A Framework for Institutional Effectiveness:
Connecting assessment, planning and resource allocation to mission achievement.

Judy Hay, Chief Student Affairs Officer
Heidi Pasek, Chief Academic Officer
Joe Schaffer, Dean/CEO

Montana State University-Great Falls College of Technology
AACC 90th Annual Convention :: April 20, 2010
About the College

• Small, rural comprehensive community college
• Located in Northcentral Montana
  – Great Falls (45,000) / Cascade County (80,000)
  – 3,000 Credit Students, 1,500 FTE, 2,000 Non-credit Students
• Fastest growing campus in Montana University System (80% increase in enrollment over the past decade)
• Accredited by NWCCU
• Governed by State Board of Regents
• Part of the Land Grant Mission under Montana State University
• Niches in Healthcare and Distance Learning
• Extension Campus in Bozeman, MT
Why an Integrated Framework?

Perfect Storm for Change at MSU-Great Falls

- From K12 Vo-Tech to Higher Education
- Internal Cultural Clashes
- Growing Demands (Student, Community)
- Shrinking Resources
- The “Recommendation” by NWCCU
Goals for Today

• Discuss Paradigm Shifts:
  – From silos to integration of assessment, planning and resource allocation

• Identify and discuss the major components in an integrated framework

• Understand the general framework

• Assess your institution’s readiness/maturity

• Other goals from the audience?
Some Assumptions

It is assumed your campus has some:

1. flexibility over how your resources are allocated internally;
2. influence in determining what the desired outcomes of the institution are;
3. say in how you measure the achievement of those outcomes; and
4. freedom to conduct organizational planning
Participants Beware

Full Disclosure:

• Not experts in budgeting, institutional research, or strategic planning
• Sharing one campus’s experience in
  – Shaping of a culture
  – Managing growth, productivity and resource reductions
  – Measuring performance and improving it by strategic allocation of resources
• Our opinions are based on personal experience
Institutional Effectiveness?

• What is it?
  – The ability of the organization to achieve the expectations of its primary constituencies
  – These expectations flow through the mission, delineated by institutional vision, values and goals

Thus institutional effectiveness is all about MISSION ATTAINMENT!
Question #1

In higher education is mission attainment ever 100% achievable?
The Framework

An integrated framework is comprise of:
1. An institutional Shared Governance Group
2. Institutional Performance Measures
3. Planning: Strategic and Operational
4. Resource Allocation Philosophy
5. Evaluation: Formative and Summative
Shared Governance

“First who, then what.” (Collins, 2001)

“The right people in the right roles defines the organization’s capacity to perform” (Drucker, 2005)

“Strategic planning comes later... relationships come first” (Fullan, 1993)
An integrated framework begins with a shared governance group composed of:

- adequate representation from all functional units (academics, student affairs, finance, etc)
- Equitable distribution among constituent types (faculty, administration, staff, board, students)

**Suggestion:** Consider removing executive power...
Shared Governance

Charge and Authority:

• Communication of process to constituencies and broader campus community
• Collection and analysis of institutional data
• Leading the development and aggregation of budget, strategic and operational goals
• Strategic allocation of resources to improve institutional effectiveness
At MSU-Great Falls we have:

• The College Planning, Budget & Analysis Committee or CPBAC.

• Comprise of 17 voting members, 3 Ex-officio non-voting

• www.msugf.edu/about/CPBAC/

*a work in progress...*
Question #2

Does your campus believe in shared governance and does it match this belief with practice?
Measuring Performance

If you don’t define it, you can’t measure it!

The second component in the framework are the institution’s performance measures.

• Performance Metrics
• Key Performance Indicators (KPI’s)
• Core Indicators of Institutional Effectiveness
Performance Measures

• “provide a measurement for assessing the quantitative or qualitative performance of a system” (Cuenin, 1986, p. 7).

Key Performance Indicators (KPI’s)

• “a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization” (Parmenter, 2007, p. 3).
Measuring Performance

Core Indicators of Institutional Effectiveness

• A core indicator is a “regularly produced measure that describes a specified condition or result that is central (or foundational) to the achievement of a college's mission and to meeting the needs and interests of key stakeholders" (Alfred, Shults, & Seybert, 2007, p. 12).

Core Indicators of Effectiveness for Community Colleges
(Alfred, Shults, & Seybert, 2007)

Mission: Student Progress
Core Indicator 1: Student Goal Attainment
Core indicator 2: Persistence
Core Indicator 3: Graduation Rates
Core Indicator 4: Student Satisfaction

Mission: General Education
Core Indicator 5: Success in Subsequent and Related Coursework
Core Indicator 6: Program Learning Outcomes and Mastery of Discipline
Core Indicator 7: Demonstration of General Education Competencies

Mission: Outreach
Core Indicator 8: Regional Market Penetration Rates
Core Indicator 9: Responsiveness to Community Needs

Mission: Workforce Development
Core Indicator 10: Placement Rates
Core Indicator 11: Licensure and Certification Pass Rates
Core Indicator 12: Employer Satisfaction with Graduates
Core Indicator 13: Client Satisfaction With Programs and Services

Mission: Contribution to the Public Good
Core Indicator 14: Value Added to the Community

Mission: Transfer Preparation
Core Indicator 15: Transfer Rates
Core Indicator 16: Performance After Transfer
MSU-Great Falls Core Indicators of Effectiveness

MSUGF’s core indicators of institutional effectiveness stem from the Montana Board of Regent’s system measures of effectiveness, federal accountability law and policy and the College’s core themes and values. The core indicators of institutional effectiveness are summarized and grouped in the following:

**Participation**
Core Indicator 1: Enrollment Rates  
Core Indicator 2: Regional Market Penetration Rates

**Student Success**
Core Indicator 3: Persistence (Retention)  
Core Indicator 4: Graduation Rates  
Core Indicator 5: Demonstration of Abilities

**Academic Preparation**
Core Indicator 6: Success of Remedial Students in Developmental Coursework  
Core Indicator 7: Success of Remedial Students in Subsequent and Related Coursework

**Workforce Development**
Core Indicator 8: Workforce Degree Production  
Core Indicator 9: Placement Rates  
Core Indicator 10: Licensure and Certification Pass Rates  
Core Indicator 11: Employer Satisfaction with Graduates

**Transfer Preparation**
Core Indicator 12: Transfer Degree Production  
Core Indicator 13: Transfer Rates  
Core Indicator 14: Performance after Transfer
Measuring Performance

Some considerations:

• Call or name the measures what works for your campus (e.g., metrics, indicators, KPI’s)
• Align them with other measures
  – National or Peer Benchmarks (e.g., NCCBP)
  – State Performance Measures or Metrics
• Prioritize measures to align with resources and institutional capacity

*Remember, data is only as good as it is actionable*
Question #3

Does your campus have well-defined, clearly-articulated, broadly-known performance measures that are consistently assessed?
Institutional Planning

The third component is institutional planning.

Institutional Planning includes two part:

1. Strategic Plan
2. Operational Plan

There will always be need for issue-specific plans (e.g., academic, IT, facilities)
Why do strategic plans fail?
Because plans are never used to run the business

Five reasons why strategic plans fail within organizations:

1. Vague mission/values and weak organizational linkage
2. Vague vision/strategic intent and weak organizational linkage
3. Lack of data analysis during plan creation
4. Lack of periodic review and process improvement
5. Daily management not distinct from breakthrough objectives

(Babich, 1995)
Institutional Planning

The Strategic Plan:
• has the purpose of “determining the nature of the environment in which an institution operates, assessing its internal strengths and weaknesses, and developing a vision of its future character given these assumptions” (McPhail, 2005, p. 158).

The Operational Plan:
• “establishes short-range objectives, determines their relative priorities, and decides the kinds and levels of resources to be devoted to each objective” (McPhail, 2005, p. 158).
In an integrated framework, **Strategic Planning**: 

- is conducted by the shared governance group of the campus;
- focuses on big-picture opportunities or threats to the ability of the institution to improve or sustain the desired level of effectiveness;
- should **not** provide program, operational, or budget details for specific activities or unit-level objectives (Schmidtlein, 1990);
- should provide over-arching strategic priorities that are clearly linked to the mission;
- should be limited to a few (three to five) priorities that span multiple years; and
- Creates a “context for...operational planning and budget decisions” (McPhail, 2005, p. 159).
In an integrated framework, **Operational Planning**:

- is the nuts and bolts of the organization’s work addressing
  - strategic plan priorities,
  - improvement on the institution’s performance measures, and
  - ultimately mission achievement;
- identifies short-term objectives for the major operational units of the institution (Schmidtlein, 1990, p. 12);
- outline the specific initiatives or activities organizational units will work on to contribute to the improvement of institutional effectiveness; and
- has activities often initiated, completed and evaluated as part of an annual process.

Institutional Planning
In tandem, a macro-level strategic plan provides the over-arching vision, whereas a micro-level operational plan allows individuals and groups within a college to link their immediate work to the strategic direction and key performance measures of the institution.
Question #4

Does your campus successfully develop and implement institutional strategic and operational plans?
The fourth component in the framework is a strategic resource allocation process.

*Note: Budgets and Resource Allocation are not the same.*

**Budgets Are:**

- “strategic documents and not merely spreadsheets” (Johnson, Hanna, & Olcott, 2003, p. 106);
- the result of decision making concerning the allocation of resources to target the work of the organization towards achieving the mission;
- one outcome of an integrated process of planning, assessment of institutional effectiveness, and resource allocation;
- the fiscal equivalent of the institution’s value statements.
Resource Allocation:

- is a value-based philosophy that drives the development of budgets;
- should be a strategic mechanism inherent in the model of resource distribution at a campus;
- is about ensuring scarce resources are attached to those areas critical to meeting the institution’s mission.
Two Critical Elements of Resource Allocation:

1. **Strategic Allocation/Reallocation Element**
   Pool of resources to be distributed to the areas and activities prioritized by the shared governance group (outlined in the operational plan).

   - Institutions must commit to funding strategic activities most likely to improve institutional effectiveness.
   - This is accomplished by ensuring some level of resources are available to fund strategic initiatives put forward by units of the college.
Resource Allocation

Two Critical Elements of Resource Allocation:

2. **Evaluation Mechanism** designed to assess the appropriateness of ongoing base-level funding of a budget area.

- Campuses need “to understand that resources will flow in relation to market demand and assessed performance” (McPhail, 2005, p. 161).
- As new resources are required for continuous improvement, the reallocation of existing resources from under-performing areas must be considered.
Some considerations:

- All units should have their effectiveness assessed in relevance to their contribution to the institution’s performance
- Tie base budget assessment to academic program review tied to performance measures and strategic investments to improvement plans
- Use peer benchmarking to compare staffing levels and budget allocation in co-curricular or support areas
- Use multiple tools for assessing base budget needs and unit effectiveness (enrollment isn’t everything)
- Maximize enrollment contingencies and operating budget pools or reserves
Question #5

Is your institution’s resource allocation philosophy designed to strategically drive the development of budgets?
Evaluation

Although inherent in the framework, the fifth component is evaluation.

Includes both Formative and Summative:

1. Formative evaluation is tied to the activities outlined in the operational plan of the institution.
2. Summative evaluation occurs in the annual assessment of the institution’s performance measures and strategic plan priorities.
Question #6

Does your campus clearly evaluate mission attainment through formative and summative evaluation of operational activities, strategic priorities, and institution performance measures?
Pulling it all Together

1. An integrated model flows from the institution’s mission, through the assessment of the organization’s performance measures, further guided by strategic priorities.

2. Instead of the traditionally linear approach to planning and budget setting, an integrated model should be employed in a cyclical manner.

3. Implementation of operational plan activities occurs over the course of the cycle, with opportunities for formative evaluation.

4. At the conclusion of the cycle, performance measures and strategic plan priorities are analyzed to gauge changes in institutional effectiveness.

5. Finally, strategic plan priorities are checked for relevance and those that have been satisfied are removed and new strategies may be added.

6. The cycle then repeats.
The Framework

Mission & Vision

Institutional Performance Measures

Strategic Plan

Assessment of performance measures / Strategic Plan Priorities

Evaluation of Operational Plan Activities

Operational Plan Development

Implementation of Operational Plan Activities

Resource Allocation Process
Mission & Vision

Core Themes

Core Indicators of Institutional Effectiveness

Strategic Plan

Assessment of Core Indicators/Strategic Plan Priorities

Evaluation of Annual Plan Activities

Annual Plan Development

Implementation of Annual Plan Activities

Resource Allocation Process

The Framework at MSU-Great Falls
Question #7

Is the integrated framework of planning, assessment of institutional effectiveness, and resource allocation in place and functioning at your campus?
Contact Information

MSU-Great Falls College of Technology
2100 16th Ave South
Great Falls, MT 59405

Phone: (406) 771-4305
Fax: (406) 771-4317
Web: http://www.msugf.edu
References


