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Embedding Strategic Goals in Unit Annual Plans

Cascading Priorities to Divisional Objectives and Action Items

PART

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- 1** Annually or once per term, academic and administrative units should create action plans that cascade institutional strategic priorities into unit-level objectives and action items.
- 2** Less is more in these plans; strategic institutions keep them to a single page, not just to reduce administrative burdens on frontline units, but to compel simplification of proliferating to-do lists into a short, and therefore memorable and visible commitment to shared goals.
- 3** The most effectively-constructed plans take the SMART target a level above them in the organizational hierarchy as an overarching target and break it down into controllable objectives to pursue, and key results to attain that are within the unit's ambit. As goal-setting gets closer to the front line, leading indicator input metrics take precedence over lagging indicator outcome metrics, which are more appropriate to longer-term, institution-wide targets.
- 4** Recent research in private industry suggests that radical transparency—making unit and even individual targets publicly viewable—is highly effective in winning staff engagement in focusing efforts on priorities and away from things that matter less, and for increasing the audacity and achievement of local goals. Amazingly, 90%+ of staff in both private firms and nonprofit organizations willingly share goals, with little cultural blowback and high performance improvement upside.

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“Plans are useless, but planning is indispensable.”

Dwight D. Eisenhower

“The university is a series of individual entrepreneurs held together by a common grievance about parking.”

Clark Kerr

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This [series of executive briefings](#) makes the argument for establishing the foundations for Dynamic Strategy on your campus. Greater rigor and agility in strategy formation and strategic execution allows the organization to:

- Course-correct and reallocate resources in response to emerging market risks and opportunities
- Rigorously define a differentiated value proposition, relevant to key audiences like students, talent, donors, and granting agencies
- Reorganize processes and policies so that the benefits of the value proposition are experienced by the vast majority of campus, every day (not infrequently by a persevering few)
- Combat incrementalism and promote dial-moving performance gains through SMART targets, strategic investment seed funds and budget models that concentrate resources on strategic objectives

Each of these ambitions, particularly those concerning the institution’s differentiated value proposition to every corner of campus and channeling resources from lower-value to strategic activities, require levels of alignment with frontline units that is uncommon but eminently achievable at most institutions. In the following pages, we examine some of the habits and hacks strategy teams can deploy to get academic and administrative units aware of and bought into institutional priorities.

Embedding Strategic Goals in Unit Annual Plans (cont.)

Cascading Priorities to Department Objectives and Action Items

Don't Assume Everyone Knows Your Strategy—Use Unit Annual Planning as an Occasion to Educate about Strategic Logic and Goals

Even in private industry, where organizations have fewer missions than in higher education, the statistics are remarkable: survey after survey shows that only about one-third of middle managers can list their firm's top three strategic priorities. The gap increases the more annual budget planning is an exercise separate from strategic reflection. That might sound like a simple fix, but at any given time, some significant percentage of people in the organization are working on the wrong things. The challenge is knowing which ones.

EAB hasn't encountered a comparable survey specific to colleges and universities, but one can assume the challenge is even steeper, given increasing turnover among senior leaders and the typically limited rotations and management trainings for department chairs.

Strategic institutions use annual planning to raise awareness about strategic priorities (How did we arrive at these strategies?) and to collectively commit to the same directional objectives across the diverse organization. A cascading goal-setting system does more than just tracking; it aligns from the organization-wide level all the way down to individual objectives. Absent this exercise, siloed departments and entrepreneurial staff can diminish the impact of their efforts by pulling in too many different directions.

Cascading Objectives Linked to Institutional Priorities and Unit Key Results

The cascading process works like this: high-level goals flow from central strategy teams downwards to deans, department/unit heads, and individual employees who take ownership of specific key results from those above them in the organization. They then decide the best way to achieve those objectives. Although objectives are driven from the top, it is vital that there is input from below. Those closer to the trenches will have a better idea of how to make objectives a reality.

Institutional Strategic Priority: Student Success

SMART Target: Improve 6-year graduation rate from 65% to 75% within 5 years

Business School Objectives and Key Results

Objective:	Remove barriers to on-time graduation in curriculum
Key Result 1:	Reduce DFW credit loss by 20%
Key Result 2:	Increase enrollment in summer early starts by 30%
Key Result 3:	Introduce completion-based registration priority

Embedding Strategic Goals in Unit Annual Plans (cont.)

Cascading Priorities to Department Objectives and Action Items

Less Is More. Keep the Main Things the Main Things--Don't Ask Units to Address Every Priority, Every Cycle

Strategic institutions treat the embedding of institutional priorities in unit plans as a kind of de-cluttering exercise. In the absence of clear priorities and goals, planning devolves into an endless to-do list, awash in data, with the organization tugged in too many competing directions.

We recommend using a simple, one-page template for setting unit objectives to pursue and key results to achieve for the cycle. Some institutions do this once per year coincident with budgeting; more are doing the objective-key result cadence once per term going forward. You can access a ready-to-use template [here](#).

Many strategic planning leads ask whether every unit should create annual plans detailing strategy-supporting action steps for every top-level institutional priority. It's a fair question; time-oppressed staff fatigued by the pandemic might reasonably ask, "*I'm in the classics department. How much impact can we have on the strategic goal of operational excellence?*" or "*Is campus safety going to make us an R1 research institution?*" No one wants to put unproductive administrative burdens on frontline staff, making action plans for priorities they can't influence meaningfully. But at the same time, no one wants to implicitly suggest units can soft-pedal emerging priorities like DEI and health and wellness, where there's less track record for how traditional units can contribute, and more creativity and commitment are needed.

EAB's advice is to not to let the perfect be the enemy of the good and introduce the discipline of linking unit plans to institutional strategy by picking 1-2 essential priorities. For most schools, these involve student success, the student experience, or enrollment. Over time the full complement of priorities can be worked in, but the appeal of "plans that fit on one page" is compelling as a start.

Focus on *Leading*, Not *Lagging* Indicators

The higher on the strategic goal hierarchy, the more appropriate are *outcomes metrics*—which are lagging indicators of units' collective everyday effort that sometimes take years to accomplish (e.g., becoming an R1 institution). The closer to units' annual plans, the more appropriate are *input activity metrics*—which are leading indicators (e.g., number of multidisciplinary grant applications, average dollar size of proposals, etc.).

Over time, it's possible to treat performance against key results as field experiment data to inform future goal-setting—empirical data on how much input effort equates to what level of desired outcome. A learning organization mindset helps overcome cultural resistance to embedding institutional goals in unit plans that comes from fear of this discomfort of meeting goals. The results of every effort to hit a target aren't a win or failure *per se*, they're an experimental data point.

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Radical Transparency Produces Results, If the Culture Can Handle It

EAB offers this observation to the enthusiastic subset of leaders in higher education who closely watch strategy and management insights from private industry that might convey to the academy.

Cascading organizational goals to front-line action steps has long been in the canon of business literature. Influential authors like Peter Drucker (*Managing for Results*) and John Doerr of the venture capital firm Kleiner Perkins (*Measure What Matters*) have been virtually required reading for managers in charge of strategic goal-setting for decades.

Only recently however has an ecosystem of enterprise software companies existed that facilitate workflow and monitoring of an organization's unit and individual goals. Firms with names like *Betterworks*, *Lattice*, *15Five*, and *Workday* either specialize in or offer robust features for recording, tracking, and sharing goals. They've begun to share blinded data with business school researchers to analyze patterns about the efficacy of different goal-setting approaches, and individual employees' behavioral psychology.

The insights are quite interesting. First and most surprisingly, employees in every industry and every managerial tier were overwhelmingly likely to opt in to making their individual and unit goals publicly visible to the rest of the organization, a behavior that neither researchers nor leaders expected. 90%+ of individuals made their objectives and key results transparent to bosses and peers, a result that held true across industry types, firm size, and private-sector vs. not-for-profit outfits.

Radical transparency seemed to produce a virtuous cycle: the more employees share individual goals, the more other employees view, follow and comment on them, often to cheer them on. Anecdotally, managers said they need fewer meetings to impress and align goals because staff have better understanding. Unit and personal goals trend more aggressive over time without blowback because employees can see what's was expected and possible elsewhere in the organization.

Senior leaders have to decide if this approach makes sense culturally at each institution. There is growing empirical data and observed experience, however, that allowing staff to see each other's goals and connect the dots with strategy can address many of the organizational barriers that make it difficult to get local units to buy into campus priorities.



EAB Resources for Your Teams' Planning

Partners can access these resources as templates and activity guides for strategically aligned unit planning:

[Academic Vital Signs](#): Aligning Departmental Evaluation with Institutional Priorities

[Key Performance Indicator \(KPI\) Compendium](#) for Business Units

The University of Wisconsin—Eau Claire's [Academic Department Performance Dashboards](#)