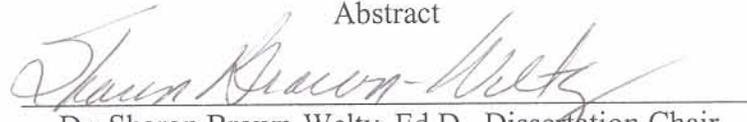


Philip Sanmi Abode  
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Educational Leadership

An Exploratory Study of the Relationship Between Organizational Strategy and  
Performance Among California's Largest Unified School Districts

Abstract

  
Dr. Sharon Brown-Welty, Ed.D., Dissertation Chair

While strategic planning is a common concept in the educational administration literature, organizational strategy is conspicuous by its absence. The purpose of the study was to understand the nature of the relationship between organizational strategy and district performance among California's largest unified school districts. Organizational strategy was conceptualized as the intended and realized district strategies directed toward the accomplishment of district mission. In order to measure intended and realized district strategies, a survey instrument, School District Strategy Survey 2004 was used to collect information about strategic plan implementation (intended strategy) and the strategic orientation (realized strategy). The measure of strategic orientation was based on Miles and Snow's self-typing paragraph method. A copy of the survey instrument was sent to the superintendent of each of the largest 100 unified school districts in California. The return rate was 52%.

District performance was conceptualized as a multidimensional construct comprising operational efficiency, product quality, and program equity. Three performance ratios were developed from existing district input, output and outcome data obtained from secondary sources. The Graduate Output Rate (GOR) measured as the annual percentage ratio of the number of high school graduates to the total number of

high school enrollments was used as a proxy for operational efficiency. The College Preparation Rate (CPR) measured as the annual percentage ratio of the number of graduates satisfying the UC/CSU a-g course requirements to the total number of graduates was used as a proxy for product quality. Finally, the Achievement Gap Index (AGI) measured as the annual percentage ratio of the Academic Performance Index (API) of the population of disadvantaged students to the API of the population of non-disadvantaged students was used as a proxy for program equity. Each of the ratios was averaged over the most recent two years for which data were available.

The relationship between organizational strategy and district performance was modeled using strategic plan implementation status and current strategic orientation as the independent variables and the three measures of district performance as the dependent variables. The dataset was analyzed using multivariate analysis of variance (MANOVA) with student poverty level measured as the percentage of students participating in the free/reduced lunch program as the covariate. The multivariate result showed that strategic planning and strategic orientation had significant main effects on the multidimensional district performance. The interaction of strategic planning and strategic orientation did not have any significant effect on district performance. The corrected model significantly explained 69% of the variance in operational efficiency and 49% of the variance in product quality. The explanatory power of the model on program equity was a moderate 25% and approached significance.

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by

Philip Sanmi Abode  
B.S. (Oklahoma State University, Stillwater, OK) 1978  
M.B.A. (Oklahoma State University, Stillwater, OK) 1983

DISSERTATION

Submitted in partial satisfaction of the requirements for the degree of

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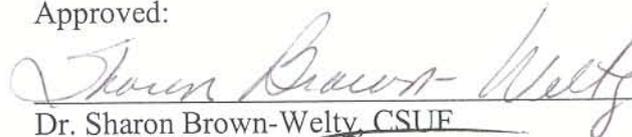
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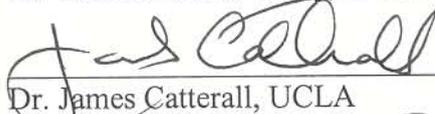
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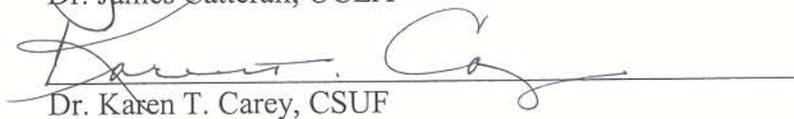
of the

California State University, Fresno  
University of California, Davis

Approved:

 \_\_\_\_\_, Chair  
Dr. Sharon Brown-Welty, CSUF

 \_\_\_\_\_  
Dr. James Catterall, UCLA

 \_\_\_\_\_  
Dr. Karen T. Carey, CSUF

Committee in Charge

2005

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## FORWARD

This dissertation would not have been possible without the cooperation and assistance of several important people. I am grateful to my family including my wife, Idia and my children: Foluso, Olatosin, Omolara, and Akinkolade for their understanding, support and encouragement. I am deeply indebted to my dissertation chair, Dr. Sharon Brown-Welty for sticking with me and giving me the basis for carrying this project to completion. Finally, I am most grateful to my parents who continue to be important sources of inspiration for me long after they have both joined the pantheon of our ancestors.

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## CHAPTER I - INTRODUCTION

### Introduction

Without a strategy, time and resources are easily wasted on piecemeal, disparate activities, mid-level managers will fill the void with their own, often parochial, interpretations of what the business should be doing; and the result will be a potpourri of disjointed, feeble initiatives.

(Hambrick & Frederickson, 2001)

### *Need For Strategy*

There is substantial agreement in the organization and management literature that organizations need a strategy if they are to be able to effectively and efficiently achieve the mission for which they are created (Ansoff, 1988; Miller, 1998; Mintzberg, 1994; Quinn, 1988). The field of strategic management developed as an applied field of management theory with a focus on organizational strategy and the responsibility of senior management for creating and managing effective organizations. Since the emergence of strategic management in the 1960s, strategic management researchers have concerned themselves with helping chief executives and senior managers understand the importance of strategy to organizational success and work to develop concepts, principles, frameworks, and models that managers can use to formulate and deploy strategy throughout the organization.

Given the centrality of strategy in the management literature, an understanding of the value of organizational strategy in school district administration has been hampered by a lack of attention to the concept in district administration research. A preliminary search of the school district administration literature focusing on strategy, strategic planning,

strategic management, and organizational performance found that strategy research regarding district administration is rather limited. The literature reveals that school districts began using various models of strategic planning roughly two decades ago (Conley, 1993). Much of school district strategy literature deals with strategic planning processes, perceptions, and attitudes of planning participants (Cohn, 1999; Gehrking, 1996; McHenry & Achilles, 2002). Empirical studies on school district strategy making efforts are predominantly doctoral dissertations.

Significant gaps currently exist in the literature on district organizational strategy. First, the concept of strategy has not been clearly defined for application to school districts as organizations. Second, there has not been significant research into the relationship between strategic planning and district performance. Finally, researchers have focused their attention on strategy processes while ignoring the content of strategy. Business strategy research suggests that the content of strategy has a more direct relationship to performance than process (Robinson & Pearce, 1988).

In light of ongoing public pressure on school districts to improve academic performance and the marginal impact of existing reform strategies, there has been a call for systemic approaches to school reform. The pre-systemic reform of the 1970s and early 1980s emphasized single innovative changes in curriculum and instruction whereas systemic reform sought to change entire systems—schools, districts and their contexts through a second order change process (Cuban, 1988; Fullan, 1985; Stiegelbauer, 1994).

Following a review of the problems of top-down and bottom-up educational changes, Fullan (1993) concluded that neither process by itself can achieve the mission of change and proposed coordinated top-down and bottom-up strategies for educational

improvement. Fullan did not, however elaborate on how top-down policy strategies arising from state and federal levels of educational governance would be coordinated with district and school levels strategies.

Mauriel (1989) proposed a strategic management methodology to reform emphasizing strategic leadership of the central office. Murgatroyd and Morgan (1993) proposed models for managing schools based on Deming's Total Quality Management (TQM) philosophy. While these writers made important contributions to the educational reform literature, they failed to provide ways for the senior district administrators to align their organizations to a changing context of policies, mandates, and client needs.

Within the field of strategic management, organizational strategy has been described as the means for not only coordinating the internal activities of an organization, but also for aligning the organization with its external environment (Porter, 1991; Schendel & Hofer, 1978). The focus of this study was to develop an understanding of organizational strategy in the school district context as a basis for providing superintendents and senior administrators with the tools necessary for improving the long-term performance of school districts.

### *Background*

#### *District Political Economy*

Local educational agencies do not operate in districts that are equally endowed. When all 15,000 public school districts in the United States are taken together as an industry, the industry structure can be characterized along three major dimensions of geographic, socioeconomic, and sociocultural. Geographically, districts can be labeled as urban, suburban, and rural. Economically, districts vary in their tax base; education, income and

wealth of individuals that live within district boundaries; and also vary in the characteristics of the children that they serve.

There are correlations among these dimensions that place some districts at economic advantage relative to others. Suburban districts are generally more economically advantaged than urban and rural districts. Suburban districts tend to draw their clientele from more affluent families characterized by middle class status, relatively high income, high educational attainment, and white collar and professional employment.

Urban and rural districts are generally economically disadvantaged for different reasons. The industrial revolution that began in the mid-19<sup>th</sup> century saw the decline of the agricultural economy of rural areas and a shift in population in favor of growing urbanization in the cities. Changes in the U.S. socioeconomic geography following the end of WW II eroded the tax base of urban areas as firms and middle class families relocated from the urban centers and settled in the suburbs (Bickford, 1999).

Compared to suburban and rural districts, urban districts face more complex sociocultural conditions. They tend to be the first stop of new immigrants and are the home of many of America's minority population, notably African Americans, Latinos and Asians. These immigrants and minorities tend to occupy the central cities where they earn a living as artisans or laborers. According to National Center for Educational Statistics (NCES) data, less than 4% of all districts are found in the central cities educating nearly a fifth of all students. Central city students are predominantly African Americans, Latinos, and Asians.

In general, urban districts make up 25% of all districts and account for nearly 68% of all students. The urban category includes central city, suburban, and other urban areas.

By contrast, 60% of all districts are located in rural areas and they enroll 17% of all students while the 15% of districts in mixed rural-urban areas account for 16% of all students (NCES, 1996).

Of the three urban categories, the central city districts are by far the most demographically complex. A large proportion of low-income families and a large proportion of limited English speaking and students with low levels of school readiness skills characterize the student clientele. Thus, environmental forces tend to place a heavier burden on central city districts far more than their suburban and other urban educational organizations. Central city districts tend to have a disproportionately greater number of schools designated as under-performing, in the context of standards and accountability reform initiated in the mid-1990s in response to public pressures for greater academic performance and organizational accountability. These districts are also the main targets of the charter school competition and educational vouchers initiative (Cuban, 1998; Mathews, 2000); programs that are likely to place more strain on the financial conditions of the organizations. Central city districts are also subject to productivity crises arising from labor union pressures and industrial actions.

Given these environmental and competitive forces as well as governmental pressures that demand higher academic performance (Boone, 2001), it would appear that the survival of school districts depends critically on the ability of superintendents and senior administrators to balance the needs of various stakeholders and create organizations that can function effectively and efficiently to meet the needs of the student clientele, the necessary condition for high performance. This suggests that superintendents need to evaluate the strategic position of their school districts in relation to the internal and

external forces that shape current performance conditions. Only then can superintendents embark on rational actions for district repositioning and improvement.

### *Paucity of Strategic Analysis*

There has not been a thorough and critical study of organizational strategy in school districts. The need for such a critical examination would have been a moot question if school districts were perceived as effective and efficient organizations. On the contrary, school districts have been widely thought of as organizationally weak institutions and probably the weakest within the United States' institutional structure. Many economists view school districts as inefficient institutions that spend huge amounts of tax dollars and return very little in terms of academic productivity. In reaction, there have been a number of reform proposals to expose school districts to external competition such that they either improve or die.

The performance of a school district could be modeled as a function of the district's sociocultural variables or organizational variables. The sociocultural models dominate the existing literature on school district performance while organizational models of school district performance have emerged only since the 1990s under the umbrella of educational accountability reforms. Strategic management theory offers organizational models of performance that take a holistic approach to performance problems helping to identify critical organizational variables for explaining or controlling organizational performance.

The dominant traditional sociocultural models used in district performance analysis place too much emphasis on the social and cultural background of students to explain academic outcomes while ignoring organizational variables as well as other useful

measures of performance drivers (Kaplan & Norton, 1996). Models based on strategic management theory place the organization at the center of performance analysis by identifying variables that link organizational capabilities to performance.

### *Strategic Planning*

Strategic planning in school districts over the period between the early 1980s and early 2000s serves as the background to the current study. Two major factors appear to underlie the adoption of strategic planning in school districts across the United States. The first is the widely reported failure of the 1960's and 1970s educational reform to achieve the goal of closing the academic achievement gap between disadvantaged, poor, or minority students and their more privileged peers. The second factor is the highly effective criticism of the educational system in the early 1980s led by the publication of the report *A Nation At Risk* by the government-appointed National Commission on Excellence in Education (1983). A major achievement of the report was in forcing educational researchers and policymakers to focus their attention on the international academic position of the United States.

With the encouragement of two leading professional organizations, the Association for Supervision and Curriculum Development (ASCD) and the American Association of School Administrators (AASA), school district top executives began to adopt strategic planning methodology in the mid 1980's, a management tool erstwhile associated with competitive business firms. According to McCune (1986), no more than 500 school districts nationwide had developed a strategic plan by 1985. By early the 1990s, strategic planning in school districts had become widespread raising hopes and concerns of educational analysts. Analysts like Shy (1992) saw the trend as progressive and inevitable

if district leaders were to be able to meet the emerging performance challenge. On the contrary, Sagor (1992) saw the strategic planning trend as another bandwagon effect whereby educators squander scarce resources on public relations rather than invest in student academic improvement.

Roughly a decade after the introduction of strategic planning, public pressure on school districts to improve students' academic performance intensified. Critics pointed to the persistence of the achievement gap between relatively affluent students and disadvantaged students as well as the poor position of the United States in international assessments as evidence of the need for change. In addition, the United States spends more on education than most industrialized countries. These factors precipitated the call for systemic reform, that is, the need for system-wide changes in order to raise the general quality of academic performance as well as close the achievement gap.

The emergence of educational accountability reform in the early 1990s and the focus on academic performance raises the question of the cost and benefit of the decade old experience with strategic planning. Educational strategic planning consultants and writers generally agree on the need for organizational change in school districts. Cook (1996) detailed eight environmental trends that demand organizational change in education. Notable among these trends are shifting demographics with fewer and fewer households having school age children within them. There is also the long-running trend of a growing presence of non-White and non-English background children in the schools. Another factor is the rise of teacher unions and the labor-management struggle for the control of the educational process. Was it unreasonable to expect that strategic planning should be impacting academic performance within a decade of its use? Should school

districts be using strategic planning at all? What models of strategic planning are most appropriate for school districts?

Many researchers including Sagor (1992) were not convinced that what goes by the name strategic planning in school districts is really strategic planning. Sagor, in a critical essay *The False Premises of 'Strategic Planning'* published in the weekly newspaper, *Education Week*, placed strategic planning in single quotes to emphasize his doubts. Existing studies of strategic planning in school districts are for the most part limited to inquiries of strategic planning processes and attitudes, and perceptions of planners. As a result, very little is known about the products of strategic planning, the content of educational strategy, and the relationship between strategy and performance.

#### Need for Study

Anyone familiar with educational reform in the 1990s and beyond will no doubt suspect that school districts, particularly large, central city districts are facing major threats to their survival as the perception of their ineffectiveness and inefficiency become more widespread among the public. For example, *Education Week* produced a major report in 1998 titled, *Quality Counts: The Urban Challenge*. In the report authors Olson and Gerald wrote:

When people talk about the problems in public education, they're usually not talking about suburbs or small towns. They're talking about big-city schools--specifically the ones that serve poor children. (¶ 1)

To shed light on the factors that make the performance problem of big-city schools more severe, the authors further wrote:

Too many city districts are overwhelmed by invasive politics, a rapid turnover in administrators, inadequate and ill-spent resources, a shortage of good principals and teachers, conflicts with teachers' unions, disengaged or angry parents, and apathy--if not outright antagonism--from state lawmakers. (¶ 1)

Government reformers have moved progressively to alter the educational environment in two ways that will likely alter the roles of the so-called city districts. On the one hand, state and federal governments have pushed for tougher accountability requirements for schools and districts while on the other encouraging alternative providers including charter school operators and voucher-based school choice advocates to provide educational options.

School districts have not been oblivious to the change sweeping the educational landscape. Since the mid-1980s, school districts have embraced strategic planning in growing numbers. McCune (1986) claimed that by 1985, only about 500 school districts had a strategic plan. Today, nearly every district has at a minimum some form of strategic plan, judging by the thousands of pages returned when the keywords *school district* and *strategic plan* are searched on any of the popular Internet search engines.

In the almost two decades of strategy development in school districts, there has been no research on the nature of strategy formation in school districts and their impact on educational performance. This study fills the gap in educational strategic management knowledge through an exploration of strategy formation and the relationship to educational performance.

### Purpose of the Study

In the mid-1980s, school district superintendents were encouraged to employ strategic planning as the tool for achieving organizational renewal and extraordinary educational performance (Cook, 1988; McCune, 1986). Since then, nearly all school districts have embraced strategic planning in one form or another. In general, strategic planning may be defined as a process for developing the strategy that will be used by the superintendent to direct the affairs of a school district over several years where the primary concern is the achievement of the district's goals.

A generally accepted principle of strategic management is that planned strategies are hardly executed intact over the planning horizon. Environmental changes more often than not will cause senior administrators to rethink or modify existing strategies in order to achieve stated goals (Mintzberg, Ahlstrand, & Lampel, 1998). As a consequence of the interaction between environmental forces and organizational strategy, Mintzberg et al. identified a continuum of strategy forms, starting from the original intended strategy to a completely unintended emergent strategy that define the actual actions senior administrators take. The purpose of this study was to determine the extent to which actual strategies pursued by school districts were instrumental to the accomplishment of the missions for which school districts exist.

### General Problem

The general problem of this study is to understand strategy development in school districts and its relationship to organizational performance. The field of strategic management has experienced tremendous intellectual growth in the twenty years following the introduction of strategic planning in school districts. Given the increasing

complexity of the educational service environment particularly through the evolutionary nature of educational reform, it seems necessary that strategy making in school districts must incorporate these environmental changes to be effective.

Strategic management entered school district administration with the introduction of strategic planning in the mid-1980s. The concept of strategic planning received in the mid-1980s has undergone significant revisions within the strategic management literature (Meich, 1995; Mintzberg, 1994). Between the 1960s and 1980s, strategic planning was thought of as a formal methodology for formulating organizational strategy. Toward the end of the 1980s, formal strategic planning became controversial as researchers found little performance evidence to justify its continued application in business decisions, a finding that prompted Meich to ask “what if educational reformers imported a management tool from the business world to improve schools, and subsequent research indicated that the same tool had never worked particularly well in business in the first place?” (p. 504).

Within school districts, however, strategic planning grew in popularity. Business analysts wondered why education was adopting a business-planning tool that was being abandoned by business executives (Meich, 1995). Despite its popularity, very little is known about the nature of the strategy top school district executives use to manage the organizational development of school districts and its relationship to performance. What may be called strategy research in school districts is predominantly doctoral dissertation studies of strategic planning processes, attitudes, and culture. So far, there is only one dissertation study that examined the relationship between strategic planning and academic achievement (Basham & Lunenburg, 1989).

The existing district strategy literature seems to have reached its peak in the early 1990s. A search of the keywords *strategic planning* and *school district* in the Educational Resource Information Centers (ERIC) databases from its inception year in 1966 through 1984 returned only three citations while the Digital Dissertation Index (DDI) returned two over the same period. Summarized at five-year intervals, the number of citations peaked at 54 for ERIC in the period 1990-1994 and for DDI at 32 in the period 1995-1999. During the current period, 2000-2003, both sources recorded only nine citations each. This raises important unanswered questions about the nature of educational strategy and the justification of the continued use of strategic planning in school districts.

#### Context for the Study

Public elementary and secondary education in the United States, hereafter referred to as public education, is a major part of the American economy. In recent years, annual expenditures in the public education industry have exceeded \$300 billion, surpassing the national defense expenditure (Cohen, 1999; U.S. Census Bureau, 2001). While stakeholders from students' families to business and government may be dissatisfied with the quality of education, it has been difficult to reach a consensus regarding the appropriate policy instruments for educational change.

The major criticisms leveled by various stakeholders against public schools include the large number of high school graduates who lack the requisite skills and ability to function effectively in the workplace and in higher education environments. Similarly, large numbers of students drop out of school before they can graduate from high school. The problem is particularly acute among certain minority ethnic groups and inner-city populations (Anderson, 2003).

If there is consensus among the major institutional players-- notably researchers and practitioners, business leaders, policymakers, and activists—it is that they generally agree that the educational institution is plagued with the twin problems of low quality and inequity in the production and distribution of educational opportunities among students, with poor and minority students generally under-served and consequently bearing a disproportionate burden of the system’s ineffectiveness and inefficiency. These two problems have been the focus of educational reform policies for nearly forty years following the introduction of the federal Elementary and Secondary Education Act of 1965, a law that was aimed at helping disadvantaged students gain greater access to core educational programs and help them recover the academic achievement deficit they suffer in relation to their more advantaged peers.

There have been several inquiries into the nature and causes of student achievement outcomes in public education (Coleman et al. 1966; National Commission on Excellence in Education, 1983). However, much of these research efforts have concentrated either at the highest levels with particular interest on policy issues or at the lowest levels such as school and classroom operations. As Montgomery (2003) recognized, little research attention has been paid to public sector administrative leadership and particularly the central office of school districts (Mauriel, 1989). However, educational reforms of the 1990s have stimulated some research in this direction (Anderson, 2003). Of particular interest are two strands of research and debate, namely those regarding the role of superintendents and school choice.

### *Role of Superintendents*

Cuban (1988) identified the three dimensions used by superintendents to characterize their roles from their origin in the late 19<sup>th</sup> century to mid-20<sup>th</sup> century. Superintendents tended to view their roles variously as essentially instructional leadership, statesman-negotiator, and chief administrator with varying degrees of emphasis. In the late 1900s, a majority (60%) of superintendents viewed their primary role as teacher of teachers; 20% viewed the superintendent as chief administrator, while another 12% presumed the superintendent's primary role to be political, as statesman-negotiator. More than half a century later, local educational agencies or school districts have undergone such changes that superintendents more or less were equally divided between the three categories as to which constitutes their primary role.

The core issue regarding the role of superintendents follows from Callahan's (1962) argument that superintendents have lost much of the executive power vested in their position at the height of the progressive reform of the first half of the 20<sup>th</sup> Century. School districts in the middle of the 20<sup>th</sup> century emerged as quasi-corporate bodies with a chief executive officer in the person of a superintendent. According to Strang (1987), the power and position of superintendents at the time was due to the work of E.F. Cubberley, the reputed father of educational administration. Cubberley envisaged the superintendent, as the CEO of a major corporation (Strang, 1987).

A debate has been going on since Callahan (1962) advanced his vulnerability thesis, in which he argued that much of the power of the superintendency had been lost under the pressure of special interests within and outside school districts. While the vulnerability hypothesis has considerable following, others argue otherwise, suggesting

that superintendents remain powerful forces shaping the fortune of school districts (Eaton, 1990; Thomas & Moran, 1992).

### *School Choice*

Significant focus on the bureaucratic organization began with the publication by Chubb and Moe (1990) of their book, *Politics, Markets and America's Schools*. Chubb and Moe proposed a theory of educational performance that suggested the bureaucratic agency is a major part of the problem. The bureaucracy is said to impose too many *democratic* constraints on the ability of schools to respond to parent demands for academic excellence. The solution, according to Chubb and Moe was school choice; the ability of parents to choose the school their children attend, public or private.

In contrast to other reforms currently being implemented, notably charter schools and public school choice, that seek to encourage limited competition among public schools, school choice is the most radical reform proposition yet. School choice advocates seek a policy that will allow other educational service providers including for-profit and non-profit organizations to directly compete with LEAs for students and dollars (Coulson, 1999; Friedman, 1995; Tooley, 2000).

The investment firm, Merrill Lynch estimated that by 2009, ten percent of the public schools would be managed by for-profit educational management organizations (EMO) (Walsh, 1999). With public educational expenditures estimated at over \$300 billion, this means a transfer of revenue to EMOs at an average annual rate of over \$3 billion.

One implication of Chubb and Moe's educational performance theory is that educational agencies are neither effective nor efficient and that they would benefit from competition. The theory has also received support from several economic studies

reviewed by Hanushek (1986). These studies failed to find any systematic relationship between educational resources and academic results. However, critics of school choice have charged that such programs are likely to destroy public education rather than help improve performance by taking money away from existing public schools and by attracting more able students.

Subsequently, a number of researchers have examined the school choice argument and attempted to verify its key propositions. One proposition that seems to have garnered research support is the negative relationship between bureaucratic size and academic performance (Bohte, 2001; Smith, 1994). While it is generally presumed that the causal connection runs from bureaucracy to performance, others have found weak and inconsistent relationships between bureaucracy and performance or that bureaucratic expansion is a consequence of poor performance (Brewer, 1996; Meier, Polinard, & Wrinkle, 2000; Smith & Meier, 1994).

### *Improving Schools*

Advocates of public schools like Kozol (1991) would like to see further reform efforts to improve existing public schools. Efforts to reform educational organizations have proceeded haphazardly since 1965, first focusing on improving student access to the core curriculum and then moving to improve schools in early 1980s in the wake of the effective schools research movement (Edmonds, 1979).

Since the mid-1980s, educational reformers (Cuban, 1988) have focused increasingly on improving public education through higher order changes beyond individual schools. As a result, major educational processes and systems managed at the school district organizational level such as curriculum development, assessment, and governance

became targets for change. Dissatisfied by the results, federal and state governments moved in the mid-1990s to secure educational change through policies that sought to hold educational executives accountable for performance, and provide varying degrees of parental choice and competition among educational service providers (Peterson & West, 2003).

### *Strategy Development*

The marginal contribution of educational reform to student achievement over the past several decades is in part due to the inadequate understanding of the educational management process and the role of senior administrators. A number of factors seem to account for this inadequacy. Dating back to Coleman et al. (1966), educational performance research has either ignored or failed to place much emphasis on important management variables in the development of educational performance theory. Coleman did not include any managerial constructs such as planning, organizing, coordinating, and controlling as explanatory variables in that premier study that examined the relationship between educational inputs and academic outcomes.

Educational performance researchers who followed Coleman generally tended to ignore the managerial dimensions of the student achievement problem. Economists who studied input-output relationships in the educational process made only general statements about the need to use educational resources in new ways if results were to be improved (Hanushek, 1986). However, evaluation researchers studying compensatory and other categorical programs gave indications of managerial problems, but these were largely limited to schools where these projects were being implemented (Berman & McLaughlin, 1978; Borman & D'Agostino, 1996).

Though researchers found endemic management problems, their narrow scope did not lead them to draw implications for agency strategic change. Thus, one area that has not received significant research attention in the effort to understand the nature and causes of educational underperformance is how the management of school districts impacts student academic outcomes.

There has been a growth in the use of strategic planning and possibly other strategic management tools among senior educational executives in school districts across the United States since the mid-1980s. Researchers can use any of the major Internet search engines to view thousands of executive summaries of school district strategic plans. States like Pennsylvania, Tennessee, and Rhode Island require school district strategic plans to be submitted to the state educational agencies. With the passage of the federal No Child Left Behind legislation in 2001, all local educational agencies benefiting from Title I funds are required to submit an LEA plan to their respective state agencies. The contents of the required plan clearly qualify them as strategic plans.

The current study focused on the largest 100 California unified school districts. A unified school district is one with educational programs serving students from kindergarten through 12<sup>th</sup> grade. Unified school districts constitute the predominant organizational form among California districts, accounting for nearly 70% of all California public school students. The sample of districts will be drawn from 30 of California's 58 counties. Together, they account for over half of all California's public school students with total revenue per district ranging between \$80 million and \$5.6 billion, based on 2001/02 financial data.

This study contributes to a better understanding of the role and utility of strategic planning in school districts. It bridges the gap in the general knowledge of the field of strategic management and the current state of strategic planning in the elementary and secondary education sector and also opens the way to possible application of strategic management in public education.

#### Theoretical Framework

The study is based on the strategic management model developed by Miles and Snow (1978) but adapted for the purposes of educational organizations. The model relates the strategic characteristics of an organization defined as its strategic orientation to the organization's performance. According to the authors, three functional domains underlie the strategic management of an organization, namely, entrepreneurial, technical and administrative functions.

The entrepreneurial function is concerned with decisions regarding how to satisfy the needs of clients. Entrepreneurship requires an appreciation of the internal and external environment facing the organization. The entrepreneurial act is the creative adaptation of the organization to environmental forces such that the organization is able to achieve its mission. Critical to mission accomplishment is the organization's ability to establish stable and sustained exchange relationships with its clients and other stakeholders.

Technical function is concerned with the processes involved in transforming the organization's inputs into outputs. The administrative function involves the management of tasks and relationships within the organization to ensure the effective and efficient functioning of the entire organization. These three functional systems provide

organizational leaders with the means for coordinating internal organizational processes as well as aligning the organization with critical forces in its environment.

In the original study, Miles and Snow (1978) found that organizations in an industry could be grouped into four strategy types. Using the now famous self-typing paragraph technique, they were able to capture the consistent pattern of choices and decisions made by senior management of organizations across four industries. The patterns were labeled as the strategic orientation of the organizations in the study. The four strategy types were identified as prospector, defender, analyzer, and reactor.

Prospector organizations are characterized by a tendency to innovate and seek novel ways to solve performance problems. Defender organizations tend to be oriented toward maintaining their performance position and tend to seek greater cost control and efficiency. Analyzer organizations are placed somewhat between prospectors and defenders in that they behave like prospectors with respect to certain programs while also behaving like defenders with respect to other programs. Reactor organizations are not known to have any consistent strategic orientation.

Strategic management is concerned with helping top executives cope with uncertainties and risks confronting their organizations. McClure (1999) noted that the current concern for educational reform has created more uncertainties for educational institutions, especially with the displacement due to charter and voucher programs. These two factors are likely to weaken school districts as interest in other school programs grow. To combat this new threat, school executives must change their organizations.

Today, it is common to see educational executives tinker with such organizational variables as structure and human resource deployment in order to create a new kind of

organization. Superintendents, especially in urban districts, restructure the district organization at least once every year or sometimes twice a year in search of the right organizational configuration. Lacking any theoretical guidance, these efforts tend to leave the organization more or less in the same performance position, if not worse.

The strategic orientation framework developed by Miles and Snow (1978) could be valuable in helping superintendents determine their current strategic orientation and in which direction to change given performance goals and external constraints. There is evidence that there are school districts that are proactive in dealing with student needs while a good number of districts only react to state mandates (Firestone, 1989).

The framework is illustrated in Figure 1 below. The strategic orientation of an organization is a function of the patterns in the stream of decisions and actions taken over time and which determine how the organization carries out its activities in the three domains of entrepreneurship, production, and administration as adaptive responses to changes in its internal and external environments.

The framework used in this study incorporates features that set it apart from existing strategic management frameworks particularly in the way performance is conceptualized. The linkage between strategy and performance is fundamental to the validity of various strategic typologies found in the strategic management literature. The popular Porter's (1985) five forces model of strategy has been criticized as being overly one-sided by placing all the emphasis on competitive relationships. The model's popularity can be traced to the dominance of neoclassical economics, especially price theory in current corporate thinking (Leftwich & Eckert, 1985).

Figure 1

*A framework of how strategic plan implementation influences organizational strategy and performance*



A level of abstraction suited for dynamic strategic analysis, an organization and its major environmental forces appear to exist in a dialectical, mutually conditioning interaction. As Benson (1977) noted, both the organization and its major environmental forces are undergoing changes as they inter-penetrate and negate one another. Thus, the concept of organizational performance conveys a dual meaning; on the one hand it suggests a valuation of the yield of organizational effort, on the other it suggests an assessment of an organization's strategic sufficiency. The latter concept ties in directly with the nature of dialectical interactions, which are sometimes cooperating and sometimes competitive. Strategic sufficiency is the net extent to which the organization is able to push the entire system of which it is a part in the direction that confers it a sustained strategic advantage. In a classic Marxian formulation, the organization and its environment appear like dialectical opposites united in one entity, in this case, the educational system.

#### Professional Significance

The study enables educational analysts, consultants, and practitioners to better understand the role strategy plays in the development of educational organizations and consequently the performance of these organizations. Further, when the existing

orientation is considered unacceptable due to systemic performance problems, analysts and consultants are able to suggest appropriate strategic destinations or alternative strategic orientations that educational executives can steer their organization towards for greater performance. The analysts and consultants can then use their traditional change management tools to assist educational executives in managing the organizational change process.

### Overview of Methodology

Four research questions were addressed in this study as follows:

- (1) What is the nature of the strategy formulation process used by school districts?
- (2) What are the strategic orientations of school districts?
- (3) What is the relationship between the planning process and strategic orientation?
- (4) What is the relationship between strategic orientation and district academic performance?

A questionnaire was developed to collect information for answering the first two research questions. The third question was answered using the self-typing paragraph approach developed by Miles and Snow (1978). The method involves providing the superintendent of a school district with four paragraphs describing each organizational strategy type as discussed in the previous section. The superintendent was instructed to choose the paragraph that best described the strategic characteristics of his or her school district. The relationship between strategic orientation and academic performance was explored using various statistical analyses.

The answer to the fourth and final research question was determined by using multivariate analysis of variance (MANOVA). Until recently, such studies were not possible in the education sector due to lack of comparable data when school districts were the unit of analysis. However, since the introduction of standards and accountability reforms of the mid-1990s, states have developed statewide assessment systems for measuring academic performance across all schools and districts in the state. In California, statewide-standardized test data have been available since 1998.

### Definitions

**Vision**—A broad and shared view of what educational leaders want the educational organization or agency to become or be able to do.

**Mission**—An end to which senior executives intend to commit the agency and its resources.

**Strategy**—An integrated overarching concept of how an organization will achieve its enterprise goals representing a course of action, a program, or pattern of choices through which the organization seeks to achieve its major goals.

**Strategic management**—A way of managing organizations such that all internal organizational functions and operations as well as external relationships are driven by a common organizational strategy.

**Strategic choice**—Decision regarding the course of action an organization should take in order to achieve its mission in the face of environmental uncertainties and constraints.

**Strategic orientation**—Long-term perspective on organizational strategy, which reflects consistent pattern of strategic choices and decisions over time.

Strategic planning—A methodology for developing organizational strategy through analysis of internal and external conditions and constraints facing the organization, the consideration of alternative courses of action for achieving major organizational goals, and the choice of appropriate strategy.

Local educational agency (LEA)—The major organization within the geopolitical entity called school district charged with the primary function of operating schools at the behest of an elected local school board, and state and federal policymakers. Sometimes referred to as the central office or headquarters.

School district—An educational geopolitical jurisdiction charged by statute to provide educational services to children typically between the age of 5 and 18 years old. An elected school board governs a school district in California. The school board appoints the superintendent as chief executive officer to run the local educational agency. The term is used interchangeably with local educational agency to describe the entire organization.

Organization—A system of resources including human and material created in order to accomplish common purposes and goals.

Internal environment—Resources and social forces circumscribed by an organization that are more subject to organizational control or influence; in relation to the organization, they can represent strengths and weaknesses.

External environment—Resources and social forces outside the immediate control or influence of an organization; in relation to the organization, they can represent threats or opportunities.

Educational executive—Refers to both the middle and senior agency executives typically from the rank of directors through assistant superintendents to the superintendent.

General Manager Function—Responsibility of senior managers that encompass an entire subunit or organization. It is considered an additional responsibility to any specialized functional and technical responsibility that the executive may have been assigned.

Performance—External results generated by organizational activities as the organization uses up resources and exchange its products with clients. For educational organizations, the most important performance variable is academic achievement.

#### Limitations

The basic limitations of the study are associated with the methodology and scope of the study. First, the study was based in California and may be only generalized to school districts that are similar to those studied in size, student demography, and organizational culture. While the concepts of strategy and strategic management have not been extensively studied among school districts in general, superintendents, school board members, and senior district administrators can never the less be presumed to have a strategic orientation. Finally, the study did not take a comprehensive look at the administrative system.

#### Summary and Organization

The remaining text includes chapters two through five. Chapter Two comprises a critical review of the relevant literature on strategy, strategic management, and strategic planning in school districts. Chapter Three discusses the study's methodology detailing

the methods and procedures used in the study. Chapter Four discusses the empirical results of the study. Both primary and secondary data are brought together with statistical analyses to answer the research questions. In the final chapter, interpretation of the results, conclusions and recommendations of the study are presented.

## CHAPTER 2 – REVIEW OF LITERATURE

### Introduction

In 1992, nearly a decade after school district executives embarked on the use of strategic planning, a brief but significant debate ensued on the pages of the national weekly newspaper devoted to educational news and issues, *Education Week*. The subject of the debate was strategic planning and the protagonists were two assistant professors of education. In the article titled *The False Premise of 'Strategic Planning,'* Sagor argued that the emerging “strategic planning movement” was illustrative of “more ominous problems with our educational system” (¶ 2). He was of the opinion that the necessary condition for strategic planning did not exist in school districts. According to Sagor, a district that is doing “a fairly good job” has no incentive to change anything while a district where the educational system has regressed faces probably minimal consequences for its failures. Sagor stated his key concern thus:

My concern with the “strategic planning” fad is that it accentuates and reinforces two of education’s most severe recent failings: our fondness for bandwagons and our tendency to focus on public relations rather than student performance. Given the problems facing schools and schoolchildren, we should avoid any trend that diverts attention from the real issue of improving how our students perform. I have yet to see any evidence that “strategic planning” has resulted in improved student learning (¶ 4).

On the other side, Shy (1992) argued that strategic planning is essential to the mission of educational leadership, which is “to efficiently and effectively manage resources to

achieve maximum learning and growth for youngsters...” (¶ 4). Shy suggested that rational educational organizations would use the best management tools available to solve organizational problems irrespective of their industry of origin.

The debate underscores two major controversies in educational administration philosophy. Firstly, there is the issue of how school districts can best respond to changes in their general and competitive environments that impinge on their ability to achieve organizational goals (Aaker, 1988; Miller, 1998). Secondly, there is the issue of whether tools developed in business administration can be profitably employed in educational administration. Traditionally, strategic responses to major environmental challenges in school districts and other public agencies have been dominated by higher-level policy makers (Bozeman & Straussman, 1990). Public agency adoption of strategic planning in the 1980s (Berry, 1994) and the passage of Government Performance Results Act (GPRA) of 1994 signaled the possibility of a shift in the locus of strategic action from political authorities to agency leadership. GPRA encouraged strategic planning and strategic management of public agencies.

With respect to the appropriateness of business tools, two camps seem to have developed. One camp may be called the traditional school of administration. This camp holds that the educational enterprise is fundamentally different from the business enterprise. Consequently, business management methods are considered inappropriate for educational administrations. These traditionalists tend to view the educational enterprise as a sociocultural rather than an economic enterprise. Under the dominance and influence of the traditional school, a school that can claim such proponents as Callahan's (1962), educational theory and measurement have been subsumed under psychological theory

rather economics. The opposing camp, the new educational management school (Meyer, 2002) may be regarded as a reaction to the traditional school's inability to cope with performance challenges of public schooling and thus seek to bring in non-traditional economic management tools. Proponents include Mauriel (1989) and Murgatroyd and Morgan (1993).

In apparent contradiction to Sagor's (1992) argument that failing school districts face few or no consequences for their performance failures, under the current educational reform that began in the mid-1990s, policy makers are now demanding cost-benefit accountability; a demand that traditional schools do not seem equipped to deal with. According to Kruger (1972), "The concept of accountability in education ... has two primary concerns: the responsibility of the Educational Enterprise to provide programs which will effectively develop the human potential of a wide variety of client groups within diversity of service communities; and the responsibility of the Enterprise to efficiently utilize the various resources entrusted to it by the supporting society" (see Garcia, 1998, p. 3). In a sense, the two issues facing the educational enterprise at the school district level are organizational effectiveness and efficiency. The new accountability environment demands a change in district strategy as a necessary condition for school improvement. Failure to embrace the initiative is likely to lead to further decline in the ability of school districts to meet the needs of their primary client, the students.

The effectiveness problem is directly linked to the entrepreneurial ability of educational executives. According to Schumpeter (1934), "Everyone is an entrepreneur when he actually carries out new combinations, and loses that character as soon as he has

built up his business, when he settles down to running it as other people run their businesses" (p. 78). The strategic challenge is for organizational leaders to recognize when it is time to engage in new combinations of the organization's resources so as to give a new direction for the future. Entrepreneurship together with technology and administration are the controllable factors that define an organization's strategic orientation in the Miles and Snow's (1978) strategic management framework.

The three elements of entrepreneurship, technology, and administration are implicit in the definition of educational accountability offered by Kruger (1972). How else can an organization "effectively develop the human potential of a wide variety of client groups" (Garcia, 1998, p. 3) without practicing new combinations, organizational leadership, and operational economy. In effect, the concept of strategy serves as the linkage between stakeholder demand for accountability and the educational enterprise's ability to satisfy the demand through effective services and efficient use of resources.

Murgatroyd and Morgan (1993) refuted the traditional stance with respect to the suitability of business or economic management tools for schools and school districts. Bozeman and Straussman (1990) suggested that public agencies are most like business organizations at the operational level and most dissimilar at the strategic level due to the domination of the strategic level in public agencies by political authority. However, the fact of domination of the strategic level by political authority does not mean that public agencies operate in a strategic vacuum. As a senior administrator of one of the largest school districts in California asserted recently at a group meeting, the state has no compelling interest to ensure the survival of a school district. That responsibility is left to the superintendent and senior administrators.

This study falls under the educational management school and borrows strategic management concepts that are commonly viewed by members of the traditional administration school as business management tools. This review of literature has two main purposes. The first is to critically examine some of the key concepts of strategic management theory that have a direct bearing on the research problem, which is to explore the value of strategy in school district administration following two decades of strategic planning practices. The concepts to be analyzed include strategy, strategy formulation and strategic planning, and organizational performance. The second purpose is to summarize existing strategy research in school districts. The specific objectives are to describe the following:

- Nature and origin of organizational strategy
- Strategy formulation and strategic planning
- Organizational performance

To achieve the second purpose of this review, two tasks will be pursued:

- Review of process and content studies
- Critical appraisal of strategy-performance research in school districts

These five areas are considered critical to an appreciation of the value of strategy in the organizational management of school districts. The review is based on an extensive search of the literature on organizational strategy and school district administration available between 1985 and 2003. The sources searched include the Educational Resource Information Center (ERIC) databases, including the ERIC Center on Educational Management located at the University of Oregon; Digital Dissertation Index; the business index ABI/Inform; and major management journals including Strategic

Management Journal, Administrative Science Quarterly, Educational Administration Quarterly, and Harvard Business Review. Newspapers included the local Fresno Bee, Los Angeles Times, and most importantly, Education Week. Extensive use of the Internet yielded both full-text documents and references of great value.

### Concept of Strategy

#### *Definition of Strategy*

A generally accepted definition of organizational strategy has eluded strategic management researchers since the inception of the field (Campbell & Alexander, 1997; Mintzberg, 1994; Porter, 1998). Chandler (1962) provided what has been described as the first academic definition of strategy. He defined strategy as “the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals” (p. 16).

Though Chandler’s (1962) definition dominated early organizational strategy studies, many researchers soon found it inadequate, leading to a proliferation of definitions (Bracker, 1980). Major criticisms of Chandler’s definition had to do with three key features in Chandler’s perspective on strategy. First, Chandler emphasized both ends (goals and objectives) and means (courses of action and allocation of resources) in his definition of strategy while others favored a definition of strategy as means to an end only.

Second, Chandler (1962) focused on the process of making strategy (determination of and adoption of) rather than the content of strategy itself. This perspective had a major influence in the direction of strategy research for almost two decades. Researchers probed into planning processes and systems as well as questions about the impact of planning on

performance. Eventually, planning-performance research gave way to attempts to understand the differences between planned or intended strategies and actual or realized strategies (Mintzberg, 1994). By the early 1980s, strategy research advanced into examinations of the content of strategy and its impact on performance (Rhyne, 1986)

The third issue was that Chandler (1962) did not identify strategy as the linkage between the organization and its environment (Schendel & Hofer, 1979). The similarities and differences between Chandler's view and those of Ansoff (1965) and Andrews (in Learned et al., 1965) have to do with whether the definition of strategy excluded ends, focused on content rather than process, and the breadth of coverage.

Schendel and Hofer (1979) proposed a composite, means and content-oriented definition of strategy built around four components: (1) scope, defined in terms of offering/clientele matches, (2) resource deployment and distinctive competences, (3) competitive advantage, and (4) synergy; and three organizational levels: functional, business, and corporate. Early development of the strategy concept focused on the business level. For example, Anthony (1965) presented a three-level model of managerial activities. The first level is strategic planning: a process of deciding on organizational goals, on changes in these goals, on the resources to be used in accomplishing the goals, and on the politics that govern resource acquisition and disposition.

The second level is management control. This is the process by which managers ensure that resources are allocated and used as effectively and efficiently as possible to achieve organizational goals. The third management level is operational control: the process for ensuring that specific tasks are carried out effectively and efficiently. As organizations grew in size and complexity, Anthony's model only fit the single business

organization or the individual business unit of a multi-business corporation. The business units of a multi-business corporation tend to be managed as if they are independent businesses and are referred to as strategic business units.

School districts can be generally classified as a single business entity. However, there are a few large school districts like New York City and Los Angeles that can be viewed as having multiple units in a geographic sense, because these subunits of very large districts operate as if they are independent k-12 educational organizations. Also, a number of mid-sized districts as a matter of strategy divide their districts into more or less independent areas or responsibility centers with each area having its own set of elementary, middle, and high schools.

In contemporary strategy literature, it is generally recognized that strategy has several levels as identified by Schendel and Hofer (1978) and three levels are most commonly identified. Two views of the levels of organizational strategy can be identified in the literature. For organizations with functional orientation, the levels are corporate, business, and functional strategies. For organizations embracing newer models of organizational structure such as matrix organization or project team model (Miller, 1998), the functional level is replaced with operational level. Recent strategic management models are based on a management philosophy that incorporates new strategic management constructs such as core processes and systems and value chain concepts. These constructs are post-functional in that they seek to structure the organization not on the basis of functional or natural grouping of tasks but on the basis of how best to satisfy customer needs.

Corporate strategy is concerned with business portfolio decisions. These are decisions dealing with the collection of businesses the corporation will have in its portfolio.

Business strategy deals with decisions about how the business will compete and cope with the forces of change and at the same time remain consistent with corporate strategy and objectives. Functional or operational strategy is aligned with the business or organizational strategy in such a way as to build the organization's strengths and correct its weaknesses (Hill & Jones, 1992).

In summary, Schendel and Hofer (1979) described the period between 1965 and 1975 as the period of strategy paradigm characterized by several developments in the understanding of the strategy concept. They identified three major problem areas in organizational strategy research. The first was that researchers did not make clear distinctions between different levels of strategy in relation to the operational, business, and corporate levels of the organization. Secondly, they did not make clear the key difference between the pre-existing notion of policy as an inward-looking tool for integrating functional areas as in finance, production, and marketing (or in the case of an LEA, finance, curriculum and instruction, and public relations) and strategy as a more encompassing management tool for integrating across functions as well as linking the entire organization to its environment. Finally, researchers failed to resolve the definitional problem of whether strategy should include both means and ends or means only. The achievement of this period occurred in the research efforts to develop systems for strategy formulation and less in the strategy implementation and strategic management (Mintzberg et al., 1998; Schendel & Hofer, 1979).

The next twenty years saw a maturing in the understanding of the strategy concept that by no means produced a consensus on the definition of the concept. In the second edition of the textbook *Strategic Management Theory*, Hill and Jones (1992) offered two

views on the definition of strategy described as: (1) the traditional or planning-based approach based on the definition provided by Chandler (1962) that typically combined means and ends, and (2) an alternative approach based on Mintzberg (1978) and Mintzberg and McHugh (1985) that defined strategy as “a pattern in a stream of decisions or actions” (p.161). Planning-based definitions of strategy had oriented practitioners and researchers toward the development of processes for formulating strategy. In *The Rise and Fall of Strategic Planning*, Mintzberg (1994) showed that traditional strategic planning often failed to produce organizational strategy.

A key development in the understanding of strategy has been in the direction of emphasizing content rather than process. Miles and Snow (1978) argued that there are a few strategies or strategic orientations that organizations assume in the course of their strategic development. Miles and Snow proposed that a mix of strategic choices along three major dimensions: (1) entrepreneurship, (2) engineering, and (3) administration determine the long-term strategic orientation of an organization. Applying their strategic choice theory to the study of a sample of organizations across selected industries, they identified four strategic orientations.

Similarly, Porter (1985) proposed a different set of generic strategies that executives can orient their organizations toward. Porter used a different theoretical insight derived primarily from *Industrial Organization Economics* to study competitive behavior in industries. Porter thus saw strategy as involved with how to position an organization in its task environment and the generic strategies he proposed were position-oriented. It may be important to point out a key difference in the content-based definition of strategy offered by Schendel and Hofer (1979) and that offered by Mintzberg (1994). The

difference seems to lie in the prescriptive nature of the former and the descriptive nature of the latter. While Schendel and Hofer suggested paying attention to product/market matches, resource deployment and distinctive competences, competitive advantage, and synergy in the context of three organizational levels, Mintzberg's definition directed attention on the real content of strategy.

### *Need for Strategy*

Why do organizational leaders need a strategy? According to Miller (1998), the fundamental question that places the need for organizational strategy in perspective is the question of the purpose of an organization. "The strategic purpose of an [organization] is to create value that meets the needs of its stakeholders" (p.5). Given that multiple stakeholders are involved, managers must strike a balance in meeting stakeholder needs. With respect to for-profit organizations, Miller divided management's stakeholder responsibilities into two: (1) primary, fiscal responsibility to shareholders, and (2) secondary, social responsibility to other stakeholders. Apart from the legal obligations to enhance shareholders' value, Miller urged business organizations to treat profits as a primary motive because profits generate "the cash flow that organizations need to address non-financial goals" (p.10). This understandably is the basis of the widespread market focus in business, and the need to maximize profit through the creation of value for the marketplace.

In the book *Creating Public Value*, Moore (1995) suggested that traditional doctrine of professional behavior in public sector organizations constrains public managers' capacity to create public value. According to this doctrine, the purposes of public enterprises are well defined in statutes enacted by legislative bodies, formal policy

declarations signed by elected chief executives, or court mandates. What is left for the public manager is to ensure effective and efficient application of resources to achieve the policy goals to their maximum extent. These public mandates are regarded as the product of successful sustained democratic struggle that legitimize public enterprises and the basis for their access to social resources.

According to Moore (1995), these mandates are assumed to provide “concrete operational guidance to managers by indicating what particular purposes are to be advanced by the particular public enterprises and what particular means may be used” (p. 17). Overall, the mandated purposes and means define the terms of managerial accountability. Public managers are expected to faithfully pursue the achievement of these mandates and are assumed to have the needed expertise in the fields in which they work. Further, they supposedly have knowledge of the principal operational programs that can be used to produce desired results and know what constitutes quality and effectiveness in their operations. Finally, managers are assumed to be administratively competent and skilled in devising organizational structures and arrangements that can guide the organization to perform effectively and efficiently, and in accounting for the financial and human resources continually being used up by daily operations and overheads.

Moore (1995) suggested that the doctrine produces “a characteristic mindset among public sector managers: the mindset of administrators and bureaucrats rather than entrepreneurs, leaders, or executives” (p. 17). Associated with this mindset is a managerial orientation that is “downward, toward the reliable control of organizational operations rather than either outward, toward the achievement of valuable results, or

upward, toward renegotiated policy mandates” (p. 17). Rather than viewing their task as initiating or facilitating change, Moore sees public managers as principally seeking to perfect their organization’s operations in traditional roles, not searching for innovations that can change their role or increase their value to the polity. In summary, Moore proposed a strategic management orientation as an antidote to the traditional doctrine.

In the article *Foundations of Strategic Public Management*, Bozeman and Straussman (1990) made a similar but less frontal observation about the orientation of public managers. They did not assume the dictatorship of traditional professional doctrine in the mindset of public managers but suggested that opportunities exist for public managers to turn outward and upward. For example, they suggested that while political authority dominates the strategic level of the organization, it is still open to the influence of public managers. Further, they pointed out that only in rare cases are mandates anything but vaguely written, leaving much to the discretion of the administrator as interpreter and implementer of the mandates.

Critical to the advanced understanding of the content of strategy is the idea of creating economic value (Koller, 1994). It may be argued that school districts, like business organizations are in the business of creating wealth for their owners. In the case of school districts, the general society or the specific community in which the district exists may be viewed as the owner. Thus, school districts have a primary responsibility to increase the wealth of the community albeit indirectly through the conversion of scarce community resources into educational values added to students. The value added to students will eventually be transformed into realized wealth when the students enter the workforce and become productive members of society.

While not rejecting the stakeholder and economic value approaches to understanding strategy, Campbell and Alexander (1997) suggested that the stakeholder-centered definition of organizational purpose has created a problem for strategists. They recognized that a clear statement of purpose is necessary for the development of a *winning strategy* because “purpose limits the range of strategic choices that need evaluating and therefore helps to simplify strategy development” (p. 46). They saw meeting the needs of stakeholders as a constraint rather than the purpose of the organization.

The key to discovering a winning strategy is to be found in the ability to develop insights into value creation, the transformation of organizational inputs into products and services valued by customers or clients. According to Campbell and Alexander (1997):

Insights into value creation are understandings about the production and delivery process or about the needs of stakeholders that allow one to discover superior ways of creating value. These insights normally focus on practical issues and point to new ways of doing things. They can be about relationships with suppliers, about the details of a recruitment process or the needs of a particular group of employees, about customer segments, or about the value equations used by [various stakeholders]. Sometimes the insights are grand ideas to reconfigure the company or the industry completely (pp. 46, 47).

A similar logic can serve as the basis of rational behavior in educational organizations. Though school districts are not run as profit-making enterprises, district executives have a primary fiscal (cost-benefit) responsibility to the public—taxpayers and

donors, who need to know that educational agencies use available funds to create maximal educational value for students. This logic appears to be crux of the demand for accountability.

Traditionally, educational practitioners tended to view their role as primarily creating educational opportunities for students. Satisfied with providing ex ante equal opportunity to learn, practitioners and researchers who accept the logic of opportunity are comfortable in making the level of academic achievement a function of the extent to which students avail themselves of the available educational opportunity. This perspective needs to be abandoned in view of the ongoing standards and accountability reforms that implicitly reject this perspective. It seems reasonable to expect that when stakeholders are convinced that school districts operate effectively and efficiently with available resources to deliver maximal educational value to students, they will be more likely to respond kindly to educational demands for additional resources.

The promise of strategic management research is to provide organizational managers with the tools to ensure an effective and efficient organization. Some have argued that these two organizational goals i.e., (effectiveness and efficiency) are not enough for public agencies. They claimed there is need to add equity to the goal set. For a public agency to be effective in a democratic society, it must necessarily embrace the value of equity in the provision of services to its clients.

#### *Strategy Formulation or Strategy Formation*

Under the influence of Mintzberg's (1994) critical review of strategic planning, strategy researchers and writers have progressively moved away from the old reference to strategy formulation (Schendel & Hofer, 1979) associated with formal planning processes

to the new idea of strategy formation. The difference lies in Mintzberg's dynamic view of strategy development from the initial intended strategy to the final realized strategy. The linkage between these strategy endpoints is a process of strategic decision-making through which organizational leaders adapt the initial strategy in order to achieve organizational goals. The process is thought to involve abandonment of a portion of the intended strategy (unrealized strategy) and the discovery and incorporation of strategy not initially considered (emergent strategy).

How then is strategy developed in organizations? Miller (1998) described three general approaches to strategy development: (1) traditional or rational planning, (2) organizational learning, and (3) incrementalism. Rational planning, sometimes referred to as formal or traditional planning, is the oldest of these approaches. Rational planning emerged soon after the need for organizational strategy was recognized (e.g., the mid-1950s) in response to organizational growth and complexity, and changes in the external environment. Rational planning is based on the assumption that environmental change can be predicted, organizations are controllable, and organizational strategy can be produced through intellectual analysis. According to Miller, planners seek to move the organization "to a new strategic position and maintain that position as efficiently and directly as possible" (p. 37). Rational planning is both linear and structured.

Over time very few organizations benefited from rational planning (Mintzberg, 1994). The major reason was the use of inadequate planning models, the result of a mismatch between the internal and external conditions faced by the organization, and the planning models employed.

Organizational learning models assume organizations will experience many mistakes but the benefit comes from learning from these mistakes through discovering new ways of progressing toward organizational goals. Organizational learning approaches seek to reposition the organization strategically and sustain the new position through continuous adjustments (Miller, 1998).

Incrementalism models are based on pessimistic assumptions about the organization and its environment. Managers are thought to lack the ability to predict environmental changes, the organization cannot control external forces, and managers are not able to control the organization in ways that make implementation of an intended strategy possible. Rather than resign themselves to a policy of muddling through, managers must continually adjust to ensure organizational success (Miller, 1998).

Campbell and Alexander (1997) provided a different perspective on the process of strategy development. They suggested that the general strategy development model represented by the acronym MOST (mission, objectives, strategy, tactics) often followed traditional planning systems like that Cook's (1988) model used in many school districts, is misleading in conveying strategy development as a structured and orderly process. They stated that "the process of developing a winning strategy is much more messy, experimental, and iterative, and it is driven from the bottom up" (p. 5).

According to Campbell and Alexander (1997), strategy development consultants tend to fall into three camps depending on their preferred approaches for strategy development. There are those that focus on what Porter (1990) called operational effectiveness. "The operational camp proclaims the value of such processes as reengineering, time-based competition, benchmarking, total quality management,

empowerment, and many other tools for evaluating the effectiveness of today's operations and finding better ways of doing things" (Campbell & Alexander, 1997, p. 48).

Those who direct their strategic attention on the future of the organization constitute the second camp. These strategists tend to use processes that help identify factors critical to future success of the organization. "Those processes involve choosing which critical factors to focus on and then designing an organization with the appropriate capabilities" (Campbell & Alexander, 1997, pp. 48-49). Some of the major tools employed by this camp include Porter's (1985) five forces model of competition, scenario analysis developed by Shell (Van der Heijden, 1996), future-oriented method developed by Hamel and Prahalad (1994), Foster's (1986) technology S-curve, Motorola's technology mapping (Linstone, 2002), and chaos-theoretic application in which strategists focus defining critical success factors in terms of stable patterns while ignoring truly chaotic periods in between.

The final camp comprises strategists who use organizational behavior and culture models. According to Campbell and Alexander (1997), this camp comprised two sub-groups: data-free planners and organizational learning advocates. The former believed that a clear vision is the key to discovering strategic insights for creating organizational value and improving performance. The latter group tended to hold the view that learning from past mistakes can be a valuable way of producing productive insights. Ways of facilitating organizational learning have been developed by Argyris and Schön (1978, 1996) and Senge (1990).

### *Strategic Management*

The final segment in the review of the literature on strategy centers on the concept of strategic management. Apart from the primary concept of strategy, strategic management and strategic planning are two terms that are often used in the strategic management literature. As has been shown in the previous section, strategic planning can be described as referring in general to the process of developing a strategy. More specifically, it refers to a more formal process of strategy development commonly called rational or traditional strategic planning. There are variants of rational planning models of which the prototype model is what Campbell and Alexander (1997) referred to as MOST or Mission-Objectives-Strategies-Tactics model. Rational planning appears to have declined in popularity partly due to criticisms that showed such processes hardly produce any insightful strategy (for example, see Mintzberg, 1994); and, partly due to changing circumstances, for example, the rapid pace of change in the economic environment in the 1990s made rational planning ineffective as a tool for discovering a winning strategy (Miller, 1998).

Strategic management is a more encompassing concept. In general usage, it describes an approach to the management of an organization whereby the day-to-day activities of the organization at all levels—line, functional, and business levels, and across functions are driven by a common strategy or strategic orientation. Strategic management is also used to describe the field of management research concerned with the role of senior administrators or executives in ensuring the successful operation and performance of the organization.

The thrust of strategic management theory is directed at uncovering models that explain how organizations achieve a competitive advantage and superior performance. Various models of strategic management of organizations have been developed. Bryson (1987) provided a review of several strategic management models. One of the earliest models is the SWOT or Strengths, Weaknesses, Opportunities, and Threats model. It is a model that is still widely employed by organizations in analysis and strategy development in business, and public and non-profit sectors.

Hoskisson (1999) provided an excellent review of developments in strategic management theory and research. From the inception of strategic management in the 1960s, the SWOT model emphasized both internal and external analyses in strategy development and implementation. The emphasis soon shifted externally toward industry structure and competitive positioning in the 1970s and 1980s under the influence of industrial organization economics championed by Porter (1980, 1985). In the decade between the mid 1980s and mid 1990s, models that emphasized internal characteristics of the organization dominated strategic management theory. Such models include the resource-based view (e.g., Barney, 1991; Conner, 1991; Wernerfelt, 1984); knowledge-based view (e.g., Kogut & Zander, 1992; Spender & Grant, 1996); and strategic leadership (e.g., Cannella & Hambrick, 1993, Finkelstein & Hambrick, 1996; Kesner & Sebra, 1994).

### Strategy Research in Education

Educational strategic planning followed in the wake of nearly a century and half of effort to move school district administration in the direction of a business management model. Prior to mid-1800s, the structure of public education may be described as

unconnected systems of local schools. About the mid-1800s, Horace Mann and Horace Eaton both from New England called for the reorganization of the multitude of school districts in order to deal with the problems of “fiscal inefficiency, unprofessional leadership, unequally distributed resources, and backward educational practices” (Strang, 1987 p. 355) plaguing the numerous small districts.

The efforts of the New England reformers met with limited initial success. By the 1940s, roughly a hundred years after the initial call for reorganization, the vast majority of school districts were still largely “informal community arrangements with little organizational structure” (Strang, 1987, p. 352). Between 1940 and 1980, over 100,000 school districts were eliminated, bringing the number of school districts down to the current 15,000. The effort to create such bureaucratic organizations was more successful in the urban areas than in the rural areas, which are still characterized by a plethora of tiny districts (DeAntoni, 1971; NCES, 1996; Rosenfeld & Sher, 1977). In the urban areas, reformers and state educational officials succeeded in taking administration of schools out of the hands of decentralized, patronage-based political machines and placed it under strong superintendents and formal organizations (Tyack, 1974).

However, school districts failed to realize the corporate vision of Cubberley (1912) and other architects of strong superintendents and centralized organization. Callahan (1962) charged in his book *Education and the Cult of Efficiency: A Study of the Social Forces That Have Shaped the Administration of the Public Schools* that due to the influence of business reformers, superintendents were driven to focus more on efficiency than the instruction of students. Callahan’s main thesis that external forces had combined to undermine the administration of public education became widely accepted by other

researchers and was commonly referred to as the vulnerability thesis, an explanatory paradigm for the way superintendents seem to behave in the face of the struggle to control public schools. Proponents of the vulnerability hypothesis argued that superintendents reacted to conflicts and pressures as vulnerable employees rather than as powerful educational leaders (Thomas & Moran, 1992).

Following the publication of *A Nation At Risk* (1983), educational leaders were urged to initiate a more enduring system-wide organizational change effort that went beyond reform of individual programs and processes such as curricula, pedagogical methods, and assessment systems. Advocates of what may be called strategic organizational change of the entire school district proposed that school executives start with strategic planning, a comprehensive planning methodology involving the analysis of external and internal organizational environments and the formulation of a strategy to guide organizational behavior towards mission accomplishment.

The two influential professional bodies—the Association for Supervision and Curriculum Development (ASCD) and the American Association of School Administrators (AASA) have been instrumental in the widespread adoption of strategic planning in school districts starting in the mid-1980s. Separately, these bodies collaborated with two of the nation’s leading educational consultants, publishing and disseminating strategic planning handbooks written by these consultants. ASCD published McCune’s (1986) *Guide to Strategic Planning for Educators* while AASA published Cook’s (1988) *Strategic Planning for America’s Schools*. The general consensus among educational strategic planning writers was that strategic planning leads to the development of educational organizations able to achieve the organizational goals,

meet the educational needs of a diverse population of students irrespective of their background, and satisfy stakeholder demands.

By the 1990s, strategic planning had become a widely accepted planning activity among school districts. There is hardly any major school district in the United States that did not advertise its strategic plan on its Internet website. Through an executive summary or excerpts of the plan document, visitors were informed of the school district's values, vision, and mission as well as major goals and the strategies for achieving these goals. As would be expected, the rising tide of strategic planning activities in school districts soon became a significant but limited subject of educational leadership research. Research was limited for two major reasons: (1) empirical studies were dominated by doctoral dissertation studies, and (2) researchers focused more on the process of strategic planning rather than the content and its relationship to organizational performance.

#### *District Strategic Planning Practices and Benefits*

Several studies conducted since the 1990s in different parts of the United States were concerned with the practices and use of strategic planning in school districts. Heller (1997) studied strategic planning practices in a sample of 287 school districts in Nebraska. He found that 81% of the districts were implementing a strategic plan and 63% had developed the plan within the most recent three years. Gehrking's (1996) study of 96 large districts in Texas found that 78% engaged in strategic planning with 53% indicating the use of formal planning processes. Moxley's (2003) study of strategic planning across six southeastern states found that 85% of the districts used strategic planning but only 55% were found to have used a formal planning approach.

As the results indicated, the use of strategic planning has grown in popularity among school districts in general since the mid-1980s when districts first began to adopt the planning methodology. Despite the popularity of strategic planning among practitioners, use of strategic planning remains controversial in academic circles probably due to doubts about its value. For example, Sagor (1992) saw the use of strategic planning in districts as an indication of “large, more ominous problems with our educational system” (¶ 2). He held that strategic planning was not relevant to the context of planning in school districts.

There is actually no quantitative research in two decades of educational strategic planning that attempted to measure the impact of strategic planning on district performance with the singular exception of Basham and Lunenburg (1989). They examined the relationship between strategic planning and student achievement using a correlation analysis in a sample of 127 Kentucky school districts. They found significant correlations between strategic planning and test scores in Reading, Language Arts, Mathematics, and Total Battery. However, strategic planning was only able to explain no more than 6% of the variation test scores. Heller (1997) asked what impact strategic planning had on district performance in his study of Nebraska districts and only 25% of the responding superintendents agreed that strategic planning had some impact on performance.

Others were concerned about the quality of strategic planning in school districts. McHenry and Achilles (2002) found poor, inadequate planning at the district level in a study of 27 districts in South Carolina. Upon evaluation of systematic plan documents from these districts, only 4% qualified as strategic plans in the broadest interpretation of

the concept. After reviewing a national sample of 97 strategic plans, Conley (1993) found disconnect between the content of the plan and the action program. Meich (1995) wondered why districts were embracing a tool that was originally developed for business use at a time when businesses were abandoning it.

Both Mauriel (1989) and Murgatroyd and Morgan (1993) advocated the adoption of full-scale strategic management for public schools. Shy (1992) was more optimistic about the role of strategic planning in school districts noting that “strategic planning’s direct effect on student learning may incorporate too many extraneous variables to quantify, what we do know from experience is that lack of comprehensive organizational planning, in a strategic context, will not only impede efficiency of instructional delivery but also will waste precious resources that could be devoted to learning improvement, if only a plan existed” (¶ 2).

Given that strategic planning activities are rather expensive in terms of money, time, and effort, it would seem important for school district executives to know the extent to which investment in strategic planning is paying off with respect to the academic bottom line and other district goals. This lack of causal connection between educational strategic planning and organizational outcomes led educational critics to suggest that strategic planning “has become vogue for public school superintendents to outfit themselves with the rhetoric and style of corporate executives” (Sagor, ¶ 3). Sagor was correct in the observation that he had “yet to see any evidence that *strategic planning* has resulted in improved student learning” (Sagor, ¶ 4). Establishing whether or not a relationship exists between district strategic planning and student achievement requires a serious empirical study of the subject.

Studies in many other industries have concluded that there is indeed a positive relationship between strategic planning and organizational performance. Rhyne (1986) reviewed several such studies and found that a majority of the studies reported positive relationships. Rhyne (1986) studied the relationship between strategic planning and performance using a sample of 89 Fortune 1000 companies. He concluded that organizations with “planning systems more closely resembling strategic management theory were found to exhibit superior long-term financial performance both relative to their industry and in absolute terms” (p. 432).

#### *Need for Educational Strategic Management*

In recent years, a number of researchers and commentators have suggested that public sector organizations cannot hope to make significant improvements in their performance without making an effort to develop the capacity for strategic management (Poister & Streib, 1999). According to Drucker (1993), absence of discipline of the bottom line that characterizes non-profit organizations makes this a particularly difficult challenge. In too many organizations, top executives spend little time discussing strategy (Kaplan & Norton, 1996). This suggests that top executives may be spending too much time micro-managing operations.

Educational change literature attests to the need for better alignment between educational organizations and their environments. Change efforts from the 1970s through early 1980s were focused on making single innovative changes in curriculum and instruction (Fullan, 1985). Cuban (1988) referred to these early improvement efforts as first order change. The second order change efforts emerging between early the 1980s and mid-1990s emphasized not one teacher in one classroom as in the first order stage but

the process and context of school (Stiegelbauer, 1994). The continued concern with educational performance in the mid-1980s and beyond have forced researchers to redirect from micro-educational change affecting individual schools towards macro-educational change focusing on the school district, governance, and administration (Mauriel, 1989; Murgatroyd & Morgan, 1993).

Though the initial focus was on strategic planning, a process for developing organizational strategy (Mintzberg, 1994), the need for strategic management of educational services became apparent a few years later with the publication of Mauriel's (1989) *Strategic Leadership for Schools*. Mauriel wrote:

The strategic management framework provides a new approach for organizing and shaping the many processes and systems that are needed today to lead and manage the operation of a school system effectively. This approach provides a new perspective for superintendents, central office executives, and school board members as they attempt to establish order and structure in the complex world of the public schools (p. 314).

#### *Review of Strategic Planning in Education*

The concept of organizational strategy has been reported to have its origin in the post-World War II era as business leaders faced the performance challenges resulting from growth-induced organizational complexity and increased competition. Insightful business leaders and consultants saw the need for ways that business leaders could better coordinate and control internal processes and at the same time align the entire organization to the environment. The concept of strategy, erstwhile associated with military matters, was seen as the most appropriate tool for the challenge (Bracker, 1980).

By mid-1960s, academics in major schools of business, notably Harvard Business School, had begun to study the concept and assist managers with its application. The dominant strategic analysis model popularly known as SWOT for Strengths, Weaknesses, Opportunities, and Threats was developed in the 1960s at Harvard. As the name suggests, the SWOT model represented a management philosophy that defined organizational performance problems as resulting from improper alignment of organizational capabilities with environmental possibilities. The possibilities fell into two categories: threats and opportunities. Better alignment meant that organizations would be able to avoid threats and exploit opportunities emanating from environmental changes. SWOT suggested that leaders must be in touch with the strengths and weaknesses of the organization. Better alignment would come from strategies for investing in organizational weaknesses and using strengths to exploit available opportunities while avoiding threats.

According to Mintzberg et al. (1998), the SWOT model emphasized flexibility and thus recommended an informal approach to strategy design. The SWOT model remains popular and many of its features are incorporated in other planning models. Developing almost in parallel to the design school represented by the SWOT model was the planning school which embraced an opposing planning philosophy with emphasis on control and formalization of the strategy development process. By late 1970s, formal planning had risen to dominance. Formal planning reached the peak of its popularity in the early 1980s before being overtaking by the more analytical positioning model (Mintzberg et al., 1998).

During this period, the strategic planning process was formalized in many business organizations with the General Electric model being the most popular. The decline of

formal strategic planning seemed to follow a number of critical studies that examined both the process and impact on performance. Mintzberg (1994) published a critical review of strategic planning in a book titled *The Rise and Fall of Strategic Planning*. Mintzberg's cogent exposition of the problems and performance of strategic planning practices was sufficient for many analysts and practitioners to abandon traditional strategic planning. As reported by Byrne (1996) in a *Business Week* article, General Electric disbanded its strategic planning department. And the focus of strategy development shifted away from formal planning toward more analytical approaches such as Shell Company's now famous scenario analysis among others.

Mintzberg's (1994) findings require clarification for they did not invalidate planning per se but questioned the way it was being carried out in numerous organizations.

Mintzberg suggested that strategy was a synthetic concept that emerges from senior executives' formal and informal learning, insights into the organizational processes, and changes in its external environment. He questioned the utility of the processes where a number of individuals come together in formal planning meetings to formulate strategy, and suggested that at best the product of such meetings is details of a plan for implementing the strategy that senior organizational leaders have settled upon. He preferred to call this process *strategic programming* rather than *strategic planning*.

Upon close examination, current strategic planning methodologies used by school districts appear more like strategic programming with the exception that the underlying organizational strategy is hardly articulated. In describing educational strategic planning, Brandt (1991) suggests, "after gathering data about social and economic trends and about

strengths and weaknesses of the school system, leaders declare their organization's mission and draw up action plans to achieve their goals" (p. 2).

The process of strategic planning that is widely practiced in school districts appears to have aspects of both the design and planning schools. Analysis of internal and external environments tends to proceed rather informally while an elaborate sequence of formal processes leads to the establishment of mission, goals, objectives, strategies, and action plans. Rarely is there a focus on a singular, grand organizational strategy nor is there any discussion of strategic management. Apart from the lack of evidence regarding the impact of the educational approach to strategic planning, many writers have raised issues about its value (Conley, 1993; Sagor, 1992).

Unlike in the business strategy literature where writers emphasize strategy and strategic management, the educational strategy literature seems to place all the emphasis on strategic planning. One would expect that the introduction of an innovation such as strategic planning would be based on a significant appreciation of the conceptual foundation of the innovation. Yet, comments by leading writers in educational strategic planning suggest that educational strategic planning lacks such a theoretical foundation.

Conley (1993) was more direct with the suggestion that "strategic planning may be an institutional isomorphic response by educators, as they attempt to emulate a practice without a clear understanding of its purposes and limitations" (p. 2). Conley raised the need for understanding educators' conceptual and operational grasps of strategic planning. In a review of two books on the subject of strategic planning, Meich (1995) asked, "what if educational reformers imported a management tool from the business

world to improve schools, and subsequent research indicated that the same tool had never worked particularly well in business in the first place?” (p. 504).

The factors identified in the educational administration literature justifying the need for organizational strategy were similar if not identical to those that led to the introduction of strategy in business management in the post-war era. They included performance often in terms of academic achievement of students, improvement in stakeholder relationships, changing political environments, and increasing fiscal crises (Boisot, 1995; Cook, 1990; Jeffers & Olebe, 1994).

Evidence about the reasons school districts engage in strategic planning do not seem to point to a clear understanding of the need for strategic re-positioning. Arnocida (1993) suggested that school districts were turning to strategic planning to define their focus. At the same time, district administrators did not seem able to distinguish strategic planning from long-range planning (Stewart & Bailey, 1991). Price (2001) noted that while the use of strategic planning has grown in the past two decades, “many school districts still use strategic planning in a limited fashion, largely to match resources, staff and allocation of pupils to schools” (p. 6). Similarly, Peterson (1989) noted that educational leaders seem to like strategic planning but show little understanding of the concept.

During 2000, this author had an opportunity to observe strategic planning activities in one school district. A major flaw in the process was the inability to “think outside the box” of traditional educational categories. For example, once the traditional mission, vision, and strategic parameters were designed as prescribed by the Cambridge approach (Cook, 1988), the planners were divided into subgroups and the planning tasks were divided into traditional categories such as parental involvement, magnet schools, at-risk

students, limited English proficient students, and so on. There was never a point in which planners considered the future of the district, the major environmental forces constraining the district's ability to achieve organizational goals, or the internal capabilities that needed to be developed so that the district could better perform its mission.

Part of the blame may have to go to those external consultants that school districts depend on to guide them in the strategy development process. For example, the widely used Cambridge model begins by defining strategic planning as a method for synthesizing all variables, and the means for dedicating all energies to one ideal intent (Cook, 1996). McCune (1986) defined strategic planning as process for organizational renewal and transformation. Clearly, there is nothing in these definitions that would sensitize district administrators to the fact that strategic planning drives the formulation of an intended organizational strategy, the means for aligning the organization with its external environment, develop its internal capabilities, and drive the organization toward an envisioned future state.

Another shortcoming is the fact that the dominant planning model is by design a formal planning system that assumes a stable environment or one that changes in a predictable manner (Mintzberg, 1994). When the environment facing an organization is anything other than stable, formal planning is "at best marginally helpful and at worst downright dangerous" (Courtney, Kirkland, & Viguerie, 1997, p. 68). Miller (1998) identified organizational learning and incrementalism models as alternatives to formal planning.

Since education entered strategic planning at a transition point, one would expect that educators would adopt not emerging planning tools, but those that are established in the

field. This transition point may explain why formal strategic planning became widespread among school districts. However, it is not clear from the literature the extent to which other strategy development methods such as scenario analysis and competitive analysis have found a place in educational strategy development.

### *Strategy and Performance*

From the point of view of strategic management of organizations, strategy making is driven by the need to ensure that an organization is in tune with changes in its environment, both the general and competitive environments. With the appropriate strategy, organizational leaders alter the structure and functioning of the organization with the expectation of sustaining or improving organizational performance. To understand whether investment in strategic management contributes to organizational performance, researchers initially studied the relationship between planning and performance. Inconsistent findings in this research program led to a closer scrutiny of the planning processes used by organizations and resulted in a better understanding of the nature of strategic planning (Mintzberg, 1994; Rhyne, 1986; Robinson & Pearce, 1988).

Subsequent inquiry into the strategic management-performance relationship headed in the direction of examining actual strategies used by organizations, the so-called strategy content research. A product of this research program is the development of strategy typologies or generic strategy types of organizations. Among the leading researchers in this area are Miles and Snow (1978), Mintzberg (1985), and Porter (1985).

Apparently, strategy typologies are developed through a process of abstraction and developers tend to use different strategic management perspectives. For example, Porter identified three generic strategies: cost leadership, differentiation, and focus that seem to

capture in a general sense the approaches to strategy making used by business organizations. Miller (1998) suggested that an organization could use one or more of these generic strategies.

Miles and Snow's (1978) typology of organizational strategy types has received much attention in strategy research. Underlying the typology is the proposition that successful organizations tend to develop a pattern of strategic responses to their environment, which identifies the particular organization's strategic orientation. Miles and Snow developed the now famous self-typing paragraph technique for determining the strategic orientation of organizations.

In a study of organizations across four industries, Miles and Snow (1978) found that organizations in an industry could be classified into four types of strategic orientations labeled as defender, prospector, analyzer, and reactor types. The first three are thought to be viable strategic orientations that represent effective adaptation to the external environment perceived by the organization's leaders. According to Miles and Snow, when effectively implemented, each of the three strategy types should lead to superior organizational performance. The fourth type is considered inconsistent and dysfunctional adaptive behavior. The differences between the strategic orientation types are a function of the mix of strategic choices made by organizational leaders across three functional domains of entrepreneurship, technology, and administration that make up Miles and Snow's adaptive framework.

It is generally accepted in the field of strategic management that organizations whose planning systems and strategic choices are in consonant with the basic tenets of strategic management theory tend to have superior performance in comparison to other

organizations in their industry (Miller, 1998; Rhyne, 1986). Robinson and Pearce (1988) studied the relationship between planning sophistication, strategy content and performance. They found that the content of strategy has a more direct impact on performance than the planning process and concluded that the value of planning lies in its influence on the sophistication of information available to strategists.

This raises important questions for school district strategic planning. The first is the extent to which school district planning processes are consistent with the prescription of strategic management theory. The second question deals with the relationship of strategic planning to the content of district strategy, and finally, the relationship between strategy and district performance.

Available studies suggest that planning processes used in school districts are not consistent with the prescription of strategic management theory. Strategic management theory suggests that strategy is a management tool for the senior management or administration that have the vantage point of viewing the organization as a whole. District planning processes tend to be oriented toward the development of micro-strategies, that is, formulation of specific performance goals and strategies for their accomplishment. This is at best a middle management function. Given the extant orientation of strategic planning in many if not most school districts, it should not be surprising that superintendents and school boards tend not to take lead roles in the process as would be expected in the development of organizational strategy.

Currently, no studies exist that examine the relationship between strategy and performance in school districts. There is one study that examined the relationship between strategic planning and student achievement (Basham & Lunenburg, 1989). The

authors found that strategic planning explained no more than 6% of the variation in student achievement.

## CHAPTER III - METHODOLOGY

### Purpose of the Study

Strategy development efforts in school districts date back to the mid-1980s when superintendents and other senior district managers first embraced strategic planning as a tool for organization change (Conley, 1993). Two of the leading school district strategy consultants offer similar definitions of strategic planning. McCune (1986) defined strategic planning as a process for organizational renewal and transformation. Cook (1990) suggested that strategic planning is a means by which an organization continually recreates itself to achieve extraordinary purpose.

Strategic planning is one element in the strategic management process (Brady, 1999; Hertz, 2004; Miller, 1998; Vinzant & Vinzant, 1996). In the text, *Strategic Management*, Miller (1998) identified three major processes of strategic management: strategic analysis, strategy formulation, and strategy implementation. In the Harvard Business Review article, *What Effective General Managers Really Do*, Kotter (1999) suggested that effective general managers do two critical things: set agenda and build networks. A major agenda setting decision is finding specific initiatives that accomplish multiple goals. Pearce and Robinson (2003) defined strategic management as “the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives” (p. 1).

This study focused on the organizational change effort presumed by strategic planning. Does the use of strategic planning really lead to the discovery of viable organizational strategy? Or, do superintendents develop their strategic initiatives outside the strategic planning process? How does the resultant organizational strategy relate to

district results? This chapter describes the methods and procedures used in conducting the research. The next section describes the problem that necessitates the four research questions of the study. Also discussed are the context of the study, the research questions, and the research design and procedures. This is followed by a discussion of the sample, data sources and collection, and methods of analysis of the data. Finally, the chapter ends with a summary and discussion of contributions to the profession of educational leadership.

### Problem Statement

Currently, very little is known about the nature of school district strategy and its impact on organizational performance. Studies of district strategic planning have focused much attention on the planning processes, attitudes, and perceptions of planners (Cohn, 1999) while ignoring the content of strategy and its impact on school district performance. Yet, a recent review of research on district role in educational change revealed differences in the ways district leaders perceive and respond to the internal and external demands on the organization (Anderson, 2003). The primary problem of this study was to explore the role organizational strategy plays in district performance.

Several studies have shown that strategic planning at best produces an intended strategy, which can be quite different from the realized strategy (Miller, 1998; Mintzberg et al., 1998). Robinson and Pearce (1988) suggested that planning should be studied as an exogenous variable influencing the relationship between the content of strategy and organizational performance. According to Rhyne (1986), organizations whose planning processes follow the prescription of strategic management theory tend to perform better than other organizations.

With respect to strategy content, Miles and Snow (1978) proposed that senior administrators of successful organizations in any industry tend to develop over time a systematic, identifiable approach to environmental adaptation, and a pattern of strategic behavior that guides the success of their organizations. Miles and Snow referred to this pattern of strategic behavior as the organization's strategic orientation. They suggested that identifying the strategic orientation of organizations could help in diagnosing and facilitating strategic change in these organizations.

### Hypothesis

The primary hypothesis of this study is that school districts whose central administration is more strategy driven will out-perform those school districts that are not strategy driven. The idea of a strategy-driven central administration is conceptualized as the extent to which superintendents and senior administrators of a school district formulate districtwide strategy and employ it to guide their decisions as they seek to achieve district goals in the face of limited resources and other constraints. Prior to the mid-1980s, districts were predominantly dependent on the policy environment and regulatory was highly valued. School districts were primarily bureaucratic, rule-driven organizations (Moore, 1995; Spady, 1981). When a California Department of Education official was asked at a conference a decade ago whether a compliant district is an effective district, he replied that he would rather have it the other way round. Under a bureaucratic regime, senior administrators seem to define their primary responsibility as ensuring that educational policy and regulations serve as the primary driver of the day-to-day operations of the district.

By contrast, both the strategic choice approach (Child, 1972) and the upper echelon perspective (Hambrick & Mason, 1984) placed senior administrators at the center of organizational dynamics and actions. Miles and Snow (1978), following the strategic choice model suggested that every organization has a dominant coalition, a group of decision makers whose influence on the organization is greatest. This group is responsible for partitioning the environment and the surveillance of environmental forces deemed critical to the organization. The organization responds to what it perceives and its “adaptive decisions are constrained by the organization’s past and current strategy, structure and performance” (p. 21). A strategy-driven organization will relate to policy and regulation differently than a rule-driven organization. For the former, mandates, policies, and regulations will be viewed as constraints rather than the ends to be served. In such organizations, the vision and strategy of the organization are the primary drivers of the day-to-day operations (Kaplan & Norton, 1996; Waclawski, 2002).

#### Research Questions

In order to become strategy-driven, an organization must accomplish a number of tasks. First, an organizational strategy must be formulated either through a formal or informal planning process. Next, the process of implementing the strategy involves decisions and policies to guide the organization towards the attainment of its vision and goals. Over time, a pattern of adaptation to environmental changes emerges as a result of the intended strategy and the policies and decisions designed to achieve organizational goals. Such thinking about organizational strategy led Mintzberg (1998) to propose five ways of thinking about strategy: plan, pattern, position, ploy, and perspective (Drucker, 1994).

This investigation is based on the idea that strategy is both a plan and a pattern or as Mintzberg also suggested intended and realized. During the strategic planning process an intended strategy or course of action is defined. However, during implementation organizational leaders learn and make choices that if successful lead to the attainment of organizational goals. The pattern of strategic choices is what Miles and Snow (1978) referred to as the organization's strategic orientation. These choices and actions lead to measurable organizational performance. Based on the foregoing, the following research questions will be used to verify the primary hypothesis:

1. What is the nature of strategic plan implementation in large unified school districts?

Existing strategic management literature suggests that the first step in strategic management is the formulation of a strategy. This process is accomplished through the analysis of the organization's internal and external environment, the generation of alternative strategies, and the choice of the most appropriate strategy in light of the organization's purpose, goals, and constraints.

2. What are the strategic orientations of large unified school districts?

Miles and Snow (1978) developed a typology of strategic orientations as well as the means for its measurement. Both the typology and instrument have received substantial research attention and evidence has accumulated to support their validity as tools for determining the strategic orientation of organizations in any industry (Gimenez, 1999; Jabnoun, Khalifah, & Yusuf, 2003; James & Hatten, 1995; Shortell & Zajack, 1990).

The focus of Miles and Snow's typology is on the business level of organization as opposed to the corporate or functional levels. For the purpose of this study, a school district is viewed as a single business unit (Gimenez, 1999).

The typology is based on three premises. The first is that over time, successful organizations develop a systematic, identifiable means of environmental adaptation, which represent what the authors called *a general physiology of organization behavior*. The physiology is based on homeostatic adjustments of the three domains of entrepreneurship, engineering, and administration in reaction to real and perceived changes in the environment.

The second premise is that there exist four types of strategic orientations that can be assumed by organizations in an industry. Labeled as defenders, prospectors, analyzers, and reactors, the differences between these orientations depend on the configuration of organizational change. Defenders are characterized by a tendency to want to hold on to lucrative industry positions that they have achieved. Prospectors survive through constant innovations. Analyzers represent a blend between defenders and prospectors. Reactors are organizations that seemed not to have a clear vision or strategy and tended to react to changes in their environment without a clear pattern of response. The final assumption is that when properly implemented, defender, prospector and analyzer strategies can lead to organizational effectiveness.

### 3. What is the relationship between strategic planning and strategic orientation?

This question sought to uncover the initial processes leading to the development of strategic orientation in school districts and to identify if particular planning approaches are associated with specific strategic orientations. Not all school districts use formal

planning systems, some claim not to use strategic planning. It was thought important to know how planning systems relate to strategic orientation, if at all.

4. What is the relationship between strategic orientation and academic performance?

Several studies have supported the premise advanced by Miles and Snow that defender, prospector, and analyzer organizational strategies can be effective if properly implemented. Following Kaplan and Norton's (1996) idea that organizational performance is a multidimensional construct, district performance was measured along three dimensions: operational efficiency, product quality and program equity. The actual performance ratios used as proxies for the three dimensions were based on the Service Efforts and Accomplishments (SEA) methodology developed by the Governmental Accounting Standards Board for public sector agencies (Hatry, Alexander & Fountain, 1989; Fountain, 2001; Walker, 1999). SEA methodology recommends using measures of organizational inputs, outputs, and outcome to derive performance ratios.

#### Context of the Study

This study is set against the background of educational accountability reform begun in the mid-1990s under the Clinton administration and that continued under the Bush administration in 2002 with the passage of the No Child Left Behind reform legislation. These accountability demands are forcing school district leadership to either come up with new strategies for meeting state standards or simply wait while emerging competition from charter schools and vouchers bids away both students and resources from districts unable to cope with change.

The sample for the study was 52 of the top 100 largest unified school districts in California. Unified school districts were chosen for the study because they were the

predominant organizational form among school districts and faced the complex challenge of serving students from kindergarten through 12<sup>th</sup> grade. The top 100 largest unified school districts enroll roughly 55% of all California public school students while unified school districts as a group enroll 69% of all students. The sampled districts had total annual revenues in 2001/02 ranging from \$80 million to \$5.6 billion. An understanding of the strategic characteristics of these districts will contribute to educational improvement policy in California.

### Research Design

The study employed a mixed ex post facto design (Krathwohl, 1998) using survey research and analysis of archival data. According to Watson (2005), ex post facto design enables the researcher to explore possible causes for a behavior by comparing study participants in whom the behavior is present with similar participants in whom it is absent, after the independent variable has occurred.

The ex post facto method is appropriate in situations where the experimental method is impossible or unethical. Ex post facto design does not provide conclusive causal evidence; at best it establishes relationships between variables. Quantitative organizational strategy studies tend to use this method. Due to the difficulty in finding similar or matching groups, it is necessary to control for initial differences between groups using statistical techniques.

The variables of interest were the strategic plan implementation status, strategic orientation, and performance of the districts. Respondents' answers to a set of survey items on the School District Strategy Survey 2004 were used to measure the strategic plan implementation status of the sample districts. Miles and Snow's (1978) typology of

strategic orientations was used to measure the realized strategy of the districts.

Performance was measured using the following performance indicators: graduate output rate, college preparation, and the achievement gap index.

### Study Procedures

The procedures included collection of data from both primary and secondary sources. The primary sources were the superintendents of 52 of the largest unified school districts in California. The superintendents each received questionnaires that asked questions about strategy formulation processes used by their districts and were also asked to choose a paragraph that best described the strategic orientation of their school district. When superintendents were new to their current districts, they were asked to seek help in completing the questionnaire from any of the members of the superintendent's cabinet who they considered knowledgeable about the district's planning history.

Secondary data regarding district demographic characteristics and educational performance were collected from archival data available from California Department of Education (CDE) and the National Center for Educational Statistics (NCES). Districts were grouped as follows: central city, suburban, and exurban districts for comparative analysis.

The relationship between strategy formulation and strategic orientation was analyzed using cross-tabulation statistical analysis and the strength of the relationship was tested using contingency coefficient statistics. The relationship between strategic orientation and performance was analyzed using Multivariate Analysis of Variance (MANOVA) statistical technique.

District performance was measured using three performance indicators: (1) percentage ratio of high school graduates to high school enrollment, a measure of the operational efficiency with which districts transform students into graduates in the high school years; (2) percent ratio of the number of high school graduates who completed the University of California and the California State University (UC/CSU) a-g course requirements for admission to the total number of high school graduates, a measure of product quality; and (3) percentage ratio of the Academic Performance Index (API) score of disadvantaged student population and the API score of non-disadvantaged student population, a measure of program equity.

#### Sample/Participants

The sample for the study was a purposive sample (Trochim, 2002) of 52 of the largest unified school districts in California. Superintendents of each sampled district were the respondents to the questionnaire. The choice of superintendents as respondents was based on their unique positions and organization-wide responsibilities. They were uniquely positioned to respond to questions about organizational strategy. Superintendents who were relatively new to their positions will be asked to seek help from the more experienced and trusted senior administrators in completing the questionnaire.

#### Data Collection and Analysis

##### *Survey Instrument*

The survey instrument was comprised of three major segments. The first segment presented responding elements with four paragraphs constructed along the self-typing paragraph format developed by Miles and Snow (1978) to collect information for classifying districts along the typology of strategic orientation. After reading the

paragraphs, the responding element was to identify the paragraph that best described organizational conditions in the district along three time frames simply identified as (1) three to five years ago, (2) currently, and (3) three to five years in the future.

The second segment of the survey included four items dealing with whether or not there was a current strategic plan being implemented in the district, how long ago the plan was developed, the approach used in developing the plan, and the extent to which current district goals, policies, decisions, and programs represented implementation of the plan. The final segment of the instrument was comprised of three demographic items dealing with the respondent's job title, number of years in the current position, and number of years in the district. A copy of the survey instrument is included in the Appendix.

#### *Primary Data Collection*

An initial letter was sent to the superintendents of the largest 100 unified school districts in California during the first week of September 2004 to solicit their participation in the study. The following week, copies of the survey instrument, School District Strategy Survey 2004, and a cover letter were sent to all the superintendents. The cover letter reminded them of the initial solicitation and also invited superintendents who were new to their districts to pass the survey form to any member of the senior administration who they thought knowledgeable about district planning and decision making to complete the form on their behalf.

The collection strategy yielded 46 returns between October 4 and 22. During this period, an electronic version of the survey was being developed in anticipation of a low response rate. When no more returns were forthcoming after waiting for two more days,

telephone calls were made to the non-responding superintendents encouraging them to fill the survey form. To further encourage participation, superintendents were offered an electronic version of the survey for it was thought that given their busy schedules some might have misplaced the hardcopy. The electronic version of the survey was developed on SurveyMonkey.com website and was sent to all non-respondents on the evening of October 25. This approach netted an additional six returns between October and November, bringing the total returns to 52.

#### *Secondary Data Collection*

Both demographic and basic performance data were collected for the 52 sample districts from the websites of the California Department of Education (CDE) and the National Center for Educational Statistics (NCES). The CDE site provided secondary data regarding enrollment; student distribution along ethnicity, free/reduced price lunch participation, and English language learner designation; largest ethnic group of students; number of high school graduates; number of high school graduates who completed the UC/CSU, A-G course requirements; and Academic Performance Index (API) for the entire district and Economically Disadvantaged Students (EDS). The API of non-EDS students was calculated from district and EDS API using simple proportion.

The NCES website yielded information about the urbanicity of the districts. Each district was identified as located in a large central city, mid-size central city, the urban fringe of a large central city, or urban fringe of a mid-size central city. Districts located in either a large or mid-size central city were coded as urban while those located in the urban fringes of these cities were coded as suburban. There was no district in the sample frame that was located in a small town or rural area.

### *Analytical Tools*

The following describes the analytical techniques employed. The discussion is organized according to the research questions.

Question #1. What is the nature of strategic plan implementation in large unified school districts? Survey responses related to this question were tabulated using descriptive statistics, primarily frequency distribution of responses and Chi Square. The analysis yielded information about the distribution of districts according to whether or not they reported implementing a current strategic plan, the age of the plan, the planning approach used, and the extent to which goals, policies, decisions, and programs represented plan implementation.

Question #2. What are the strategic orientations of large unified school districts? A frequency distribution was used to classify the districts according to their perceived strategic orientations as reported by the responding units. Districts were classified as Prospector, Analyzer, Defender, and Reactor depending on the paragraph chosen. A chi square test of equality was used to evaluate statistical significance between the strategic orientation categories.

Question#3. Is there a relationship between strategy planning and strategic orientation among large unified school districts? Two survey items, strategic plan implementation and current strategic orientation, were used to investigate this question. The survey item that asked if a current strategic plan was being implemented in the district was a yes/no item. The two survey items were analyzed together using a 2 x 2 cross-tabulation. A chi square test of association was used to evaluate the statistical significance in the relationship between strategic planning and strategic orientation.

Question#4. What is the relationship between organizational strategy and district performance? Based on the idea that strategy is both a plan and a pattern, two independent variables: Strategic Plan Implementation (SPI) and Current Strategic Orientation (CSO) were related to the three performance ratios as dependent variables in a multivariate model.

The three performance ratios were developed based on the idea that organizational performance is a multidimensional construct (Kaplan & Norton, 1996) and the recommendations of Governmental Accounting Standards Board (GASB) for developing performance ratios for public agencies (Clancy & Patton, 1996; Engert, 1996; Hatry, Alexander, & Fountain, 1989). The performance ratios are described below:

- (1) Graduate Output Rate (GOR) is an indicator of high school production efficiency and defined as the annual percentage ratio of the number of high school graduates (output) to high school enrollment (input).
- (2) College Preparation Rate (CPR) is an indicator of educational quality and defined as the annual percentage ratio of the number of graduates completing the UC/CSU a-g course requirements (outcome) to the number of high school graduates (output).
- (3) Achievement Gap Index (AGI) is an indicator of educational equity and was defined as the annual percentage ratio of the academic performance index (API) of economically disadvantaged students to that of the non-disadvantaged students.

For the purpose of statistical analysis, the values of the three indicators were averaged over the most recent two years for which data were available. The model was analyzed using a Multivariate Analysis of Variance (MANOVA).

#### Summary and Contributions to the Profession

The study sought to understand the relationship between organizational strategy and performance among the largest unified school districts in California. So far, there is no existing research on district strategy outside of the several studies of strategic planning processes. School districts are facing major challenges to their survival and it is not clear how they should respond. This study produces information about where school districts are headed in terms of their patterns of strategic choices. It also informs superintendents of the strategic options they face and whether they need to change directions in order for their districts to become successful.

## CHAPTER 4

### Results

This chapter presents the findings of the analysis of the survey, demographic, and performance data. The survey data came from the 52 large unified school districts that responded to the School District Strategy Survey, 2004. The superintendent or other top administrator in each of the districts responded to the questionnaire. The demographic data were collected from two sources: the websites of The California Department of Education (CDE) and the National Center for Educational Statistics (NCES) of the United States Department of Education. The performance data were collected from the California Department of Education website.

After coding the survey data, a query procedure within the Access database was used to select and merge the data for analysis. After presenting a summary of the demographic description of the sample districts, the results of the analyses of data are presented in the order of the four primary research questions.

#### *Sample Characteristics*

Fifty-two of the 100 largest unified school districts in California that were sent copies of the questionnaire responded to one or more items on the survey. The sample element of the study was the superintendent of each district. In nine cases, other members of the district administration responded on behalf of the superintendent. The characteristics of the sample are summarized using the following demographic and financial variables: enrollment, finance, leadership, urbanicity, minority representation, largest ethnic group, English language learners, and free/reduced price lunch participation.

### *Enrollment*

The 52 sample districts varied in 2002-03 enrollments from 10,129 to 81,222 students. The average enrollment size for the sample was 25,255 students with a standard deviation of 13,215 students. The sample districts constituted 16% of California's 328 unified school districts while enrolling 30% of all students the 2002-03 school year. Also, the sample districts represented 5% of the State's 986 regular K-12 districts and accounted for 21% of California's 6.2 million students.

### *Finance*

Annual budget and expenditures also varied among the sample districts. Total revenues ranged from \$82 million to \$603 million while total expenditures were \$71 million to \$586 million during 2002-03 school year. On a per student basis, revenues ranged from \$6,088 to \$10,618 per average daily attendance (ADA) with an average of \$7,020 and a standard deviation of \$740. Expenditures ranged from \$5,997 to \$10,756 per ADA with an average of \$6,771 and a standard deviation of \$674.

### *Leadership*

Due to the nature of the study, superintendents were chosen to respond on behalf of their districts though other members of the district leadership team chosen by the superintendent could respond on behalf of the superintendent. Data were collected about the responding element's position, tenure in the position, and length of service in the district. Overall, 41 or 79% of the 52 respondents identified themselves as superintendent while another 17% identified themselves as holding one of several senior administrative positions ranging from associate superintendent to director. Two districts did not respond to this item.

With respect to tenure in position, 35% of all responding elements have been in their current leadership positions for three to four years; another 33% have been in their positions for five or more years; while the remaining 31% have been in their positions for two or fewer years. More than half (54%) of all respondents served in their respective districts for five or more years, 27% had been in the district for three to four years, while 17% served in the district for two or fewer years. One district did not respond to the tenure and years of service questions (see Table I).

Table I

## Position Tenure and Years of District Service

	Position Tenure		Years of District Service	
	Count	%	Count	%
2 years or less	16	30.8	9	17.3
3 to 4 years	18	34.6	14	26.9
5 or more years	17	32.7	28	53.8
No Response	1	1.9	1	1.9
Total	52	100.0	52	99.9

*Note.* Percentages may not add to 100 due to rounding.

*Urbanicity*

The 52 sample districts were located in large and mid-sized central cities and their urban fringes. Twenty-two of the districts were located in the central cities, hereafter referred to as urban while the remaining 30 districts are located in the urban fringes of the central cities, hereafter referred to as suburban. There were no sample districts located in small towns or rural areas.

### *Student Characteristics*

The characteristics of the student population served by the sample districts during the 2002-03 school year are described below based on four demographic factors: largest ethnic group (LEG), minority student representation, English learner representation, and free/reduced price lunch participation. It is generally accepted among mainstream educational researchers and practitioners that the more economically disadvantaged, ethnically diverse, and limited English proficient the student population is the more challenging is the educational task.

Hispanic, Asian or African American students made up the largest ethnic groups in 29 of the 52 sample districts. Also, minority representation among the 52 districts ranged from a low of 22% to a high of 98%. Typically used as a proxy for poverty, the percentage of students receiving free or reduced price lunches ranged from 1% to 90%. Finally, the percentage of students with limited English proficiency (also referred to as English language learners) ranged from 2% to 70%. Clearly, there is much variability in the characteristics and needs of students across the sample. There was a high degree of correlation among the latter three demographic indicators ranging between 77% and 80%.

### *Comparing Respondent and Non-respondent Districts*

The largest 100 unified school districts was the population of interest in this study. In 2002-03, the largest 100 unified districts enrolled approximately 3.5 million students or 80% of the enrollments of California's 328 unified districts (NCES-minority, 2005; CDE, Ed-Data, 2005). Unified school districts accounted for 70% of all enrollments in California's 986 regular districts while representing only 33% of the districts. A statistical comparison of the means of respondent and non-respondent districts along

urbanicity, largest ethnic group, minority representation, English language learners, and free/reduced price lunch participation indicated that no significant differences existed between respondents and non-respondents.

*Research Question #1*

The first research question asked: *What is the nature of strategic plan implementation in large unified school districts?* The concept of strategic planning as used in this study refers to formal and informal efforts by the superintendent and top administration team of a school district to set the long-term goals and direction for the organization. In order to investigate this question, four related minor questions were included in the questionnaire. The four strategic plan implementation questions and the responses are summarized below.

Implementation Question No. 1: Is there a current board-approved strategic plan being implemented in your school district? The responses were summarized using a frequency distribution. As shown in Table II, districts implementing a board-approved strategic plan far out-numbered those that were not. A chi square test showed that there was a statistically significant difference between the number of implementers and non-implementers,  $\chi^2 (1) = 12.25, p < .001$ .

Table II

*Implementation of A Current Strategic Plan (SP)*

Response Type	Count	Percentage
Yes	38	73.1
No	13	25.0
No Response	1	1.9
Total	52	100.0

Implementation Question No. 2: How old is the current approved plan? This question places the strategic plan in perspective given the current reform that began in 2002 under the No Child Left Behind Act of 2001. In 2003, the California Department of Education as directed by the federal government required districts to submit a five-year plan describing how they would meet federal educational performance standards under the NCLB Act of 2001. The response options ranged from one year or less to more than five years. The responses were collapsed into two options: *two or more years* and *three or more years* to identify districts implementing a recently developed strategic plan and those implementing older plans. A chi square test was used to test for significant difference between recent plan implementers and older plan implementers.

Table III summarizes the data for the 38 districts implementing a current strategic plan. Though recent implementers were slightly more than half of the districts implementing a current strategic plan, A chi square test led to the decision to accept the null hypothesis that districts are equally distributed between recent and older strategic planners,  $\chi^2 (1) = 0.24, p = .622$ .

Table III

*Age of the Strategic Plan*

Response Type	Count	Percentage
Two years or less	20	52.6
Three years or more	17	44.7
No response	1	2.6
Total	38	99.9*

\* Percentage did not add up to 100 due to rounding

Implementation Question No. 3: How was the plan developed? The question included six response options including formal planning, leadership focus group, superintendent visioning, state and federal reform-based design, a category of other approaches as defined by respondents, and absence of a current strategic plan. The possible responses were collapsed into three distinct options: formal, informal, and no planning. The informal category includes all planning systems other than the formal system discussed below.

Formal planning was defined as a systematic process involving multiple internal and external stakeholders working together over a period of time, typically less than a year, to develop an organization's mission, goals, strategies, and action plans. A trained or

professional strategic planning facilitator guides the group. The most common formal planning model used in school districts is the Cambridge model developed by Cook (1988).

The result summarized in Table IV shows that 79% of the districts implementing a strategic plan used a formal planning process. It is interesting to note that none of the respondents indicated using the state and federal reform-based planning option. A chi square test led to the decision to reject the null hypothesis and accept the alternative that there was a statistically significant difference between the number of districts that used formal planning and those that used informal planning,  $\chi^2 (1) = 12.74, p < .001$ .

Table IV

*District Strategic Planning Approaches*

Response Type	Count	Percentage
Formal	30	78.9
Informal	8	21.1
Total	38	100.0

Implementation Question No. 4: To what extent do current district goals, policies, decisions, and programs represent implementation of the strategic plan? A four-point Likert-type scale with values ranging from limited extent to full extent was used to measure this item. The scale was collapsed into three levels by adding the lowest two scale values as *low extent*. The results are summarized in Table V below. Two-thirds of the districts implementing a strategic plan indicated that current district goals, policies, decisions, and programs represented implementation of the strategic plan to a high extent.

A chi square test indicated that there was a statistical significant difference among the districts with respect to the extent of implementation,  $\chi^2 (2) = 19.00, p < .001$ .

Table V

*Extent of Strategic Plan Implementation*

Response Type	Count	Percentage
Low	4	10.5
Great	25	65.8
Full	9	23.7
Total	38	100.0

In summary, analyses of the responses to the four plan implementation questions under the first major research question suggest that large districts differed significantly in the use and implementing of strategic planning. While nearly 75% of the sample district participants claimed to have developed and implemented a strategic plan, about 79% of these used a formal planning process to develop the plan and 21% used an informal planning process. Of those implementing a formal or informal strategic plan, slightly less than a quarter asserted that they were implementing the plan to the full extent. Two-thirds were implementing the strategic plan to a great extent while 10% were implementing a strategic plan to a minimal or moderate extent.

*Research Question #2*

The second research question asked: *What are the strategic orientations of large unified school districts?* Several alternative methods were found in use in the literature for measuring the strategic orientation construct. Strategic orientation is also referred to

as realized organizational strategy (Mintzberg et al., 1998). Of the four approaches identified by Snow and Hambrick (1980), the original self-typing paragraph method, the most popular of the four, was used in this research. The other approaches are typing by the investigator, independent assessment by experts, and empirical derivation using objective criteria.

Miles and Snow (1978) developed the original self-typing paragraph method. Shortell and Zajak (1990) conducted a validity study of Miles and Snow typology using both the self-typing paragraph and archival methods. They concluded “perceptual measures are congruent with archival measures of Miles and Snow’s strategic types...” (p. 829). James and Hatten (1995) conducted a similar validity study using a sample consisting of organizations in the banking industry and found that the self-typing paragraph approach worked very well despite the limited number of predictor variables involved.

The self-typing paragraph method, as the name suggests, consists of four paragraphs describing the main characteristics of the four strategy types uncovered by Miles and Snow. In determining the strategic orientations of the sample districts, each superintendent or other knowledgeable top administrator was asked to choose one of four paragraphs that best described the strategic characteristics of the district along three time frames - three to five years ago, currently, and three to five years into the future. The paragraphs are listed as follows:

*Paragraph 1.* In this district, we offer a broad range of programs to meet the needs of our students. Our programs undergo periodic review and redefinition as both student population and needs change. We take pride in ourselves as educational innovators and try to be among the first to implement new, innovative programs. We anticipate

environmental changes and develop action plans to cope with them in order to maintain our image as a highly effective school district (Prospector).

*Paragraph 2.* In this district, we have educational programs that meet the needs of various segments of our students. We strive to maintain these programs at a high level of quality. In order to ensure that we meet the needs of students who are not well served by existing programs, there are professionals charged with the task of identifying, analyzing, and recommending programs for adoption. We typically move aggressively to implement these programs so as to expand our portfolio of effective programs (Analyzer).

*Paragraph 3.* Over the years, this district has developed the capability to offer high quality, standards-based core educational programs that serve all students well and ensure that nearly all students are able to reach or surpass state proficiency standards. We do not experiment much with new programs in the market but are committed to maintaining our current programs at the highest level of quality (Defender).

*Paragraph 4.* In this district, we offer standards-based educational program for all students. In addition, we have a broad range of supplemental programs to enable low-performing students to gain greater access to the standards and experience academic success. When changes are necessary due to new reform programs introduced either at state or federal levels, we do the best we can to ensure that all schools comply with these new mandates (Reactor).

The results shown in Table VI indicate that school districts could be classified using Miles and Snow's typology of strategic orientations. The dominant strategic orientation reported for the prior time segment (three to five years ago) was the reactor type representing nearly one-third of the districts. A chi square test of equality of distribution

among the four strategic orientations indicated that there was no statistically significant difference in the number of districts in each category of strategic orientation,  $\chi^2 (3) = 4.92, p = .178$ .

The districts appeared to be more or less evenly distributed across the four strategic orientations during the current time segment. This finding was confirmed with a chi square test of equality of all categories,  $\chi^2 (3) = 0.50, p = .919$ . As district leaders ponder about the future of their organizations, they perceived a movement towards the prospector strategic orientation with all the other three categories expected to decline three to five years from now. A chi square test of equality among the categories showed the differences to be statistically significant,  $\chi^2 (3) = 22.50, p < .001$ .

Table VI

*Distribution of Districts by Perceived Strategic Orientation*

Time Period	Prospector	Analyzer	Defender	Reactor	No Response
Prior	14 (26.9)*	15 (28.8)	6 (11.5)	16 (30.8)	1 (1.9)
Current	11 (21.2)	14 (26.9)	11 (21.2)	12 (23.1)	4 (7.7)
Future	26 (50.0)	9 (17.3)	5 (9.6)	8 (15.4)	4 (7.7)

*Note.* Sample size = 52 in all time segments. Percentages may not add up to 100 due to rounding.

\* Numbers in parenthesis are percentages

*Research Question #3*

*What is the relationship between strategic plan implementation and strategic orientation?* To answer this question, cross-tabulation of data from sub-question one of the first research question and the data from the second research question were constructed and the relationship between strategic plan implementation (yes/no) and

strategic orientation (prospector/analyzer/defender/reactor) was tested using a chi square test of association for each of the time segments. Due to data limitations, strategic orientation categories were collapsed into two categories – prospector and analyzer as one and defender and reactor as the other based on the findings by Pleshko, Stanwich, and Heiens, (1995) indicating that the order of performance from high to low is generally prospector, analyzer, defender, then reactor.

The results of the 2 x 2 cross-tabulation are presented in Table VII. Note that actual cell counts and expected cell counts are very close indicating that there was no association between strategic plan implementation and strategic orientation for all time segments. Chi square values were in the range .012 to .171 and the *p*-values were all much larger than the alpha of .05.

Table VII

*Cross-tabulation of Strategic Plan Implementation and Strategic Orientation*

Time Segment	Plan Implementation	Strategic Orientation		
		Prospector/Analyzer	Defender/Reactor	Total
Prior	Yes	22 (21.8)	17 (17.2)	39
	No	6 (6.2)	5 (4.8)	11
Current	Yes	18 (18.6)	17 (16.4)	35
	No	7 (6.4)	5 (5.6)	12
Future	Yes	25 (25.3)	10 (9.7)	35
	No	9 (8.7)	3 (3.3)	12

*Note.* Values in parenthesis are expected counts.

*Research Question #4*

*What is the relationship between organizational strategy and district performance?* In order to investigate this question, organizational strategy was operationalized as both a plan and a pattern, or intended strategy and realized strategy (Mintzberg, 1994; Quinn, 1988). As proposed by Kaplan and Norton (1996), district performance was operationalized as a three-dimensional construct. The Service Efforts and Accomplishment (SEA) methodology proposed by the Governmental Accounting Standards Board (GASB) guided the development of three performance indices used for measuring each dimension of district performance (Engert, 1996; Hatry, Alexander & Fountain, 1989; Walker, 1999). GASB recommended the use of performance ratios by public sector organizations based on indicators of input in relation to output or outcome indicators to derive measures of efficiency, cost-effectiveness, and quality. The latter two are measured from the input, output, and outcome indicators through the construction of performance ratios. The SEA methodology has been used to study the performance of public schools (Clancy & Patton, 1996; Engert, 1996).

The following performance indices were developed to measure district performance:

- (4) Graduate Output Rate (GOR) is an indicator of high school production efficiency and defined as the annual percentage ratio of the number of high school graduates (output) to high school enrollment (input).
- (5) College Preparation Rate (CPR) is an indicator of educational quality and defined as the annual percentage ratio of the number of graduates

completing the UC/CSU a-g course requirements (outcome) to the number of high school graduates (output).

- (6) Achievement Gap Index (AGI) is an indicator of educational equity and was defined as the annual percentage ratio of the academic performance index (API) of economically disadvantaged students to that of the non-disadvantaged students.

For the purpose of statistical analysis, the values of the three indicators were averaged over the most recent two years for which data were available.

#### *Statistical Analysis*

To assess the relationship between organizational strategy and performance, the dataset was subjected to Multivariate Analysis of Variance (MANOVA). MANOVA enables the analysis of relationships between one or more categorical independent variables and multiple quantitative dependent variables taken together. The technique was particularly suited for this study where the effects of strategic orientation and multiple performance variables were investigated. In addition, MANOVA has two attractive qualities that make it appropriate for the exploratory nature of the study and the limited sample size. First, MANOVA provides the statistical power to detect true differences when using several imperfect measures of an outcome. Second, MANOVA facilitates control of false positive results by enabling a single test for several outcome measures (SPSS Inc., 1997).

#### *Variables*

The independent variables are categorical and include:

- (1) Strategic Plan Implementation (SPI) with two levels

- a. Yes, district has a current strategic plan (intended strategy) under implementation
- b. No, district does not have a current plan (intended strategy) under implementation

(2) Current Strategic Orientation (CSO) with four levels

- a. Prospector
- b. Analyzer
- c. Defender
- d. Reactor

Dependent Variables were quantitative and included:

- (1) Graduate Output Rate (GOR)
- (2) College Preparation Rate (CPR)
- (3) Achievement Gap Index (AGI)

A final variable, Free/Reduced Price Lunch Participation Rate (FRPL) is an indicator of poverty and is defined as the annual percentage ratio of the number of students participating in the lunch program to the total number of students enrolled in the district during the 2002-03 school year.

*Data Analysis*

Tables VIII, IX and X present the means, standard deviations, and sample sizes for each cell resulting from the breakdown of the data by strategic plan implementation (SPI) and current strategic orientation (CSO) for operational efficiency, Product quality, and program equity performance measures respectively. Examining at the mean values, districts implementing a strategic plan outperformed districts that were not across all

three measures of performance. In addition, prospector districts outperformed both analyzer and defender/reactor districts on all three measures of performance. Analyzer districts outperformed defender/reactors districts on GOR and CPR while defender/reactor districts outperformed analyzer districts on AGI.

Table VIII

*Graduate Output Rate (GOR) Descriptive Statistics*

Strategic Plan Implementation	Current Realized Strategy	Mean	SD	Sample Size
Yes	Prospector	20.9	2.47	7
	Analyzer	19.5	0.79	12
	Defender/Reactor	18.7	1.80	21
	Total	19.3	1.86	40
No	Prospector	18.7	1.57	4
	Analyzer	19.2	0.70	3
	Defender/Reactor	17.0	1.08	5
	Total	18.1	1.50	12
Total	Prospector	20.1	2.38	11
	Analyzer	19.4	0.76	15
	Defender/Reactor	18.4	1.81	26
	Total	19.0	1.84	52

*Note.* SD means standard deviation.

Table IX

*College Preparation Rate (CPR) Descriptive Statistics*

Strategic Plan Implementation	Current Realized Strategy	Mean	SD	Sample Size
Yes	Prospector	51.7	23.78	7
	Analyzer	41.0	14.51	12
	Defender/Reactor	31.6	12.41	21
	Total	37.9	16.84	40
No	Prospector	28.0	5.45	4
	Analyzer	25.3	5.98	3
	Defender/Reactor	29.4	7.43	5
	Total	27.3	6.13	12
Total	Prospector	43.1	22.14	11
	Analyzer	37.8	14.58	15
	Defender/Reactor	31.2	11.52	26
	Total	35.6	15.60	52

Table X

*Achievement Gap Index (AGI) Descriptive Statistics*

Strategic Plan Implementation	Current Realized Strategy	Mean	SD	Sample Size
Yes	Prospector	84.0	5.83	7
	Analyzer	82.7	3.95	12
	Defender/Reactor	83.3	4.33	21
	Total	83.3	4.41	40
No	Prospector	83.0	7.50	4
	Analyzer	77.0	3.11	3
	Defender/Reactor	83.3	6.40	5
	Total	81.6	6.31	12
Total	Prospector	83.6	6.12	11
	Analyzer	81.6	4.38	15
	Defender/Reactor	83.3	4.64	26
	Total	82.9	4.89	52

*MANOVA Tests of Relationships*

To investigate the effects of SPI and CRS on district performance, a two-way Multivariate Analysis of Variance was performed using the three dependent variables: Graduate Output Rate (GOR), College Preparation Rate (CPR) and Achievement Gap Index (AGI) and the two independent variables: Strategic Planning Implementation (SPI) and Current Realized Strategy (CRS). Due to the exploratory nature of this study, the

alpha level was set at .10 for determining significance in the multivariate F-tests (Snow & Hrebiniak, 1980).

Before the multivariate analysis, the dependent variables were evaluated for sample size adequacy, multivariate normality, linearity, univariate and multivariate outliers, homogeneity of variance-covariance matrices, and multicollinearity. The number of cases in each cell should be at least equal to the number of dependent variables. Cells associated with no plan implementation and defender strategy had less than the minimum number of cases and the decision was made to combine both defender and reactor strategies. There were also a few outlier values on GOR and AGI variables.

Because of the sensitivity of MANOVA to the presence of outliers, ways to handle outliers become very important for successful analysis of the data. However, there is no clear guidance from the statistics literature how outliers should be handled. Some suggest removing all extreme outliers from the data file while others recommend replace them with less extreme value (Pallant, 2005). The decision was made to replace the outliers using the SPSS procedure for replacing missing values.

Levene's test of equality of error variances showed that significant differences existed between the error variances of the CPR variable,  $F(5, 46) = 3.68, p = .007$ . Following Pallant's (2005) recommendation, a more conservative alpha level of .01 was set for determining significance for CPR in the univariate F-test. No other violation was noted.

### *Results*

There was a statistically significant difference between districts implementing a strategic plan and districts that were not on the combined district performance variables:  $F(3, 43) = 3.54, p = .022$ ; Pillai's Trace = .20;  $\eta^2 = .20$ . There was also statistically

significant differences between the different strategy types on the combined district performance variables:  $F(6,88) = 2.25$ ,  $p = .046$ ; Pillai's Trace = .27;  $\eta^2 = .13$ . However, there were no statistically significant differences between strategic plan implementation by strategy type terms on the combined performance variables:  $F(6,88) = 1.64$ ,  $p = .146$ ; Pillai's Trace = .20;  $\eta^2 = .10$ .

When the results for the performance variables were considered separately as shown in Table XI, the only significant difference found was between strategic planners and non-planners on the equity performance variable, using Bonferroni adjusted alpha of .033 with  $F(1,45) = 5.80$ ,  $p = .02$ ;  $\eta^2 = .11$ . Both strategic planning and current strategy together, excluding the intercept term and after correcting for poverty (free/reduced price lunch participation), accounted for 69% of the variance in the Graduate Output Rate (GOR), 49% of the variance in the College Preparation Rate (CPR), and only 25% of the variance in the Achievement Gap Index (AGI). The model's effect on AGI was not statistically significant.

Table XII presents the estimated marginal means of the effect of SPI on the dependent variables. The values reflected correction for the effect of student socioeconomic status. The mean score of districts implementing a strategic plan ( $M=84.0$ ,  $SE=0.82$ ) was significantly higher than the mean score of districts not implementing a strategic plan ( $M=80.1$ ,  $SE=1.37$ ).

Table XI

*Univariate Tests of Group Means*

Source	Performance	df	F	$\eta^2$	<i>p</i>
Between Subject Effects					
Model (corrected)	GOR	6, 45	16.98	.69*	.000
	CPR	6, 45	4.67	.49*	.000
	AGI	6, 45	2.07	.25**	.034
Strategic Plan	GOR	1, 45	0.90	.02	.349
Implementation (SPI)	CPR	1, 45	2.78	.06	.103
	AGI	1, 45	5.80	.11*	.020
Current realized Strategy (CRS)	GOR	2, 45	3.58	.14**	.036
	CPR	2, 45	0.30	.01	.743
	AGI	2, 45	2.38	.10	.104
SPI x CRS	GOR	2, 45	1.07	.05	.351
	CPR	2, 45	1.90	.08	.161
	AGI	2, 45	1.06	.05	.356

\*Statistically significant,  $p < .01$ \*\*Statistically significant,  $p < .05$

Table XII

*Estimated Marginal Means for Strategic Plan Implementation (SPI)*

Performance	SPI	Mean	SE	90% Confidence Interval	
				LB	UB
GOR	Yes	19.3	.20	19.0	19.6
	No	18.9	.33	18.4	19.5
CPR	Yes	38.7	2.16	35.0	42.3
	No	31.5	3.61	25.4	37.5
AGI	Yes	84.0*	.82	82.7	85.4
	No	80.1*	1.37	77.8	82.4

*Note.* GOR = graduate output rate, CPR = college preparation rate, AGI = achievement gap index, SPI = strategic plan implementation, SE= standard error, LB = lower bound, UB = upper bound.

\* Statistically significant difference,  $p < .033$ .

## CHAPTER 5 - DISCUSSION

### Introduction

Do large unified school districts have an underlying strategy that may explain their current performance? In other words, do decisions made by superintendents and members of district management teams congeal into a pattern of strategic direction for the district and is this strategic characteristic related to district performance? Using the concept of organizational strategy as used in the strategic management literature, this study sought to explore the nature of the relationship between organizational strategy and performance. Organizational strategy was conceptualized as both a plan and a pattern (Mintzberg, 1994, 1998) for achieving the long-term goals and objectives of a district.

As a plan, organizational strategy conveys the intended course of action that the organization and its members would take to achieve their common goals. Organizations differ in their orientation to planning. Some plan, some do not. Among planners, some engage both internal and external stakeholders in a formal planning process while others conduct their planning in less formal ways. As a pattern, organizational strategy is the result of the major and minor decisions made over time by the chief executive and his or her management team as they seek to achieve organizational goals (Finkelstein & Hambrick, 1996; Quinn, 1988).

### Research Questions and Method

To achieve the purpose of the study, four major research questions were posed:

1. What is the nature of strategic plan implementation in large unified school districts?
2. What are the strategic orientations of school districts?

3. What is the relationship between strategy formulation and strategic orientation?
4. What is the relationship between strategic orientation and performance?

A survey instrument was developed to collect primary data to answer the first two questions from a purposive sample of district superintendents. Copies of the instrument were sent to the superintendents of the largest 100 unified school districts in California. The response rate was 52%.

To investigate the first research question, four questions about the nature of strategic planning and implementation were included in the questionnaire. For the second research question, four paragraphs based on Miles and Snow's (1978) self-typing paragraph method were included in the questionnaire.

The questionnaire response data were analyzed to answer the third research question. Specifically, responses (yes/no) to the questionnaire item that asked if a current strategic plan was being implemented in the district were related to responses on the item that measured current strategic orientation.

In order to investigate the fourth research question, it was necessary to identify measures of district performance. First, input and outcome data including enrollments, student demographics, number of graduates, number of graduates completing UC/CSU, A – G course requirements, and district and disadvantaged student population academic performance index (API) values were collected from the CDE website. The API values for the non-disadvantaged student population were calculated using district and disadvantaged population's API.

Finally, appropriate ratios were constructed to measure the three performance indices measuring efficiency, quality and equity for each district in the sample. The performance indices were labeled as:

Graduate Output Rate (GOR) – an efficiency indicator measured as the ratio of the number of graduates to high school enrollment

College Preparation Rate (CPR) – a quality indicator measured as the ratio of the number of graduates completing UC/CSU a – g course requirements to the number of high school graduates; and

Achievement Gap Index (AGI) – an equity indicator measured as the ratio of the API of disadvantaged population to that of the non-disadvantaged population.

In order to answer the fourth research question, a multivariate model relating strategic plan implementation (SPI) and current strategic orientation (CSO) to the three performance indices was evaluated.

## Results and Discussion

*Research Question #1- What is the nature of strategic plan implementation in large unified school districts?*

Nearly 75% of the sample school districts were implementing a strategic plan while the other 25% claimed not to be implementing a strategic plan. This finding clearly establishes the popularity of strategic planning among large unified school districts. It was also found that about 80% of districts implementing a strategic plan developed the plan using a formal planning process while the remainder used a variety of informal approaches including leadership retreats or study sessions, superintendents' vision and insights for organizational improvement. Roughly half (53%) of the districts reported

implementing plans that were developed recently (no more than two years old) while 45% were implementing plans that were at least three years old. Nearly 66% of the districts indicated that they were implementing the strategic plan to a great extent while less than a quarter of the districts indicated full implementation. Only about 10% said that the strategic plan was being implemented to a minimal or moderate extent.

The results are similar to the findings of studies in other states. Heller (1997) studied strategic planning practices in a sample of 287 school districts in Nebraska. He found that 81% of the districts were implementing a strategic plan and 63% had developed the plan within the most recent three years. Gehrking's (1996) study of 96 large districts in Texas found that 78% engaged in strategic planning with 53% indicating the use of formal planning processes. Moxley (2003) in a study of strategic planning across six southeastern states found that 85% of the districts used strategic planning but only 55% were found to have used a formal planning approach.

As the results indicated, the use of strategic planning has grown in popularity among school districts in general since the mid-1980s when districts first began to adopt the planning methodology. Two professional bodies, the Association for Supervision and Curriculum Development and the American Association of School Administrators promoted the use of strategic planning in school districts. Both organizations published and widely distributed strategic planning handbooks among educators (Conley, 1992, Meich, 1995).

Despite the popularity of strategic planning among practitioners, use of strategic planning remains controversial in academic circles probably due to doubts about its value. For example, Sagor (1992) saw the use of strategic planning in districts as an

indication of “large, more ominous problems with our educational system” (¶ 2). He held that strategic planning was not relevant to the context of planning in school districts.

There is actually no research in two decades of educational strategic planning that attempted to measure the impact of strategic planning on district performance with the singular exception of Basham and Lunenburg (1989). They examined the relationship between strategic planning and student achievement in a sample of 127 Kentucky school districts and did not find any significant relationships. Heller (1997) asked what impact strategic planning had on district performance in his study of Nebraska districts and only 25% agreed that strategic planning had some impact on performance.

Others are concerned about the quality of strategic planning in school districts. McHenry and Achilles (2002) found poor, inadequate planning at the district level in a study of 27 districts in South Carolina. Upon evaluation of systematic plan documents from these districts, only 4% qualified as strategic plans in the broadest interpretation of the concept. After reviewing a national sample of 97 strategic plans, Conley (1993) found disconnect between the content of the plan and the action program. Meich (1995) wondered why districts were embracing a tool that was originally developed for business use at a time when businesses were abandoning it.

Both Mauriel (1989) and Murgatroyd and Morgan (1993) advocated the adoption of full-scale strategic management for public schools. Shy (1992) was more optimistic about the role of strategic planning in school districts noting that “strategic planning’s direct effect on student learning may incorporate too many extraneous variables to quantify, what we do know from experience is that lack of comprehensive organizational planning, in a strategic context, will not only impede efficiency of instructional delivery but also

will waste precious resources that could be devoted to learning improvement, if only a plan existed” (¶ 2).

Early strategic planning performance research among businesses turned out mixed results and this led to research that focused on the content of strategy. As strategy researchers understood the content of strategy through such studies that measure realized strategy or strategic orientation, they began to place strategic planning in perspective. For example, Roger, Miller and Judge (1999) concluded that the relationship between planning and performance is clarified when information requirements of a specific strategy are considered. For this reason, questions about the value of strategic planning and implementation may be more profitably directed at understanding the content of strategy (strategic orientation) and its relationship to planning. These are the two issues taken up in research questions number two and three.

*Research Question #2- what are the strategic orientations of large unified school districts?*

Miles and Snow (1978) proposed four strategic orientations that could be used to describe organizations in any industry and that three of the four strategic orientations, namely Prospector, Defender, and Analyzer orientations are viable long-term organizational strategies when well implemented. The fourth, Reactor orientation, is considered a non-viable strategy under normal industry conditions. However, research has shown that Reactor organizations do survive for a long time in regulated industries due to the fact that negotiation with regulators rather than competition determine their survival.

Using responses to four paragraphs designed to capture district strategic orientation following Miles and Snow (1978) methodology, it was found that top administrators perceived all four strategic orientation types in large school districts. When respondents looked back three to five years and described district strategic orientations, reactors, analyzers and prospectors were the prevalent ones. When respondents were asked to reflect on current district situations, the distribution moved closer to parity among the four strategy types, probably reflecting apprehensions or uncertainties about the just emerging *No Child Left Behind* educational reform law. Some of the districts seemed to move toward a defensive position, that is hanging on to what they thought was working.

Noteworthy was the fact that representation of Reactor districts stayed strong, moving from first place to second place despite the theoretical assumption that the reactor orientation is not a viable long-term strategy and reactor organizations are expected to be few or non-existent in any industry. Snow and Hrebiniak (1980) noted that Reactor organizations tend to persist in highly regulated industries where response to environmental change and uncertainty is “largely a matter of negotiation between organizations and relevant regulatory agencies, a form of interaction that typically does not require an active strategy” (p. 326). There have been cases where reactor organizations outperform other organization types (Andrews, 2003).

The presence of Reactor districts follows the usual explanation in that the pre-college public education industry is highly regulated and poor performance has traditionally not resulted in any significant consequences. Under current educational reform, which incorporates two market-oriented initiatives (charter school and vouchers) designed to bring greater competition into the education industry, Reactor districts are likely to face

more challenges should they fail to change course. The likelihood that there will continue to be a strong presence of reactor districts will depend on superintendents' expectations about the seriousness with which current accountability reforms will be pursued by state and federal authorities. If superintendents believe that reform intensity will wane over time, they would be unlikely to take organizational strategy seriously, preferring to wait for directives from higher political authorities.

As they look toward the future, respondents seemed to believe that the educational environment will become more competitive and thus a strong preference for the prospector strategy emerged, with half of the districts being classified as prospector. The analyzer strategy kept its second place in each instance though with much lower membership. Both defender and reactor strategies also lost membership with the defender strategy becoming the least preferred strategic orientation. Comparing current and future distributions of districts among the four strategy types, it may be said that a good number of districts are anticipating increased competition while a few others seem to think that the reform ferment will soon ebb and things might return to the status quo. Alternatively, these latter districts may simply lack the capacity for strategic change.

*Research Question #3 – What is the relationship between strategic plan implementation and strategic orientation?*

There is no existing research that investigated the relationship between district strategic planning and implementation and the formation of strategic orientation. Waterman (1983) made a pre-emptive offer to anyone who could demonstrate that strategic planning as it was being done in the 1980s led to the discovery of effective strategy. Mintzberg (1994) noted that no one ever collected on the offer. According to

Mintzberg, while the idea of strategic planning is relevant to organizational processes, planning models are deficient and confusing. Mintzberg proposed that what was typically referred to as strategic planning – detailing of actions and implementation schedules, was really strategic programming, a process that should follow strategy formulation. Rodgers et al. (1999) found that planning played an informational role in strategy development.

In order to understand the role planning and implementation plays in the emergence of a strategic orientation, the data on plan implementation in school districts were cross tabulated with the data on current strategic orientation and analyzed. The result indicated that there was no association between the two nominal variables. Based on the view expressed by Rodgers et al. (1999) above, one would expect to see some association between planning and strategic orientation. One possible explanation includes the fact that strategic planning in school districts tends to be inward looking (Cooper, 1985) and may indeed be disconnected from the content of the district strategy that takes shape as district leaders cope with inevitable environmental challenges. Alternatively, school districts may be engaged in what Mintzberg (1994) called strategic programming while believing that they are doing strategic planning.

*Research Question #4 – What is the relationship between organizational strategy and district performance?*

The central problem of this study is the question of the relationship between organizational strategy and district performance. Organizational strategy is operationalized as a two-dimensional construct using two of Mintzberg's et al. (1998) five P's of strategy: strategy as a plan and strategy as a pattern. Strategy as a plan was measured by the questionnaire data on whether or not districts were implementing a

current strategic plan. Strategy as a pattern of major and minor decisions made by superintendents and top administrators was measured by current strategic orientation. District performance was operationalized as a three-dimensional construct (Kaplan & Norton, 1996) and measured using three performance ratios (Hatry, Alexander & Fountain, 1989) derived from existing performance indicators, namely annual enrollment, number of high school graduates, number of graduates completing the UC/CSU, A – G course requirements, and the Academic Performance Index (API) for both the disadvantaged student population and district. From the latter two, the API of the non-disadvantaged student population was derived. The three ratios were labeled:

- Graduate Output Rate (GOR) – percentage ratio of annual number of graduates to high school enrollment averaged across 2001-02 and 2002-03 school years, a proxy for efficiency;
- College Preparation Rate (CPR) – percentage ratio of annual number of graduates completing UC/CSU a – g course requirements to the number of high school graduates averaged across 2001-02 and 2002-03 school years, a proxy for quality; and
- Achievement Gap Index (AGI) – percentage ratio of the annual API of disadvantaged student population to the API of non-disadvantaged population averaged across 2001-02 and 2002-03 school years, a proxy for equity

Data analysis based on a multivariate model was conducted with Strategic Plan Implementation (SPI) and Current Strategic Orientation (CSO) as independent (predictor) variables, and the three performance ratios: GOR, CPR, and AGI as dependent variables.

Before running the MANOVA procedure, the Defender and Reactor orientation categories were combined into a single category so as to ensure that there were sufficient cases per cell for valid MANOVA. Because of strong socioeconomic effect typically associated with educational performance analysis, percentage of students participating in the free/reduced price lunch program in 2002-03 was used as a proxy for the socioeconomic status (SES) of the districts. The SES measure was entered into MANOVA as a covariate in order to control for the effect of SES. Controlling for SES was considered necessary so that the SES effect would not mask the effects of SPI and CSO on district performance.

Examination of the mean performance values by the predictor variables indicated that districts implementing a strategic plan generally outperformed those not implementing a strategic plan for all performance measures. With respect to strategic orientation, Prospectors outperformed Analyzers and Defenders/Reactors on all three performance ratios. Analyzers outperformed Defenders/Reactors on the efficiency and quality measures while the latter outperformed Analyzers on the equity measure. The significance of the differences in performance was analyzed with MANOVA.

A two-way MANOVA with SES as covariate was performed to investigate differences on district performance due to strategic plan implementation (SPI), current strategic orientation (CSO) and SPI-CSO interaction. District performance was represented by three dependent variables: Graduate Output Rate (GOR), College Preparation Rate (CPR) and Achievement Gap Index (AGI). The alpha level was set at .10 due to the small sample and the exploratory nature of the study (Snow & Hrebiniak, 1980).

Overall, both SPI and CSO had significant main effects on the multidimensional performance while the interaction between SPI and CSO did not have a significant effect on the multidimensional performance. There was a statistically significant difference between strategic planners and non-planners on the combined dependent variables:  $F(3, 43) = 3.54, p = .022$ ; Pillai's Trace = .20;  $\eta^2 = .20$ . Also, there was a statistically significant difference between current Prospector, Analyzer and Defender/Reactor districts on the combined dependent variables:  $F(6, 88) = 2.25, p = .046$ ; Pillai's Trace = .27;  $\eta^2 = .13$ . There was no significant SPI-CSO interaction effect on the combined dependent variables:  $F(6, 88) = 1.64, p = .146$ ; Pillai's Trace = .20;  $\eta^2 = .10$ .

When the results for the dependent variables were considered separately, the only difference to reach statistical significance, using a Bonferroni adjusted alpha of .033, was strategic plan implementation (SPI):  $F(1, 45) = 5.80, p = .02$ ;  $\eta^2 = .11$ . The multivariate model, excluding the intercept, significantly accounted for 69% of the variance in GOR and 49% of the variance in CPR. The model also accounted for 25% of the variance in AGI, though it approached significance with  $p = .034$ .

While the importance of strategy in business has never been in doubt, the results showed that organizational strategy does matter in the performance of school districts. The recent study by Rhys, Boyne, and Walker (2004) is the only similar public sector study conducted in the context 119 local governments in England. They found that organizational performance is positively related to the prospector strategy and negatively related to the reactor strategy.

## Conclusion

The present study, though exploratory, revealed the probable importance of attention to organizational strategy even among large unified school districts. The study also indicated that having a strategic plan (intended strategy) has value, though no association was found between the way strategy was initially formulated and the strategic orientation that emerged in the organization. The results of this study point to the fact that districts that are led with a modicum of strategy both in terms of intended and realized organizational strategy tend to perform better than districts that are not so led after correction has been made for the socioeconomic differences in the student population.

Reformers of the early 20<sup>th</sup> century who were instrumental in creating the school district meant for the district organization to function like a business enterprise, not necessarily in terms of profit-making but rather as an organization whose top leaders know its critical success factors and work strategically to ensure that the organization perform well on these factors.

Strategy is a very valuable tool that can help senior administrators manage and lead their organizations to long-term success. Koch (2000) identified some of the benefits of strategy to administrators who have a clear understanding of the mission of a school district:

- help define the different parts of the organization and where administrators need to do things differently to be successful;
- show in detail where most values are added and why;
- understand the customers' perspective and why they patronize the organization or its competitors;

- indicate where efforts and funds should be concentrated;
- work out the extent of likely performance improvement opportunity from changes in service/client mix, prices, and/or cost cutting;
- help in understanding why the organization has been successful or unsuccessful in particular areas and initiatives;
- reveal any missing skills;
- identify programs and services which should be discontinued or reformed;
- develop the organization's culture and competencies so that it can be more successful than competitors in meeting the needs of its students; and
- improve the performance of its departments and functional units by close financial control based on a consistent methodology applied throughout the organization.

But, to use strategy effectively is to be business-like. As early as 1900, the president of the National Education Association theorized that "the real educational leaders of the age whose influence will be permanent are those who have the business capacity to appreciate and comprehend the business problems which are always a part of the educational problem" (NEA Proceedings, p.58).

The wisdom of the above statement seems to have been lost in education over the years due to the tremendous regulatory protection that education enjoyed for almost 100 years. Currently, a number of initiatives are underway to develop and train superintendents and top administrators with business skills (see *Better Leaders for America's Schools: A Manifesto*; Harvard University's Urban Superintendent Program,

[www.gse.harvard.edu/usp/home.html](http://www.gse.harvard.edu/usp/home.html), 2004; and Broad Center for the Management of School Systems, [www.broadcenter.org](http://www.broadcenter.org)).

Understanding the strategic orientation of school districts is particularly important under the current reform climate that pressures school districts for performance improvement as it points to possible directions that districts can be reoriented toward. The federal government appears to be leaning heavily on the states, that in turn are putting pressure on districts. Accountability systems developed by states have within them provisions for state takeover of schools and districts. Finally, both state and federal governments are actively encouraging individuals and non-profit organizations to enter the field and compete with school districts in the provision of educational services.

#### Future Direction

Suppose an organization was found to have a strategic orientation that has failed to produce competitive organizational performance and that the organization has managed to survive due to the regulatory protection it has so far enjoyed. Let us now suppose that due to pressure from reformers, political authorities have now resolved to remove the regulatory protection and are willing to let organizations succeed or fail on their own merit.

Given the above scenario, an understanding of the strategic orientation of a school district could be used to diagnose systemic performance problems. The district would need to change strategy. The problem would be made difficult if the district did not know what its strategic orientation had been up to this point for it could end up with the same strategy it needs to get away from.

Educational strategic management (Meyer, 2002) is a field of study that has hardly emerged from its foundation established roughly two decades ago. Educational strategic management originated in a reform environment critical of agency leadership, particularly the role played by the school district superintendent. Both Callahan (1965) and Cuban (1988) produced the foundational scholarship that defined the challenges facing superintendents. Attributed to Callahan is the vulnerability thesis, which suggested that superintendents have lost much of the executive power of their position due to the influence of external forces.

Cuban (1988) identified the three dimensions used by superintendents to characterize their roles from their origin in the late 19<sup>th</sup> century to mid-20<sup>th</sup> century. Superintendents tended to view their roles variously as essentially instructional leadership, statesman-negotiator, and chief administrator with varying degrees of emphasis. In the late 1900s, a majority (60%) of superintendents viewed their primary role as teacher of teachers; 20% viewed the superintendent as chief administrator, while another 12% presumed the superintendent's primary role to be political, as statesman-negotiator. More than half a century later, local educational agencies or school districts have undergone such changes that superintendents more or less were equally divided between the three categories as to which constitutes their primary role.

From the point of view of strategic management, the debate about the primacy of one key role over another missed an important point. In an increasingly competitive political economy (Boyd, 1982), superintendents must in addition to these various roles assume the general management function of ensuring the coordination and control of the

agency's internal operations, processes, and systems while at the same time making sure that the entire organization is continually well aligned with its environment.

In contemporary times, strategy has become a constitutive element of all economic organizations that it is no longer possible to say that an organization has no strategy. This belief would be equivalent to believing it is possible for living systems to exist without DNA. Rather, all organizations are assumed to have a strategy by default. Having no strategy is a strategy by default based on the decision not to have a conscious collective strategy. Also, strategy has taken on a more synthetic meaning, being an abstraction of all the efforts—analysis, decisions, and choices engaged in by top-level administrators to achieve major organizational goals such as academic achievement, school safety, student welfare, and accountability.

Thanks to Mintzberg (1994), strategy analysts now can distinguish the difference between intended strategy and realized strategy. It is amazing how researchers' understanding of the strategy concept has evolved. In the 1960s, the generally accepted view of strategy, the plan view, was that one develops the plan based on the analysis of internal and external environments, including forecasting of the movements of exogenous or uncontrollable variables. Implementation of the plan involves identifying goals and setting the levels of endogenous or controllable variables, allocating resources and executing tasks. All these assumed that the world of nature and competition would stand still or at least move along predictable paths for the organization to realize its plans.

As Mintzberg was to show, the world never waits for any plan to work. The reality is such that no plan survives contact with the enemy. Researchers soon realized that the intended strategy or the plan is quite different from the strategy that achieves the

results. Strategy dynamics altered the intended strategy through the processes of deletion and substitution until leaders obtained their results. Miles and Snow (1978) called this the process of organizational adaptation, best understood through studies of the organization's changing strategy, structure, and processes.

At the extremes of the organizational strategy phenomenon, the space between these two strategy categories is filled with the dynamic nature of strategy formation, as executives seek to create new combinations, identify and engage defined problems, learn from acting on, analyzing and synthesizing, negotiating, communicating, and reacting to environmental changes. The outcome of this strategy dynamics is that certain portion of the intended strategy will not be implemented (unrealized) while new elements emerged (emergent) to combine with the deliberate strategy in the formation of the realized strategy.

#### Implications For Practice

The results of this study showed that both intended and realized strategy matter for school district performance. Because the study focused on the role of top administrators, especially superintendents in creating and sustaining an organization able to achieve district goals, the implications are addressed to superintendents.

Superintendents need to embrace business thinking if they are to lead a successful school district in the 21<sup>st</sup> century. Business thinking means that concern for the survival of the district within its political economy is the superintendent's primary business. To ensure the long-term survival and relevance of school districts, superintendents need to embrace the strategy perspective and to use strategy not only as a means for setting

direction as they currently do, but also for competitive alignment of the district with external forces.

Superintendents may need to understand that organizational success presupposes the pursuit of at least three key goals:

**Competitive Advantage**—Creating and sustaining a position within the educational political economy such that the district is able to produce and deliver high value-added services and in return is able to attract financial and other resources needed to sustain the organization.

**Organizational Efficiency**—There is a need to pay closer attention to the production function of school districts (Monk, 1989), especially urban school districts. Given the economic constraints that they face, developing a highly efficient educational operation can enable urban districts to produce students who are able to compete both nationally and internationally.

**Innovation**—Districts need to continually review their programs and services in light of changing community and societal educational demands and to develop new and innovative programs that satisfy student needs now and in the future as effectively and efficiently as possible.

**Strategic Management**—The ultimate value of strategy is as a tool for driving the administrative system at the highest level of the organization. According to Miller (1998), strategy works its magic through the establishment and sustenance of a competitive advantage. Only the existence of a competitive advantage guarantees superior performance, defined as high valuation of the organization among its peers. A strategic management system will continually implement strategy along the intended-realized

strategy continuum and business-operation continuum of the organization depicted in Figure 2.

Figure 2

Dimensions of strategy and organization

Strategy	Organization	
	Business	Operation
Intended	Intended business strategy	Intended operational strategy
Realized	Realized business strategy	Realized operational strategy

From Figure 2, it should be appreciated that strategic management comprises analysis, formulation, and implementation of strategy. Internal and external analyses help to define the strategic issues facing the organization in light of its purpose and performance. Several analytical tools are available during the first stage of strategic management development. The most popular of these tools is the SWOT analysis model. SWOT is acronym for strengths, weaknesses, opportunities and threats. SWOT has been used for a long time by educational and non-educational organizations. There is also Scenario Analysis, a tool made famous by its fruitful employment at Shell, a leading oil and gas company. Scenario Analysis enables planners and strategists to formulate and analyze alternative states of nature in the future of the organization and to investigate the implications for organizational performance. The combination of SWOT and Scenario Analysis would be a powerful strategic analysis tool.

By developing alternative scenarios of the future incorporating environmental and competitive forces in light of organizational purpose, constraints, and performance, an intended strategy could be formulated that essentially identifies the vision, strategic themes, goals, objectives, measures, and targets (Kaplan & Norton, 1996). Strategy implementation is a broad category encompassing everything that must be done to ensure goal attainment. Mintzberg (1988) used the term strategic programming to describe planning activities most commonly referred to as strategic planning that Mintzberg noted were actually details of implementation plans. Implementation activities may include evaluation of alternative initiatives in order to choose the initiatives that promise the greatest contributions to organizational goals, restructuring the organization to make it fit the new strategy, performance monitoring, evaluation and feedback, and strategic decisions along the way to take advantage of organizational learning and to make modifications to strategy, structure, and processes.

#### Suggestions for Further Research

This study was exploratory and has pointed out that possible value exists in managing school districts strategically, meaning that superintendents and the district administrative team pay close attention to both business strategy, which is concerned with the position of the district within its political economy; and operational strategy, concerned with the effectiveness and efficiency of core educational and non-educational operations and supporting systems. The following suggestions for further studies are considered necessary to strengthen the educational strategic management knowledgebase and raise confidence in their application among practitioners.

First and foremost, the present study needs to be replicated with a much larger sample, across states and possibly nationally. This replication would ensure that present findings are not mere research artifacts and would lend external validity to the results.

Alternative methods should also be used in measuring district strategic orientation. Within the same study, two or more classificatory schemes could be used to provide internal validity. Cluster or discriminant analysis of performance data could be used to support subjective typing such as the one used in this study. Finally, alternative measures of organizational performance should be developed and used to broaden the reach of strategy research in school districts.

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APPENDICES

*School District Strategy Survey 2004*

The purpose of this survey is to collect information about your district's administrative strategy for achieving its mission. The survey is part of a doctoral dissertation study being supervised by Dr. Sharon Brown-Welty at the University of California/ California State University Joint Doctoral Program in Educational Leadership.

For the purpose of this survey, strategy is defined as planned and actual organizational courses of action—including goals, policies, and decisions your district has chosen over time to achieve its mission. It is assumed that while the mission of a school district may remain unchanged over an extended period of time, a new superintendent can bring to the district his or her vision of organizational success.

Direction: Please check the box next to your response choice. Respondents will remain anonymous.

1. Is there a current board-approved strategic plan being implemented in your school district?

No                       Yes       If yes, what year was the plan approved? \_\_\_\_\_

2. To what extent do you expect the implementation of the strategic plan to result in major changes in the way your district conducts its business? (For example changes in organizational structure, creation of new departments, creation of new roles and responsibilities for districts top and mid-level administrators)

- a. To a great extent .....
- b. To a moderate extent .....
- c. To a minimal extent .....
- d. Organizational change is not an intent of the agenda .....

3. How was the plan developed?

- a. Primarily through a formal strategic planning process involving multiple stakeholders .....
- b. Primarily through top-level leadership discussion such as retreats or study sessions .....
- c. Primarily through superintendent's vision and insights for district organizational improvement .....
- d. Primarily based on State and Federal reform programs .....
- e. We do not have a current strategic plan .....
- f. Primarily through other means (Please describe briefly) .....

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4. Which of the following descriptions most closely fits current conditions in your district? Please read all four options before making your choice.
- a. In this district, we offer a broad range of programs to meet the needs of our students. Our programs undergo periodic review and redefinition as both student population and needs change. We take pride in ourselves as educational innovators and try to be among the first to implement new, innovative programs. We anticipate environmental changes and develop action plans to combat them so as to maintain our image as a highly effective school district. ....
  - b. In this district, we have educational programs that meet the needs of certain segments of our students. We strive to maintain these programs at a high level of quality. In order to ensure that students who are not well served by existing programs, there are professionals charged with the task of identifying, analyzing and recommending programs for adoption. We typically move aggressively to implement these programs so as to expand our portfolio of effective programs. ....
  - c. Over the years, this district has developed the capability to offer high quality, standards-based core educational programs that serve all students well and ensure that nearly all students are able to reach or surpass state proficiency standards. We do not experiment much with new programs in the market but are committed to maintaining our current programs at the highest level of quality. ....
  - d. In this district, we offer standards-based educational programs for all students. In addition, we have a broad range of supplemental programs to enable low-performing students gain greater access to the standards and experience academic success. When changes are necessary due to new reform programs introduced either at state or federal levels, we do the best we can to ensure that all schools comply with these new mandates. ....
5. What is your title? \_\_\_\_\_
6. What year did you begin using this professional title? \_\_\_\_\_
7. What year did you start working for this district? \_\_\_\_\_

PLEASE RETURN COMPLETED SURVEY IN THE ENCLOSED SELF-ADDRESSED AND STAMPED ENVELOPE.

THANK YOU FOR YOUR COOPERATION.

## *Invitation to Participate*



CALIFORNIA  
STATE  
UNIVERSITY  
FRESNO

### Invitation To Participate in A Dissertation Research Study Joint Doctoral Program in Educational Leadership University of California / California State University, Fresno



UNIVERSITY  
OF  
CALIFORNIA

**Title of Study:** An Exploratory Study of the Relationship Between Organizational Strategy and Academic Performance Among California's Largest 100 Unified School Districts

**Investigators:** Philip Abode, Doctoral Student  
(559) 457-6050  
psabode@csufresno.edu

Dr. Sharon Brown-Welty, Professor  
(559) 278-0294  
sharonb@csufresno.edu

Dear Superintendent:

I am writing to request your participation in a dissertation research study that examines the nature of organizational strategy in school districts and its impact on academic performance. For the purpose of this study, organizational strategy is defined as the planned and actual patterns of administrative decisions and actions designed to position the school district for enviable and sustained long-term academic performance. A survey instrument, the School District Strategy Survey has been developed to collect from you or designated senior administrator, information about the key characteristics of your District's strategic planning process and strategy content.

Within a few days, you will receive the survey instrument by mail. Upon completion, please return the completed survey form in the enclosed self-addressed, stamped envelope. If you are new to your current school district, you are invited to call on any knowledgeable member of your senior administrative team to complete the survey. In approximately 10 days after your receipt of the instrument, you may be contacted if we have not received your completed survey.

The survey data together with demographic and performance indicators obtained from state and federal sources will be used to test several hypotheses about the relationship between organizational strategy and academic achievement. The knowledge gained from this research project will enable researchers and consultants in educational administration to better understand the functioning of the strategic level of school administration and how to better assist superintendents in their mission.

Joint Doctoral  
Program in  
Educational Leadership  
5005 N. Maple Ave. M/S 117  
Fresno, CA 93740-8025  
209. 278-0427

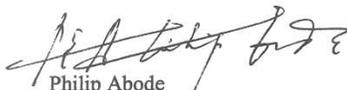
**Invitation To Participate in A Dissertation Research Study  
Joint Doctoral Program in Educational Leadership  
University of California / California State University, Fresno**

Your participation in this study is strictly voluntary. Any information that is obtained in connection with this study will be treated as confidential and the identity of each respondent will be protected. The results of the study will be presented in a final dissertation research report.

Your decision regarding participation in this study will not prejudice your future relationship with either the University of California system or California State University at Fresno, partners in the Joint Doctoral Program in Educational Leadership. If you decide to participate, you are free to withdraw and discontinue participation at any time without penalty.

If you have any questions, please feel free to contact me either by email or telephone using the investigator contact information provided above. Also, Dr. Sharon Brown-Welty can be reached at (559) 278-0294 to answer any additional questions you may have. Thank you.

Sincerely,



Philip Abode  
Doctoral Student

September 24, 2004

*SPSS--Multivariate Analysis of Variance Output*

**Between-Subjects Factors**

		Value Label	N
Strategy plan	1	yes	40
	2	no	12
Q2_SM4	1	prospector	11
	2	analyzer	15
	3	defender/reactor	26

**Descriptive Statistics**

	Strategy plan	Q2_SM4	Mean	Std. Deviation	N
gtp2yavg	yes	prospector	20.93	2.472	7
		analyzer	19.48	.792	12
		defender/reactor	18.71	1.803	21
		Total	19.33	1.860	40
	no	prospector	18.72	1.571	4
		analyzer	19.22	.697	3
		defender/reactor	16.98	1.075	5
		Total	18.12	1.495	12
	Total	prospector	20.13	2.378	11
		analyzer	19.43	.757	15
		defender/reactor	18.38	1.808	26
		Total	19.05	1.842	52
gaq2yavg	yes	prospector	51.66	23.778	7
		analyzer	40.97	14.511	12
		defender/reactor	31.60	12.406	21
		Total	37.92	16.840	40
	no	prospector	28.04	5.449	4
		analyzer	25.30	5.980	3
		defender/reactor	29.42	7.428	5
		Total	27.93	6.128	12
	Total	prospector	43.07	22.142	11
		analyzer	37.84	14.582	15
		defender/reactor	31.18	11.520	26
		Total	35.62	15.590	52
dem2yavg	yes	prospector	84.00	5.831	7
		analyzer	82.69	3.946	12
		defender/reactor	83.34	4.329	21
		Total	83.26	4.408	40
	no	prospector	83.03	7.497	4
		analyzer	76.98	3.114	3
		defender/reactor	83.28	6.397	5
		Total	81.62	6.309	12
	Total	prospector	83.64	6.124	11
		analyzer	81.55	4.382	15
		defender/reactor	83.33	4.641	26
		Total	82.88	4.892	52

**Box's Test of Equality of Covariance Matrices**

Box's M	57.921
F	1.773
df1	24
df2	790.401
Sig.	.013

Tests the null hypothesis that the observed covariance matrices of the dependent variables are equal across groups.

a. Design: Intercept+FRLPCT+Q4\_SM+Q2\_SM4+Q4\_SM \* Q2\_SM4

**Multivariate Tests**

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Intercept	Pillai's Trace	.991	1588.604 <sup>a</sup>	3.000	43.000	.000	.991
	Wilks' Lambda	.009	1588.604 <sup>a</sup>	3.000	43.000	.000	.991
	Hotelling's Trace	110.833	1588.604 <sup>a</sup>	3.000	43.000	.000	.991
	Roy's Largest Root	110.833	1588.604 <sup>a</sup>	3.000	43.000	.000	.991
FRLPCT	Pillai's Trace	.649	26.488 <sup>a</sup>	3.000	43.000	.000	.649
	Wilks' Lambda	.351	26.488 <sup>a</sup>	3.000	43.000	.000	.649
	Hotelling's Trace	1.848	26.488 <sup>a</sup>	3.000	43.000	.000	.649
	Roy's Largest Root	1.848	26.488 <sup>a</sup>	3.000	43.000	.000	.649
Q4_SM	Pillai's Trace	.198	3.542 <sup>a</sup>	3.000	43.000	.022	.198
	Wilks' Lambda	.802	3.542 <sup>a</sup>	3.000	43.000	.022	.198
	Hotelling's Trace	.247	3.542 <sup>a</sup>	3.000	43.000	.022	.198
	Roy's Largest Root	.247	3.542 <sup>a</sup>	3.000	43.000	.022	.198
Q2_SM4	Pillai's Trace	.266	2.251	6.000	88.000	.046	.133
	Wilks' Lambda	.751	2.206 <sup>a</sup>	6.000	86.000	.050	.133
	Hotelling's Trace	.309	2.161	6.000	84.000	.055	.134
	Roy's Largest Root	.186	2.731 <sup>b</sup>	3.000	44.000	.055	.157
Q4_SM * Q2_SM4	Pillai's Trace	.201	1.638	6.000	88.000	.146	.100
	Wilks' Lambda	.803	1.666 <sup>a</sup>	6.000	86.000	.139	.104
	Hotelling's Trace	.242	1.691	6.000	84.000	.133	.108
	Roy's Largest Root	.222	3.254 <sup>b</sup>	3.000	44.000	.030	.182

a. Exact statistic

b. The statistic is an upper bound on F that yields a lower bound on the significance level.

c. Design: Intercept+FRLPCT+Q4\_SM+Q2\_SM4+Q4\_SM \* Q2\_SM4

### Levene's Test of Equality of Error Variances<sup>3</sup>

	F	df1	df2	Sig.
gtp2yavg	.559	5	46	.731
gaq2yavg	2.536	5	46	.041
dem2yavg	2.381	5	46	.053

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+FRLPCT+Q4\_SM+Q2\_SM4+Q4\_SM \* Q2\_SM4

### Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	gtp2yavg	120.024 <sup>a</sup>	6	20.004	16.979	.000	.694
	gaq2yavg	6059.545 <sup>b</sup>	6	1009.924	7.173	.000	.489
	dem2yavg	307.643 <sup>c</sup>	6	51.274	2.527	.034	.252
Intercept	gtp2yavg	3530.566	1	3530.566	2996.701	.000	.985
	gaq2yavg	20040.228	1	20040.228	142.336	.000	.760
	dem2yavg	45492.757	1	45492.757	2242.438	.000	.980
FRLPCT	gtp2yavg	68.540	1	68.540	58.176	.000	.564
	gaq2yavg	2832.090	1	2832.090	20.115	.000	.309
	dem2yavg	188.842	1	188.842	9.308	.004	.171
Q4_SM	gtp2yavg	1.055	1	1.055	.895	.349	.020
	gaq2yavg	390.810	1	390.810	2.776	.103	.058
	dem2yavg	117.566	1	117.566	5.795	.020	.114
Q2_SM4	gtp2yavg	8.424	2	4.212	3.575	.036	.137
	gaq2yavg	84.289	2	42.145	.299	.743	.013
	dem2yavg	96.740	2	48.370	2.384	.104	.096
Q4_SM * Q2_SM	gtp2yavg	2.525	2	1.263	1.072	.351	.045
	gaq2yavg	535.027	2	267.514	1.900	.161	.078
	dem2yavg	42.918	2	21.459	1.058	.356	.045
Error	gtp2yavg	53.017	45	1.178			
	gaq2yavg	6335.772	45	140.795			
	dem2yavg	912.923	45	20.287			
Total	gtp2yavg	19046.024	52				
	gaq2yavg	78355.708	52				
	dem2yavg	358422.949	52				
Corrected Total	gtp2yavg	173.041	51				
	gaq2yavg	12395.316	51				
	dem2yavg	1220.566	51				

a. R Squared = .694 (Adjusted R Squared = .653)

b. R Squared = .489 (Adjusted R Squared = .421)

c. R Squared = .252 (Adjusted R Squared = .152)

## Estimated Marginal Means

### 1. Strategy plan

Dependent Variable	Strategy plan	Mean	Std. Error	90% Confidence Interval	
				Lower Bound	Upper Bound
gtp2yavg	yes	19.282 <sup>a</sup>	.197	18.951	19.614
	no	18.908 <sup>a</sup>	.330	18.354	19.462
gaq2yavg	yes	38.673 <sup>a</sup>	2.158	35.049	42.297
	no	31.465 <sup>a</sup>	3.606	25.409	37.521
dem2yavg	yes	84.048 <sup>a</sup>	.819	82.673	85.424
	no	80.095 <sup>a</sup>	1.369	77.797	82.394

a. Covariates appearing in the model are evaluated at the following values: FRL% = 43.31.

### 2. Q2\_SM4

Dependent Variable	Q2_SM4	Mean	Std. Error	90% Confidence Interval	
				Lower Bound	Upper Bound
gtp2yavg	prospector	19.445 <sup>a</sup>	.344	18.868	20.022
	analyzer	19.417 <sup>a</sup>	.350	18.828	20.005
	defender/reactor	18.424 <sup>a</sup>	.281	17.953	18.895
gaq2yavg	prospector	37.408 <sup>a</sup>	3.758	31.096	43.720
	analyzer	33.563 <sup>a</sup>	3.831	27.129	39.996
	defender/reactor	34.236 <sup>a</sup>	3.067	29.085	39.387
dem2yavg	prospector	84.143 <sup>a</sup>	1.427	81.747	86.539
	analyzer	79.726 <sup>a</sup>	1.454	77.284	82.168
	defender/reactor	82.347 <sup>a</sup>	1.164	80.392	84.302

a. Covariates appearing in the model are evaluated at the following values: FRL% = 43.31.

### 3. Strategy plan \* Q2\_SM4

Dependent Variable	Strategy plan	Q2_SM4	Mean	Std. Error	90% Confidence Interval	
					Lower Bound	Upper Bound
gtp2yavg	yes	prospector	19.738 <sup>a</sup>	.439	19.000	20.475
		analyzer	19.230 <sup>a</sup>	.315	18.701	19.759
		defender/reactor	18.880 <sup>a</sup>	.238	18.480	19.279
	no	prospector	19.152 <sup>a</sup>	.546	18.236	20.069
		analyzer	19.604 <sup>a</sup>	.629	18.548	20.660
		defender/reactor	17.968 <sup>a</sup>	.503	17.124	18.812
gaq2yavg	yes	prospector	43.984 <sup>a</sup>	4.801	35.921	52.046
		analyzer	39.355 <sup>a</sup>	3.444	33.571	45.140
		defender/reactor	32.679 <sup>a</sup>	2.601	28.312	37.046
	no	prospector	30.832 <sup>a</sup>	5.966	20.813	40.851
		analyzer	27.770 <sup>a</sup>	6.873	16.228	39.313
		defender/reactor	35.793 <sup>a</sup>	5.494	26.567	45.019
dem2yavg	yes	prospector	85.980 <sup>a</sup>	1.822	82.919	89.040
		analyzer	83.105 <sup>a</sup>	1.307	80.910	85.301
		defender/reactor	83.060 <sup>a</sup>	.987	81.402	84.718
	no	prospector	82.306 <sup>a</sup>	2.264	78.503	86.109
		analyzer	76.346 <sup>a</sup>	2.609	71.965	80.727
		defender/reactor	81.634 <sup>a</sup>	2.085	78.132	85.136

a. Covariates appearing in the model are evaluated at the following values: FRL% = 43.31.