because we know where we're going. We understand where to put our efforts into energies.*

    M. *It helps sharpen the focus for the agency and helps us to prioritize.*

7. How do imposed deadlines (Legislative due dates) affect your planning process and day-to-day operations of your agency?

    A. *If we are aware ahead of time, we can plan for it. We must have due dates -- they create a framework for the design of the process. We know where the windows are. But some deadlines are not communicated in a timely fashion, and some are absurd (for example, the budget is due before the plan). We get the impression that the due dates given to us by the Legislative Budget Office and the Governor's Office of Budget and Planning are made up as they go along. This system does not adequately allow for the plan to drive the budget. The Health and Human Services Commission's consolidated budget may or may not change the way we do things -- we just have to meet the dates that they require. Any due dates create tension for people who are already busy. But we work with that dilemma. The legislature going into session every other January creates a rhythm. Strategic planning and budgeting don't yet have this rhythm. Planning-related activities are not easy for managers to get into. It is not easy to think about the future when you have all these wolves at your door. Planning forces us to think about the future.*

    B. *When we are required to meet deadlines, some do not feel ownership of the plan, since it was made to meet a deadline, not to do a good job. There is not time to plan adequately. When the Legislature ends, we need an operating budget in place within a month or two. But we do not have time to do an annual operating plan (tactical plan) which recognizes the available resources. Budget should not drive the plan, but the annual budget should reflect the direction laid out by the strategic plan, to the extent we have the resources to do it. As long as we have this cycle, the first year of the biennium is really done without a plan.*

    C. *Deadlines are the way the plan is scheduled and completed. It is an extra thing to do. If you have plan deadlines, other work deadlines, and if we really don't seem to use the plan, then why should I spend a great deal of time on the plan? Then when I see the plan I say "Why should I*

do the plan - I had nothing to do with creating it". Deadlines are detrimental.

D. *Deadlines are liveable. We have made major changes to meet them. The amount of information is staggering, that people have to organize in order to meet deadlines. There are reports to the Legislative Budget Board needed quarterly. These should not be needed so often. Progress by quarter is not necessarily valid, even though our funding source thinks it is.*

E. *We want input from stakeholders -- but we don't have time. Deadlines make it impossible. Deadlines are a pain in the ass -- but we work better when we have them.*

F. *They dictate our planning. They make it difficult to get local efforts in sequence. When we are asking for input for the strategic plan, local people are busy operationalizing. We never have time to tie back the strategic plan to our operations. We get confused as to what is what. Basing funding on the strategic plan makes funding drive our plan instead of thinking farther out to the future.*

G. *People have more to do than they can get done. Trying to think six years out into the future is difficult when they are actually thinking six hours out. We don't give it the time it deserves. Deadlines are necessary -- we need to decide to make some decisions or to not face them. But people often feel better if they have a hand in setting their own deadlines. Deadlines have a chilling effect. The legislative format and strategies required are logical. Converting all that to budgets and operations doesn't work well. This system was imposed all at once instead of gradually. That was not a good idea. Day-to-day demands must be met, so planning is pushed back. Pressing, immediate needs keep us from the long-range focus. When strategic planning is made to take precedence over our other activities, it makes for bad feelings. A lot of people try to impose their deadlines on other people. If we try to remember who our customers are, we and they will be happier.*

H. *They put us under time demands. The planning office folks are invaluable. They lay out a work plan and keep us to it. They give us feedback as to how we're doing. Without them, it would be very difficult.*

I. *They help -- they make sure it gets done. Planning is still seen as an add-on to real life. Deadlines may be a hassle as they relate to our daily*

cycle. But they get us a product. Because it is an occasional thing, it's hard to fit it in.

J. *They are a good thing. Without deadlines, we wouldn't do it. We hate them. It's probably wise to redo the plan every two years. The interface between strategic planning and operational planning is not direct. They don't flow directly. I don't have time to read it all, the plan is so thick. I just look in it to see if my things are written the way I think they need to be, and then give it my approval.*

K. *They tend to drive it. Without externally-imposed deadlines, we might not be as focused. We don't shortchange the plan because of the deadlines. Neither do we shortchange our day-to-day work. But we do work more to accomplish the setting of direction.*

L. *There is really no effect on our day-to-day operations. We scramble to get data, defend what we're doing. The vision is not really important to most people. They want to know more concretely how this agency and its decisions will affect their jobs.*

M. *Last time, we had some frustrations. Some came from the contradictory notions of the plan and how it ties to the Health and Human Services Commission, the Legislative Budget Office, and other needs. We need more up-front discussion. HHSC was new and tried to overlay their efforts on top of our planning process without clear rules, and this caused confusion and extra work.*

8. How easy are your planning systems to use?
   A. *The staff breaks the process into doable pieces. Planning is transparent to most. The drawback is that they may not know where all these activities they are doing are leading. We have a better product because of all the cooks in the stew. We try to make the process user-friendly by using techniques such as retreats and focus groups. We try to make the process as clear, but managers may be involved in the activities but not have a complete sense of why.*

   B. *The forms, processes are user friendly. Planning staff tries to make them helpful. But external mandates are not easy to use, but are nonetheless required.*

   C. *The plan is a public relations document. As such it has many good things in it. It says all the good things we do to make people's lives better. But it has not really got a focus. We should focus on the "vital*

few", as Joseph Juran says - the things we can really do. Now the plan is filled with thing beyond our resources. It needs more focus.

D. Difficult, because we have several different plans -- a strategic plan, a block grant development. We are trying to unify and simplify our planning systems.

E. Fuzzy, but getting clearer. The planning staff is working hard to structure the systems better. We don't have a firm package.

F. I don't use it -- it uses me. Not easy

G. Okay. The techniques and tools work. The less formal and personal you make it, the better information comes out of the process.

H. It is an enormous task putting a plan together. However, it is very useful. We have put our vision into overheads, and we carry this vision to our staff, to explain our vision.

I. Easy. We have good support. Any difficulties are because of a lack of commitment to the process. Cross-functional behaviors mean giving up a part of autonomy for the benefit of the overall culture. We have difficulty in the United States and in [the agency] with this. We are made up of so many professionals, all of different professions, that we have difficulty in developing a corporate culture that all can agree on. Professionals have loyalty to their profession, which is separate from the organization. Many think they know better than the direction the agency chooses to go, and feel bound to their perception of the greater good which stems from their professional training.

K. We tinker with it. We reexamine it each year. Recently, [the Director of Strategic Planning] brought us several planning models and we chose one to use. We are trying to be more inclusive of stakeholders. The process forces decisions. Formats may change, but they provide us different techniques for getting input. We have enhanced our processes this year. As we expand input, we expand our efforts to coordinate. If we have a goal of community placement, for instance, we also have to take a look at how do we address the security needs for the community. We have identified these kinds of issues in our process.

L. It's complicated. Most of us are managers, not leaders. We dwell on how we're going to get somewhere, instead of planning where we want

to be. Some of us walk, some jog, and some skip. We tend to focus more on the means than the ends.

M. *There is confusion in relationship to HHSC. But the nature of the beast is not easy. Making interactive processes work at the local and state level is not easy. We want to take more from the local level and put it into the state level plan and have them mesh. We must try to make the input mean something. Often the planning process, as structured currently, keeps us from looking at systems problems and instead just gives us a process. It could be much easier if I just sat down with the head of strategic planning and wrote the plan. It would be a much tidier process.*

9. How is planning connected to other agency processes?
   C. *In theory only. We are working to make better connections. We know this and are moving to improve this through policy ownership by the CEC.* .

   F. *Moderately.*

   G. *They are connected. Funds require plans in order to be able to say what you're going to spend. We attach them and this causes deadlines to be imposed.*

   H. *They're all tied together.*

   I. *Weakly. There is a low level of cross-agency consultation.*

   a. operational budgets
      B. *Not well connected. People in Planning and Budget believe in a close link. In operations they do not. The broad strategic plan did not have as a purpose the linkage to operating budgets, and did not allow for it. Even if you want to do it well, the state cycle, time lines get in the way.*

      E. *Becoming better.*

      F. *It is connected, but it is hard to take and explain that connection at the operations level.*

      G. *We have weaknesses here. The operational plan and budget is weak, although it has shown improvement.*

H. *Operations is set up to reflect the following sequence of thinking: planning → program design and development → contract process → reorganization → monitoring.*

J. *Not direct. Will we put increases or decrease the dollars into specific areas.*

K. *In years past, disconnected.*

L. *This is the first year we've tried linking it to operational budgets. It's unclear how connected it will be. If we develop the strategic plan and don't get the money, then what do we do. Do we have the right to put the money where we want to within the organization?*

M. *Directly. This has gotten clearer and surer.*

b. requests for legislative appropriations
A. *This is developed by the budget staff working with the same players. The objectives and strategies are translated into dollars. The planning staff and budget staff work together. The budget staff sits in on meetings where planning occurs so they can conceptualize how things can be costed out. They think about how they can develop formulas to sum up the activities into dollars.*

B. *We do not let the budget structure drive the planning structure. But the Legislative Budget Office and the Governor's office did not like our plan, because it did not fit their picture of a budgeting tool. They said we had too many strategies, but could not tell us how many was enough. Our Commissioner and Board refused to change our plan to fit the budget. So we created another one for them which was solely to fit the budget structure.*

E. *It gets the money.*

F. *Actual appropriations are never close to our corporation's request, and we never take the time to adjust for this. They don't fit together, and it makes people feel bad to try to use a plan that doesn't match up with what we're actually doing or have the money to do.*

H. *The strategic budget was difficult. We had to create a grid which showed the old line item on one axis and the new strategies on the*

other axis, so we could relate the old system to the new and find our programs.

J. *We ask for, but don't get all we request.*

K. *Disconnected. Last time, we got more money for children's services. We need to do more about explaining how prevention reduces costs later on. We have to do a better job of explaining what we're doing and how that affects the people of Texas and their pocketbooks. We are getting better here.*

L. *Priorities for the agency may not get funded because of the legislature. I see the strategic plan as a bunch of baloney -- all work with no payoff because we don't have the ultimate control over the money.*

M. *By mandate. Sometimes the strategic plan initiatives don't tie to the appropriations process and shouldn't. There shouldn't be a lock step between the two. The planning process should allow you to think past the appropriations process.*

c. performance measurement

A. *We have recently moved this function from the budget office to the planning office. We do reports on these and are currently trying to improve our measures by the work of a task force with the planners, budget and information services.*

B. *This is now a Planning office function (formerly budget). They are not well tied to plan or operations. Over time as performance relates to funding, they have tended to be just something to be reported to the Legislature, but did not really tell anything about how well we were doing our job or serving our clients. Our measures are not taken particularly seriously. But the Commissioner thinks it need t be - not because of external pressure, but because we ought to be measuring ourselves better. Someone from the LBO was trying to convince me to use some measures and when I asked why, she said "I would think you would want to know these things". But measuring what we do is not easy, especially in health and human services. It's not like measuring miles of highway paved. Once you determine what you are trying to accomplish, how do you measure it? It's not as easy as the folk downtown would lead you to believe. Focus in the past has been more on process than results. Now*

we're are focusing better on what the measures should be and putting a system in place to measure them.

C. *We have internal measures that are not in the plan. The plan has measures in it that really are not good measures of what we do.*

D. *The LBB gave us twenty pages of measures to count. In the past, no one cared about these. Now we have committed ourselves to giving good numbers instead of making up numbers. The LBB shouldn't need the same level of detail as we keep within the organization. We are looking for solutions to this.*

E. *Getting better.*

F. *The ones we get from the LBB have nothing to do with what we do. The cause and effect aren't what they assume. Operations planning and strategic planning are not the same thing. Strategic planning should be long term, opportunistic, and flexible. Operations planning should be precise.*

G. *We have struggled for years here. If we can get more customer focus, we will get better measures of outcomes they want. The numbers we currently use are not good measures of the quality of our services. They are perceived as someone else's measures, not ours. They are perceived as a pain and simply consume time.*

H. *Outcome measures and expectations go into our contracts and are very useful. The legislative measures don't tie in well -- some do and some don't. The design of good outcomes is necessary but is something we didn't have enough time to do. The staff and the LBO and Governor's Office designed some because we didn't, and they had to be done. It's not an easy task to design performance measures. We got feedback from providers. In my opinion, a few good measures would be more important than the many measures we now have, which don't tell us a lot.*

I. *There is a big gap here. The weakness in cross-functional implementation shows up here. Strategic planning may lead to change, but it doesn't drive it or cause it. Strategic planning should not be necessarily measurable. Operational plans should be measurable. Strategic planning should be at a global level.*

J. *It is important to operationalize the implementation of strategic planning while we're developing the plan. We should be thinking, "How might we know if we accomplish something?" We should suggest ways in general. When the strategic plan is translated into dollars to actually accomplish it, the operational plan is put in place. Then we use performance measures.*

K. *This will become more and more critical. If we do a better job of defining better measures, quantifying quality, we will be in a better position to report to the legislature on our outcomes. This will make us more cost- and quality- conscious. I am interested in looking at different diagnoses and relating the kinds of services that are most effective and have the biggest payoff. This data will help us better drive our service-delivery system.*

L. *These are developed, but I don't know if they really are being met. They aren't very good. Some people, with nothing to do with service provision, set the performance measures. I was never asked. There is a great deal of rhetoric in the document that nobody looks at.*

M. *Conceptually, this is not a problem. However, many of our measures are surrogates. In practice, we wonder if we have measures that really fit. More work is needed here. I'm not happy with these measures. They aren't very meaningful. It feels like work and not real. We need a model of performance measurement that hangs together and supports the strategic plan as well as fits the planning and budget. Using the planning system to dictate funding levels is a big mistake. It makes us focus on only two years out.*

d. actual work or results accomplished

A. *Operations does the work. Policy folks work with them to see that they work within the framework of the plan. We are working on an operational plan to figure out what we can actually do with the money that has been appropriated. Planning, operations, and the budget staff are working on this.*

B. *In terms of direction laid out. After we work with the Legislature and get the funds, we structure our services to meet the broad guidelines of the plan. Once the plan is done and you get the money, people don't go back and look at the plan. No one really goes back to see if we did what we said we would do.*

E. *The plan doesn't dictate for me my day-to-day work. It doesn't lay out specifics.*

F. *Operations plans and strategic plans shouldn't be so closely connected.*

G. *The plan is a vehicle for setting direction. Actual things we do can be measured against this. The plan serves to support your efforts and guide them day by day.*

J. *Not directly. We tell people what to do with the money. We hope that the plan guides their efforts.*

L. *There is no plan to make a great deal of the strategic plan actually happen.*

M. *No problem conceptually, but in practice we really don't know.*

e. development of a shared functional area or agency vision
    A. *The convergence of total quality services and planning occurs here. The commissioner and operational deputies have taken the lead in developing the new vision for the organization -- customer-driven, consumer-run, flexible approach. This resulted from TQS efforts. This was rolled out by the commissioner last spring. The deputies did a vision for their areas. They took these visions on a "road show" to the facilities and community centers and central office staff. Many hours were spent to roll this out. It is a first step in our strategic planning process. This vision becomes the basis for the plan. This is the first time this has happened.*

    B. *The agency vision is shared well by documents, with CEOs of facilities. Not sure if everyone in he organization is aware of it. It focuses more on executives and managers and facility heads. I have not seen functional area visions other than important thrusts of the areas.*

    C. *Yes. We have deployed our vision to develop and implement goals of the agency (such as consumer choice, management systems, moving from rowing to steering). We have developed our vision, developed goals with the input of the CEO's of the local centers, and now we are putting the goals into focus. We have carried this vision to the organization.*

E. *Much better. Vision statements have been articulated to the central office and the field. The deputies have their vision statements and associate deputies use them. These could be more detailed and made clearer. This is a step up from previous vision statements which sounded good but really didn't say anything.*

F. *Very well at the vision level. Not good at the implementation level. We never set priorities are the operational level.*

G. *Real high marks here. Combined with TQI, which has caused us to enunciate values, mission, goals, vision -- it is well-articulated and important to us.*

H. *(Note: Subject used overheads to illustrate this point.) These overheads show our area of emphasis in [the agency]. We take these to meetings and know them inside and out. Everything we speak about relates back to the vision. Our resources, where they go, whether they increase or decrease, all trace back to the vision. It is a road map. Folks that work for us hear it consistently, over and over.*

J. *There is a direct relationship here. The vision gives rise to the goals and needs to be connected. We work toward our principles.*

K. *The deputies and the commissioner have created a vision for the commission. The commissioner did a one-page vision, and the commissioner and the deputies together created a service-delivery vision. This was shared with the CEOs. Everyone had a chance to react. The deputies also brought this vision to each of their staff and the professionals in the facilities. We got the word out, and people had a chance to ask questions. This year, there are focus groups planned, and this just surfaced in a meeting today. We will probably let staff see the objectives and issues and ask what they think we need to resolve and begin working on. We are developing better inclusion and building more awareness and getting better ownership of the plan.*

Note: This is somewhat of a moving target, as this subject noted that the CEC is still developing this system.

L. *We don't think past the next two years or the next legislative funding cycle.*

M. *The agency vision is front and center in the plan. Our mission and goals hang together. The overriding vision for all fans out into the subunits along with each of their missions and goals. The missions and goals and objectives of each subunit must support those for the areas above them.*

10. What indications there are that strategic planning has improved agency performance?

A. *The plan has a way of structuring and communicating what the people think is important. The plan is the outcome of the communication of the people who participated in it. It is a reference document. It hasn't created the initiatives -- those were done by the leadership. The plan allows us to talk using the same database. We use the data in the plan to build the budget. This improves the plan and makes it more rigorous.*

C. *Often we put into the plan what we are currently doing. But crisis-based decision making and lack of ownership at the top made us realize we had to go back and start at the top - to focus our efforts and develop agency goals that would be the basis for action.*

E. *None. We need better measures.*

F. *The strategic direction has been to move people from isolated congregate settings to smaller community settings. We have used the plan to shift our organization in a major way.*

G. *It is too early to tell. Performance is hard to measure. A major change has occurred in this organization, and change is difficult to measure. We have reorganized the division, and now we are organized based on our processes and work flows, not on our line items. Since we have redesigned the organization, this probably is an indication that we have improved our responsiveness to our customers.*

I. *Very effective vehicle for involving our customers. The plan provides a place to put their energies and their ideas. It makes the agency more responsive to the needs and ideas of our consumers. Strategic planning gives expression to intention -- it doesn't create intent.*

K. *Our record in the legislative session is an indicator of our success. It shows that the legislature is aware of what we have tried to explain we want to do and that they are positive about it. We told them about the benefits of our services and the negative impact if we did not provide them. This has resulted in increased funding.*

L. *They don't connect long-term measures year by year. We should set a long-term goal and plan backwards as to how much of that goal we can achieve each year. We don't do that. It seems we're trying to be more accountable, but the measures were made without the people at the bottom involved.*

a. How do you know if you have done what you planned to do?

    A. *Outcomes are not easily seen in two years, so we have measured processes in the past. We count the number of widgets we produce; for instance, the square feet per person. This is not very instructive as to whether we have actually done anything. The measures themselves may be good, bad, or indifferent. We are struggling with this. Our task force is working on it.*

    B. *See above. We don/t go back and check.*

    C. *The goals in the plan are difficult to measure. They do not have a readily definable target. The real issues are not readily quantifiable. This is a problem.*

    E. *It depends if the plans are written in a manner to allow you to measure progress. In the past, strategies have not been written to get results and measure them. I have often said that I would like our system to be like that of the Dallas Cowboys. They had a plan, and they went from the cellar to winning the Super Bowl. I would like a system like that, that allows us to know whether we've had a good year or not. Right now, our measures don't even tell us that.*

    F. *The strategic plan drives the community center goals, then we negotiate contracts with these goals in mind.*

    H. *Through the contract process. The contracts bind what people do to us in central office. We ask providers to do what we expect based on our plan. Contracts and expectations are becoming tighter and more clearer. It will take a few years to get where we want. Now we make people live within their budgets. If they spend all their money before the year is over, it is their problem. We don't bail them out anymore unless they have used all their money through no fault of their own. They live within the agreement we designed together.*

    I. *I don't link measurement to the strategic plan -- measurement is operational. If we survive and prosper should be the major measure*

of our strategic plan. The strategic direction is to move our focus from institutions to the community. It should be obvious. We shouldn't need that many measures. They should be few and simple.

K. *This has been left to the individuals in charge of each area. This is a major weakness in our system. Accountability for achieving plans is too loose. It is left to the head of the division. I would like to see all areas have action plans.*

L. *We don't. The measures really don't tell us that.*

M. *Hopefully the plan is clear. We need to have a better way to measure our actions and need to have better accountability.*

b. How do plans become actions?

A. *The plan doesn't. But it does help us build the budget and then allocate it. The people who develop the objectives then get the money to implement them.*

B. *See above.*

F. *I have an annual plan process with my staff, and we translate this into contracts. This ties to strategic plan goals and objectives.*

K. *Nothing actually drives me to action. I would like to have a clearer transition between the strategic and the operational. We need to be better in deployment.*

M. *Program specific plans. These include work plans that take initiatives into action.*

Effectiveness: How well does planning meet legally mandated or agency stated purposes (whether the stated purposes of the Legislative Budget Board and the Governor's Office of Budget and Planning or agency/manger identified purposes):

11. How long have you (personally) been using your planning system?

I. *I am an urban planner by background and training.*

L. *I've been here two years.*

12. How useful is planning to you?

B. *Helps me see direction of the agency and what I need to do in (my management area), based on agency direction.*

E. *The concept is important. I'm a strong advocate for a plan and having a plan before we act. I like to plan out my work. My principal job is to plan, set things in motion, and to track results. In the central office, we are often in a reaction or crisis mode. Planning helps counter this.*

F. *Essentially. We are constantly fighting fires. Unless you plan and have goals to stick to for three or four years, you have no idea what to prioritize. You do the things that further the long-term goals.*

G. *If it works, it gets us all going in the same direction and makes us sensitive to all our stakeholders. While requiring, we listen better. It can create a cohesiveness for the organization to move in the same direction. Sometimes we feel we should stop planning and start doing -- we need to find a balance.*

H. *Tremendously. I measure the performance of my people against it.*

I. *Enormously. It's the most important thing I do. I need to know where the organization is going, to align my efforts to that direction and develop, consistent with that, plans for everything I do. I could suboptimize the wrong things in the wrong place (for instance, build a building when in fact we were trying to close buildings) if I were not involved in strategic planning. We telegraph messages by the buildings, land, and physical plant I put in the ground. The plan moves faster than some things. For instance, we may already have a building under construction when the plan says we will not be building new buildings. We have to catch up sometimes with the plan.*

13. How does planning help you to do your job?
    B. *One cannot do budget stuff without understanding the direction of the agency. This helps me market our funding needs - to convince the Legislature why we need funds. Planning in general for our area it is difficult to find time for. We have not even had time to plan for how to budget for our new programs given to us by the Legislature and we are already 2 months into to new fiscal year.*

    C. *It could, but doesn't.*

    E. *Sometimes people think I'm lucky. It's not luck -- it's the plan. You don't have control of outcomes if you don't plan. They just happen to you.*

    F. *Without a plan, there is no direction.*

G. *Steering versus rowing is a term we use. Planning provides the direction for our services, and at our level, we should provide direction, not be a service provider. The key is not to be too prescriptive. As leaders, we shouldn't think we know what is right without ownership input and commitment of the people in the organization.*

H. *The system has brought us a vision. The legislature has given us the funds based on that. The plan shows us the basis for making decisions in our operations.*

J. *It keeps us from running around in chaos. It keeps us focused. It should not put us in a straightjacket, but be a guide.*

K. *I couldn't do my job without planning. Unless you know where you want to be in the future, you won't get there. If we always just react to the legislature or advocacy groups, we will never get anywhere. If we don't have an understanding of the service-delivery system, and the direction in which we intend for it to go, in support areas we can't do all proper support for it.*

L. *I have to try to write about where the agency is going. I use the agency philosophy to find good stories. I know what our goal is, and this helps me to choose stories about where the agency is going strategically. This helps me, also, to make decisions today on where I want to be tomorrow. We talk about our long-term vision and we look for stories to reflect that.*

14.   What is the value of planning to the organization?
C. *It could be, but is not. It isn't valuable if it is not implemented.*

E. *It removes us from a crisis mode of action*

I. *Survival. The most important thing we do. We don't do it the best, but it is the most important.*

J. *It reminds us of our focus. The process makes us think about the focus and our goals, cohesiveness of purpose. It makes us think about where we want to put our emphasis. Constancy of purpose is a good thing. We need to be able to stay the course until we figure out if change is needed. The strategic plan helps us with this.*

M. *It gives focus and direction for driving our collective energies and getting the funding. These are things in our strategic plan. It gives us the*

opportunity to take stock of where we are and where we want to be. It forces us to be self-aware, critical, and involve consensus and staff. It includes their views. It gives us a scorecard against which to measure ourselves. If it doesn't do these things, then there's no point in doing it.

15. What is the benefit of strategic planning, if any?

B. *It helps us to step back from all the "alligators" and take the time to point our direction. If you know where you're going you can direct your day-to-day activity to get you there. Things come together to make the plan happen.*

L. *(See No. 6.)*

16. How could it be improved?

A. *We could have better data. It could be more user-friendly and not so difficult, not just another burden to do. We need more process integration with other processes, like budgeting and operations.*

B. *1. If commitment and ownership were greater by people in operations. Only the Commissioner and the Deputies can do this.*
2. Timing and how things work with the Legislative cycle and time frames are not good. This is out of the agency's power to change.
3. Make a better link between what is in the plan and what we do.
4. More time to come back after the Legislative session and plan for what to do.

C. *Make a distinction between the public relations document and a document to be used by the department to make decisions. The PR document doesn't contain the issues and decisions the agency needs to face. There needs to be a minimization of the plan. We are pulled in too many directions by it. We need to find a minimum number of targets and be held accountable for reaching them. The plan currently is full of too much nice, good stuff that are good to state publicly that we stand for, but are impossible to accomplish.*

E. *I want to get other agencies involved with me in planning, including federal agencies. This would help us to coordinate and act better together. If the agency establishes good, measurable objectives and makes a commitment to collect the data or other measures of progress on them, this will be a great improvement. We generally make decisions based on opinion, because the measures we have are not very good.*

F.   *More coordinated planning at the operational level. We should take it down to the operations in a coordinated fashion.*

G.   *We are taking it a bite at a time. Maybe we should take three days off, with good information, and come back with direction. We take an hour or two in a meeting, get assignments, and come back. This is fragmented. Thinking about the future takes some time to reflect. One-hour segments are not conducive to this. We must also make sure to keep planning the responsibility of operations and the leadership, not the planning office. Because of the conflict that sometimes exists between planning and doing, we must always keep clear which one we are involved in at any given time.*

H.   *It worked well last cycle. More lead time is needed to get things done. We are already starting our planning process for the next biennium. We work on it continuously.*

I.   *We could make it less episodic. We could make it constant in the life of the agency. External deadlines drive the process and get the product, but keep us from internalizing it. We need to work on it continually and internalize it, not work on it every two years.*

J.   *I'm not sure. The plan should not be obsessive, and we should not be obsessive about the plan.*

K.   *We need more accountability and operational planning. We need better performance measures. We should set goals-related performance measures. There should be consequences for our performance, positive or negative. Then we will be made more efficient and effective. This will allow us to better show the citizens how their dollars are spent.*

L.   *It's unclear what we expect of strategic planning. It's not clear if it's top-down, or bottom-up, or how those two are meshed together. We have a good vision -- good strategies to get there. We haven't done a good job in developing an operational plan. The strategic plan doesn't dovetail with our operations. Individual operational plans should add up to the performance measures.*

M.   *We need to tie it more closely to local planning. We also need to have better implementation plans and better feedback for the next round of planning. Improved data is needed. We need to be able to speak more clearly about how we have accomplished what we have accomplished. We need improvements in operationalizing the plan. Before the*

legislature convenes, we need to take some major service-delivery pieces within this agency and work with other agencies much as we did with the Children's [service] Plan. Working together with other agencies truly is strategic. By getting cross-agency support, it makes the problem of funding easier.

17.   Is it worth the effort? Why or why not?
    A. *Yes. If we don't plan, we're nowhere.*

    B. *Yes. It is just frustrating sometimes. It helps us recognize issues and feed them into the legislative package. Helps set direction, create structure out of chaos. But in the public sector there are a lot of things that make it hard to do. There is lip service given to the process by the legislative leadership, but then they threw it out the window when we got into the session. It was not the basis for decision making by the Leadership. But its true benefit is to the organization, not to outside authorities.*

    C. *It could be. It isn't at this time. The essence should be how it has impact on the future direction of the agency. It doesn't now. But we have uncovered these barriers and are working to remove them.*

    D. *Absolutely. If taken seriously, we identify our goals. This makes everybody's job simpler and policy decisions can be made consistent with them. It started last go-around, and it is deeper within the organization this time.*

    E. *Yes. It gives me a measure of control over the outcomes of the agency. Stuff's going to happen. We have a choice to either shape it or let it happen to us.*

    F. *Yes. It gives a coherent vision. We just don't implement it in a coordinated way.*

    G. *Yes*

    H. *Yes. You get the product that guides everybody. Everybody has a stake in it -- they feel ownership. They may not agree with everything in it, but they do support it. This allows us to tell the legislature that we have a broad agreement, and they then give us our budget allocation. In the past, some said that what was in our budget request was not what people wanted. Now, the plan helps us to build consensus and support*

for our request, and we don't get those kind of arguments at budget time.

I. *Yes. If you don't position the organization to go where it needs to be and to meet and anticipate changes, you will flounder. Agencies fail all the time, prosper, and wane. They must position themselves to succeed or fail to meet the needs of society. To fail to lead is to fail. Getting beyond planning as compliance activity and making it a true leadership process is a critical issue. This is a measure of the strength of the organization. If you can't agree on strategic direction, you can't lead, but only react. It is even hard for people in automated services to find out what the plan is. These are highly competent people, but they didn't know the strategic direction of the agency and, as a result, were scapegoats. When I brought them the strategic direction and they developed new systems to follow it, they turned into superstars. We positioned ourselves to support strategic change. By putting together a client system, we facilitated change in the agency by the way we keep our data. We reconceptualized our approach to information from the client's point of view as opposed to from an agency point of view and provided a great service to the organization.*

J. *Yes. It's required to get the money, and that alone is reason enough. Also, it keeps us focused, and that makes it worth it.*

K. *Definitely, yes. It sets the direction for the vision and the context for what we're going to accomplish and how. It is a management and leadership tool. It tells people what and why we're going to accomplish, and they can get behind it. It sets the context for all that we do.*

L. *Yes. Strategic direction keeps us from chaos. I'm not sure that the outcome is worth all the input. We should make the process shorter and more cost-efficient.*

M. *Definitely yes. It deserves more time and energy, if anything. It gets better every time. Thank God for [the Director of Strategic Planning]. Without him, it would never happen.*

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Appendix 5: Summary Data by Interview Question

Question #1 allows managers to describe the kinds of planning in which they are involved, and to compare or distinguish planning from total quality management.

For question #2, items a-h are the purposes for strategic planning given by the Governor's Office and the Legislative Budget Board in the strategic planning instructions given to agencies.

Question #3 generally gets at the effectiveness of strategic planning in meeting the purposes described by the agency strategic planning process.

Questions #4-10 generally explore integration of strategic planning with other agency processes.

Questions #11-17 generally explore the effectiveness of strategic planning in meeting mandated or agency stated purposes.

Descriptive: Strategic Planning Process Used

1. What kinds of planning (strategic or other planning systems) are you involved in?
   N=13
   a. public plan

      0

   b. political plan

      0

   c. internal/operational

   | 12 (92%) |

   d. unwritten

   | 2 (15%) |

   e. total quality management N=12

A type of planning	:Not a type of planning
2 (17%)	10 (83%)

    f.   Steiner model

      0

    g. Strategic Planning and Budgeting N = 13

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11 (85%)
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    h. Performance based budgeting N = 13

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2 (15%)
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Descriptive: Effectiveness in Meeting Legally Mandated Purposes (whether strategic planning in the agency fulfills the stated purposes of the Legislative Budget Board and the Governor's Office of Budget and Planning).

2.   What are the purposes of these planning processes? N = 13

    a.   to establish statewide direction in key policy or functional areas and move away from crisis-driven decision making;

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13 (100%)
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    b.   to provide a basis for aligning resources in a rational manner to address the critical issues facing the state now and in the future;

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6 (46%)
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    c.   to make state government more responsive to the needs of Texans;

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3 (23%)
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    d.   to bring focused issues to policy makers for debate and review;

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1 (8%)
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e.   to provide a context to link the budget and other legislative processes to priority
issues;

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5 (38%)
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f.   to impose continuity in budgeting, and to improve accountability for the use of
state resources;

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1 (8%) (from item c above)
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g.   to establish a means of coordinating the policy concerns of public officials with
the implementation efforts of the public and private sectors;

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4 (31%)
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h.   to build interagency, state/local, and public/private partnerships

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3 (23%) (one respondent referred to this under question 17)
```

i.   other

```
3 (23%)
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Descriptive: Effectiveness in meeting agency stated purposes.

3.   How does strategic planning include participation of employees at all levels of the
organization and the input of the constituencies affected by the agency?   N=11

Well	Somewhat	Not Well
4 (36%)	4 (36%)	3 (27%)

a.   What role does top management play? N=13

Leadership, Vision, Direction Setting	Prioritize, Design Process, Do It
10 (77%)	3 (23%)

b.   Internal planning staff? N=13

Keepers of Process, Facilitators	Keepers of the Plan, Writers	
	Are	Sometimes
13 (100%)	1 (8%)	4 (31%)

c.   Employees? N=13

Not Well Involved	Not Needed, Top Down Plan	Some Involvement, Improving
7 (54%)	3 (23%)	3 (23%)

d.   External oversight bodies?

   1) Legislature? N=9

Negative Impact on Plan (poor performance measures, process too prescriptive)	Neutral Impact	Positive Impact (they appropriated based on our plan)
5 (56%)	3 (33%)	1 (1%)

   2) State Auditor?

0 mentioned involvement

3) Board? N = 12

Approves Plan	Involved in Planning
10 (83%)	7 (58%)

e. Consumers? N = 13

Involved Locally	Involved at State Level	Well Involved	Improving	Not Well Involved
4 (31%)	8 (62%)	9 (69%)	2 (15%)	2 (15%)

f. Other stakeholders? N = 4

Washington Partners	HHSC	Public at Large	Service Delivery People
1 (8%) Do not have customer focus	1 (8%) Complicates the process	1 (8%) Public hearings are weak source of input	1 (8%) Getting more involved

Integration with Other Agency Processes:

4. What kind of organizational issues does strategic planning surface? N = 12

Real, Substantial Issues	Getting Arrows Pointing Same Direction
12 (100%)	5 (42%)

5. What kind of coordination is there across units in the organization? N = 12

Good	Some	Not Good (stovepipes)	Split between MH and MR	Split between Program and Support
0	7 (58%)	5 (42%)	4 (33%)	2 (17%)

How could it be improved? N = 11

CEC Do Better Planning, Own the Content	More Customer Focus	Remove CEC from Day-to-Day Planning Distractions	More Cross-Functional Teams and Opportunities for Agreement
4 (36%)	2 (18%)	3 (27%)	3 (27%)

6.   What benefits or opportunities does planning create? N = 5

5 (100%) Agreement, Focus, Future Orientation

7.   How do imposed deadlines (Legislative due dates) affect your planning process and day-to-day operations of your agency? N = 13

Distort Plan	Acceptable	Needed	Day-to-Day Demands Push Planning Back
7 (54%)	4 (31%)	2 (15%)	4 (31%)

8.   How easy are your planning systems to use? N = 12

User Friendly	OK	Difficult
3 (25%)	5 (42%)	4 (33%)

9.   How is planning connected to other agency processes? N = 6

Well	Somewhat	Not Well
2 (40%)	1 (20%)	3 (60%)

a. operational budgets N=9

Well	Somewhat	Not Well	Not Well to Operational Plans
2 (22%)	2 (22%)	5 (56%)	4 (44%)

b. requests for legislative appropriations N=9

Well	Somewhat	Not Well
2 (22%)	4 (44%)	3 (33%)

c. performance measurement N=13

Well	Somewhat	Not Well
0 (0%)	5 (46%)	7 (54%)

d. actual work or results accomplished N=8

Well	Somewhat	Not Well
0 (0%)	2 (25%)	6 (75%)

e. development of a shared functional area or agency vision N=11

Well	Somewhat	Not Well
10 (91%)	1 (9%)	0 (0%)

10. What indications there are that strategic planning has improved agency performance? N=8

Evident	Somewhat	Not Evident
3 (38%)	3 (38%)	2 (25%)

a. How do you know if you have done what you planned to do? N=10

Evident	Somewhat/Improving	Not Evident
2 (20%)	1 (10%)	7 (70%)

b. How do plans become actions? N=5

Operational/Program Plans	System Not in Place
2 (40%)	3 (60%)

Effectiveness: How well does planning meet legally mandated or agency stated purposes (whether the stated purposes of the Legislative Budget Board and the Governor's Office of Budget and Planning or agency/manager identified purposes):

11. How long have you (personally) been using your planning system?
    Question determined not relevant

12. How useful is planning to you? N= 6

Set Direction, Priorities
6 (100%)

13. How does planning help you to do your job? N=9

Sets Direction for Implementation, Gets the Money, Overcomes Crisis Orientation	No Help
8 (89%)	1 (11%)

14. What is the value of planning to the organization? N=8

same as 13

15. What is the benefit of strategic planning, if any?

same as 13

16.   How could it be improved? N=12

Better Link With Other Agency Processes, Plans	Better Performance Measures, Accountability	Meet Away from Office, Time to Focus	More Commitment and Ownership by CEC and Staff	More Interagency Efforts
8 (67%)	4 (33%)	4 (33%)	3 (25%)	2 (17%)

17.   Is it worth the effort? Why or why not? N=13

Yes	No
11 (85%)	2 (15%)

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