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“Linking Your Strategic Plan with Performance Management Tools”

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Introduction

Strategic planning has become a popular and key step in the development and maturation of Islamic schools. A well-defined and structured strategic plan can provide a clear vision that guides the Board and Administration in their planning process. Traditionally, strategic plans are used to periodically evaluate the performance of an organization and measure progress towards its mission and vision. Further, strategic plans must be managed and updated so the plans reflect the changing landscape within which the organization operates. The plan should account for changes in the organizational culture, finances, structure, stakeholder requirements, etc. Further, the plan should be updated to reflect the accomplishments and improvements made since the previous version was approved. Hence, the strategic plan is an evergreen document that grows and matures as the organization develops.

A key challenge Islamic organizations face is the lack of understanding in the management of a strategic plan and having this plan drive performance all the way through the organization from the Board to the employees and volunteers. Managing the plan requires dedicated resources and an infrastructure to maintain a level of focus and attention on the strategic goals. Driving performance from the strategic plan, however, requires organizations to link their strategic goals to performance measurement tools that monitor shorter term objectives. Making this link between broad, long-term goals and the short-term objectives used to evaluate employee or department performance creates challenges.

In Islamic schools, the Board that creates the strategic plan will typically require the administration to develop the tactical plan to achieve the long-term objectives of the organization. The process at this point can reach a stumbling block when strategic plans must be broken down into annual or semester goals. Further, if the Board and Administrators are not clearly communicating their expectations in terms of well-defined metrics and measureable indicators, then there will be misalignment, frustration, and even stagnation.

The Balanced Scorecard is one tool that helps organizations not only better structure their strategic goals but also better link their long-term goals with their tactical objectives and operational plans.

Balanced Scorecard Basics

The Balanced Scorecard (BSC) is a management tool developed by Robert Kaplan and David Norton of the Harvard Business School and published in Harvard Business Review in 1992. The key premise behind this tool was to organize business performance measurement around four key areas: financial, customer, internal and innovation and learning. Since its introduction, the BSC has been used by many major multinational companies and non-profit organizations to bring structure and focus to their strategic initiatives.

At Iman Academy, the BSC was organized in four areas as shown in Table 1. These areas were more reflective of the focus areas of a school.

Table 1 - Iman Academy's Balanced Scorecard Areas

	Traditional Focus Area	Iman Academy Areas	Description
1	Financial	Finance	School's financial strength and performance
2	Customer	Student	Student performance, skills, etc.
3	Internal	Process & Systems	Operating procedures/ policies, IT systems,

			administrative structure
4	Innovation & Learning	People	Faculty, Staff and Board skills and learning

Typically, schools measure performance using metrics that are primarily financial or financial health drivers. Tuition collected per student, expenses per student, financial aid or discounts as percent of total budget, student enrollment are just a few examples. In addition, schools will use standardized test results as indicators of student performance and academic quality.

Although schools will add other goals to financial and student performance objectives, institutions may struggle in linking these goals to operational or tactical goals. Moreover, focusing on financial and student performance measures may limit attention to other key support areas like staff and board skills and capabilities or operating processes and systems. The BSC brings a more balanced approach to goal setting.

BSC As An Alignment Tool

The BSC brings additional perspectives to evaluate performance because these areas are critical in driving overall school improvements and growth. For example, in schools staff development and training are vital in building the capabilities required to achieve long-term objectives. Schools looking to add a Gifted-Talented (GT) program or advanced curriculum must incorporate programs and activities that prepare the faculty to effectively deliver these new curriculums. Including staff development objectives as part of the “People” quadrant of the BSC then supports the GT or advanced curriculum objectives in the “Student” quadrant. Further, adding objectives to the “Finance” quadrant that will fund the GT program and the staff development immediately yield holistic strategic goals that provide multiple pillars of support that increase the probability of success.

This simple example also demonstrates how the BSC can be used to align an entire organization around their strategic goals. The Education team sets the goal to implement an advanced curriculum and includes this in their departmental BSC. The Human Resources department builds staff development and hiring objectives that will add the skills and capabilities required to deliver a more advanced curriculum. The Finance department includes financial goals to fund the training, curriculum resources and additional staff required by the Education team. Hence all the teams are aligned and working collaboratively on major strategic objectives but within their specific areas of focus. The table below shows an example of how several departments would align their goals to implement a dual credit high school program.

Table 2 - Balanced Scorecard As Alignment Tool

	School BSC Areas	Department	Aligned Goals
1	Finance	Finance	Establish scholarship fund for dual credit students
2	Student	Education	Implement dual-credit program in High School
3	Process & Systems	IT	Develop interface with college IT system
4	People	Human Resources	Hire academic advisor with dual-credit experience

Aligning the different departments and teams has multiple benefits. First, the BSC creates a shared vision where each team or department knows the direction and how they will contribute and help the school achieve its objective. Second, alignment through the BSC brings efficiency and focus as school resources

are directed to holistic goals. Further, by aligning the key departments on major objectives, schools will accelerate their progress and increase the likelihood of reaching their goals.

Driving Accountability Via The Balanced Scorecard

The BSC can bring alignment to a school and all its departments and teams. However, to drive the activities and actions required to reach the BSC goals, both department leaders and their team members must be held accountable. The BSC provides a structured set of global targets that can be translated into department level and individual goals which then drive accountability throughout the school.

As noted in Table 2, a strategic goal is divided into multiple department level goals. Schools should expect department leaders and school administrators to break down the higher level goals into personal goals to be included in their annual performance evaluations. By cascading the school and department goals to the individual goals, school administrators are immediately aligned with the overall school goals and more importantly they are personally motivated to help achieve these goals.

Table 3 – Administrator Level Balanced Scorecard Drives Accountability

	School BSC Areas	BSC Goals	Administrator Goals
1	Finance	Establish scholarship fund for dual credit students	Design scholarship criteria, forms and amounts
2	Student	Implement dual-credit program in High School	Revise graduation requirements incorporating dual credit options
3	Process & Systems	Develop interface with college IT system	Build web interface with college registration website
4	People	Hire academic advisor with dual-credit experience	Develop job description and compensation package for Academic Advisor position

Now school leaders can be held accountable for achieving strategic goals through their year-end performance evaluations. Administrator behaviors then are driven by and aligned to long-term school goals.

The board can further drive accountability and alignment by making these strategic objectives part of their monthly reporting process and as part of the board meeting agendas. The monthly report should not only provide an update on the school operations, but also the report gives administrators the opportunity to share progress and challenges faced in accomplishing their longer term objectives. The monthly updates then effectively transforms the annual goal review process to a monthly review and status reporting process.

This approach helps drive accountability, but more importantly the board will be aware if the status and can then address issues and challenges to support the administration rather than wait till the end of the performance period to realize some goals were not being achieved. As such, the board and administration are collaborating to accomplish the BSC objectives while holding individuals and departments accountable for these goals. Everyone should realize that a unrealized goal is a detriment to the entire organization and not just a failure on a specific department or individual. The BSC should a tool to drive team work and collaboration as well as accountability and alignment.

Building Tactical Goals From BSC Objectives

At this point, we have discussed how to build holistic strategic goals that align the entire organization. Further, we described how to drive accountability by creating department goals and administrator goals aligned to the BSC goals.

Setting goals and driving these goals throughout the school is a major step and creates a goal-oriented, focused organization. However, achieving the goals requires more than just alignment and holding people accountable. Administrators need to be able to convert the goals into tactical, actionable steps that will achieve the BSC objective.

Often schools struggle with designing the tactical plan to achieve a strategic goal for multiple reasons. Some of the potential challenges school administrators face is the ability to design a comprehensive tactical plan that addresses organizational, people, financial and other aspects of an action plan.

At Iman Academy, the school had a goal to integrate technology into the curriculum and the Board approved a project to implement an Arabic language laboratory where students would be able to supplement in-class instruction with an Arabic language software. To achieve this goal, the Board assigned a project manager who designed a plan including a project timeline, software selection process, budget, technology assessment, communication plan and staff development plan. The tactical plan was comprehensive addressing multiple aspects of the implementation and engaging stakeholders fully throughout the project. The project manager helped convert a strategic goal into a comprehensive action plan resulting in a successful implementation achieving the end goal.

The BSC provides a framework for thinking through goal setting in a comprehensive manner that then drives the tactical plan. In the above example, there are activities and sub-goals that could be incorporated into several BSC quadrants. In turn, these sub-goals would be adopted by school administrators as part of their annual goals and activities. Hence, the BSC strategic goal has been translated into departmental goals, personnel goals and eventually into a tactical plan. This approach yields a higher probability of success because both school administrators and board are aligned, but more importantly they have a clear set of steps and activities required to make the goal a reality.

Conclusion - Driving Performance Through The Balanced Scorecard

Several examples have been provided to demonstrate how the BSC can bring structure and focus to a school's strategic objectives. When trying to put goals and objectives in the four quadrants of the BSC, school leaders are forced to consider multiple aspects of a goal and incorporate other goals that support a broader goal. Hence school leaders develop holistic and comprehensive goals that are more likely to be achieved and drive overall school improvement.

Further, the BSC can drive alignment and accountability throughout a school when high-level BSC goals are translated into department level and personal goals. When a strategic goal can be compartmentalized into multiple departmental goals, department heads are immediately linked and coordinated on a strategic initiative with each one knowing how they are contributing to an overall objective. Department heads can be held accountable through these department-level goals linked to the BSC goals. This coordination not only brings alignment accountability, but also this approach builds team spirit and efficient allocation of resources.

Finally, the BSC goals were refined into tactical objectives that provided meaningful and actionable steps required to achieve a specific strategic goal. By developing granular steps and activities, school leaders and staff have a clear line of sight on how and when an objective can and will be achieved. This approach immensely improves the likelihood of a successfully reaching a target.

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