

STRATEGIC PLANNING, CONSENSUS BUILDING, AND OPTIMAL SATISFICING IN DEVELOPING LARGE SCALE COOPERATIVE EDUCATION PROGRAMS*

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When a higher education institution decides to adopt a strategic plan to develop a large scale cooperative education program, it is often important that key individuals and groups reach consensus on the decision. In order for consensus to be reached on the central institutional objective to develop a large scale cooperative program, it is also often very important that consensus be reached concerning the reasonable satisfaction of the special interest objectives of individuals and groups that may not be directly conducive to optimizing the central institutional objective. Individuals and groups with special interests or needs may or may not have participated in the strategic decision making process. All can have special interests and needs.

This need to build consensus on optimizing the institution's central objective and build consensus on satisficing, i.e., achieving a reasonable satisfaction of special interest goals of individuals and groups, is not peculiar to higher education institutions.

In 1979, Herbert Simon, an American management scientist, received the first Nobel prize in economics given for work in management.

*This research was supported in part by a grant from the United States Office of Education and The National Commission For Cooperative Education.

The work he received the Nobel prize for was his theory, originally proposed in the mid 1940s, that managers in most of their decisions neither maximize nor optimize, but satisfice. That is, very often managers try to find the minimum reasonable results rather than the optimum or maximal results (Simon, 1945, 1976).

This is frequently done for political necessity. That is, there are key groups and individuals within and outside institutions with special interest objectives of their own that frequently have very little to do with the central objective of the institution. In order for managers to optimize the central objective of the institution, they have to build consensus among these key individuals and groups to optimize the central objective of the institution in exchange for reasonable satisfaction of their special interest objectives.

Drucker in his 1980 *Managing In Turbulent Times* states the principle quite forcefully and goes somewhat further. Are there implications for the adoption of large scale cooperative education programs in what Drucker has to say? Drucker explains as follows:

A manager . . . needs to think through what the constituencies are that can effectively veto and block his decisions, and what their minimum expectations and needs should be. This is bound to induce a certain schizophrenia. When it comes to the performance of the primary task of an institution . . . the rule is to optimize. There, managers have to base their decisions on what is right rather than on what is acceptable. But in dealing with the constituencies outside and beyond this narrow definition of the primary task, managers have to think politically — in terms of the minimum needed to placate and appease and keep quiet constituent groups that otherwise might use their power of veto. Managers cannot be politicians. They cannot confine themselves to 'satisficing' decisions. But they also cannot be concerned only with optimization in the central area of performance of their institution. They have to balance both approaches in one continuous decision making process. (Drucker, 1980, pp. 211-213).

Drucker states the case quite strongly. While the extremity of his position may not be applicable in the case of planning and implementing large scale cooperative education programs, there are some important principles to be learned concerning consensus building, optimizing, and satisficing. Let us consider whether there are good reasons for considering such an approach.

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1. The quality of the strategic plan for optimizing the central objective of adopting a large scale cooperative program can be improved when the contributors to the development of this strategic plan do not have to worry about their special interest goals not being reasonably satisfied. For example, with the decision to move toward cooperative education some faculty, administrators, and staff may fear that the security of their jobs is being threatened. The fear may be based on a real threat to a job, or it may be just imagined. Whether the fear is based on a real or imagined condition, the fear itself is real (Hefferlin, 1969; Janis, 1968).

If the fear can be substantially reduced, people will not be as afraid to contribute to a high quality strategic plan. If they are not afraid of losing their jobs, they can devote their creative energies to developing and implementing a plan that is in the best interests of the institution.

Job security is an example of one special interest goal. Another example might be the amount of resources that might be devoted to any particular program. Other examples include how a particular individual's or groups's influence might be affected by an organizational change. There are many such examples. To the extent that the key contributors to the strategic plan to move toward cooperative education do not have to worry about their special interest goals not being reasonably satisfied, they can devote their creative energies toward developing a good plan without dissipating their energies on worries over special interests.

This is a reason for considering an OSCB approach to strategic planning. It is not suggested that the special interests of all key individual and group contributors to the plan to move toward cooperative education necessarily have to be reasonably satisfied. Rather, it is suggested that when they can be satisfied, the process can be easier. This will depend on the particular situation and how much in the way of special interests is desirable and possible to satisfy reasonably.

2. The motivation of individuals and groups to cooperate with the planning and implementation of a move toward cooperative education can be increased in exchange for some reasonable satisfaction of special interest goals. The point discussed above dealt with the key contributors to the strategic plan. While it is very important to create the conditions where they can devote their energies toward a high quality plan, there are also many other individuals and groups who are important to the success of the plan even if they do not contribute directly toward developing the plan.

It is physically very difficult in large organizations for very many people to participate in developing strategic plans. Yet, the cooperation of many people is necessary to implement a strategic plan successfully.

Even the best of plans can fail, if the people required to make the plan work are not well motivated. (Herzberg, 1968; Nielsen and Nielsen, 1974; Tannenbaum and Schmidt, 1973).

3. If the Administration and other developers of the strategic plan to move towards cooperative education need the help or non-opposition of key individuals or groups, but do not have the power or can't use their power to order help or non-opposition, OSCB may be essential. Even if the group developing the plan could use its greater power to order cooperation, the potential ensuing battle might do such damage to morale and motivation as to seriously damage the likelihood of successful implementation (Bennis, 1966; Cyert, 1980; Deutsch, 1969).

For example, there may be a few key trustees, deans, faculty members, program heads, faculty senates, student groups, alumni groups, etc., that have such influence in the organization that their help or non-opposition is crucial to the success of the cooperative plan. Under such circumstances it may be necessary to insure that their concerns be satisfied in exchange for their cooperation and/or non-opposition.

4. Simultaneous coordination and flexible decentralization may require OSCB. In many large organizations, decentralization of decision making and planning is necessary in order to have flexibility. At the same time, in order for an institution to have a central reason for being and a central strategic plan, some coordination is also important (Chandler, 1962, 1977; Cyert, 1975; Eliot, 1908).

In order to have a meaningful overall plan, the parts need to agree and cooperate with the plan for the whole. At the same time, the decentralized parts, e.g. colleges within a university, have their own responsibilities and needs for resources. To generate the cooperation required for the success of the overall plan, it is frequently necessary to ensure that the special objectives of the decentralized parts are not overly sacrificed in the overall plan (Drucker, 1980; Simon, 1945; Thurow, 1980).

For example, a liberal arts dean may not appreciate the benefits of cooperative education as much as a business or engineering college dean. The liberal arts dean has the responsibility for achieving the objectives of that college. In order to ensure the cooperation and the non-opposition of the liberal arts dean to an allocation of resources for the development of business and engineering cooperative programs about which he may be skeptical, it may be desirable and necessary to ensure that the resource requirements of the liberal arts dean in the planning cycle of interest are met in a reasonable manner.

5. Where speed of decision implementation is important in adopting a large scale cooperative program, OSCB based decisions can be

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implemented swiftly because the knowledge required to implement has been shared and resistance reduced.

One of the observations about differences between Japanese and American management systems is that, while the United States business institutions appear to be able to make strategic decisions faster than the Japanese, the Japanese implement strategic decisions faster. To the extent that this general observation is true, part of the reason for the difference concerns consensus building. It takes the Japanese longer to make strategic decisions because they spend a great deal of time considering strategic decisions with many managers and layers of management, while many American strategic decisions are made by top management with relatively little consultation. The Japanese appear to be able to implement strategic decisions relatively faster than American business organizations because, by the time the organization makes a strategic decision, people already understand it and agree that it should be done (Drucker, 1980; Thurow, 1980; Vogel, 1979).

While speed is important, speed is also difficult because of the many significant changes that higher education institutions have to make in adopting large scale cooperative programs. Generally, the bigger the changes required, the more education and persuasion needs to be done. Therefore, consensus building should help speed implementation of the strategic decision.

6. Law and policy may require consensus decision making. Because of legal constraints requiring consensus decision making, the planning group may have to exchange some reasonable satisfaction of special interest goals in order to generate the consensus required to permit optimization of the institution's central objective of adopting large scale cooperative programs. The legal constraints may come from both internal institution governance requirements as well as external legal constraints. Examples of internal governance requirements might be approval of the change by faculty senates and boards of trustees. Examples of external legal constraints could be union contracts as well as state laws concerning higher education planning. Union contracts may have sections on "changes in working conditions" that need to be agreed upon by the administration and various faculty and staff unions before they can be implemented. State law may require legislatures to formally approve any significant changes in academic programs in state colleges and universities. Where colleges are licensed, even independent colleges may require state legislative or state board of higher education approval (Ewing, 1977; Finkin, 1981; Garbarino, 1975).

While it is unlikely that any single institution would have all six of

the conditions discussed above, it is also unlikely that an institution would have none of them. Therefore, OSCB should probably be seriously considered by most institutions engaging in or considering adoption of large scale cooperative programs.

Communications and Decision Processes In OSCB

Managing and operationalizing OSCB involves both communications decision processes and organization structures that can facilitate OSCB.

1. Identify the key groups and individuals that are important for the conversion to large scale cooperative education programs. In most cases these groups would probably include (1) program administrators such as deans, department chairs, research directors, athletic directors, and functional administrators such as for admissions, financial aid, housing, etc.; (2) governance leaders and influential faculty involved in the planning process; (3) general faculty; (4) students and student leaders; (5) alumni and alumni leaders; (6) actual and potential cooperative employers; (7) government and other funding organizations; (8) trustees; etc. These are the types of groups and individuals that can help and/or could hinder the planning and implementation. They need to be identified by name as well as category (Bennis, 1966; Hefferlin, 1969; Thurow, 1980; Zeigler, 1964).

2. Discuss and identify the special interest goals of key groups and individuals. The above groups or individuals might have special interest goals that are threatened, or seem to be threatened, by the move toward cooperative education. Examples of such real and/or perceived threats are (1) job security; (2) academic program security; (3) nonacademic program security; (4) loss of personal status and influence; (4) academic quality of particular programs; (5) "collegiate" nonacademic social life; (5) social life with people from "appropriate" socioeconomic classes; (6) quality level of cooperative jobs; (7) "trade school" versus "academic" biases; (8) low level of career opportunities; etc. Such interests vary according to how special the interest are, and how real the threats.

In the process of discussing such issues, it should become clear that either the fears are exaggerated or that steps will be taken to reasonably satisfy the above types of interests. The process of discussion will also demonstrate that the planning group is sensitive to others' interests and will respond reasonably rather than just ramming through a plan (Bennis, 1966; Cyert, 1980; Hefferlin, 1969; Janis, 1968, Drucker, 1980).

3. Discuss and identify how the special interest goals do and do not positively overlap with the organization's central objective. Some special

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interest goals will be fostered by the move toward cooperative education. It is generally useful to build from areas of mutual interest and agreement rather than concentrating just on differences. The “half full” rather than “half empty” attitude toward change is likely to produce more cooperation and enthusiasm (Cyert, 1975; Nielsen, 1979; Simon, 1945, 1976).

For example, there may be some academic or sports programs that will receive increased attention and resources because they conveniently fit into the cooperative calendar. Individuals and groups interested in such programs might be likely supporters of the change. On the other hand, there may be other programs with which the cooperative calendar will interfere. This concern would have to be identified and addressed. Similarly, there may be some academic programs where the quality of students is likely to improve through the addition of cooperative education. On the other hand there may be some academic programs where the reverse would be more likely. Both need to be identified and discussed in terms of any special arrangements that may have to be made to reasonably satisfy different interests.

4. Discuss, evaluate, and negotiate the optimization of the institution's central objective of moving toward cooperative education with the reasonable satisfaction of special interest goals. After the individuals and groups with special interest who are important to the move toward cooperative education are identified, their interests are identified, and the degree to which these interests positively overlap with the central objective is determined, then the nature of the positive and negative overlaps needs to be discussed, evaluated, and negotiated (Garbarino, 1975; Nielsen, 1979; Pais, 1981).

For example, if the jobs of faculty can be guaranteed in and through the change toward cooperative education in some situations, some faculty may be willing to agree to the reduction or closing some facilities and programs in order to redirect resources toward cooperative education. Similarly, an expansion of resources to some academic programs or sports programs may be satisfactory exchange for lack of expansion or reduction in others.

The above are the communications and decision processes that can be engaged in for developing OSCB. There are also some organizational structural vehicles that can be useful in OSCB.

Organizational Structural Vehicles For OSCB

1. FORMALIZED INDIVIDUAL COMMUNICATIONS. The

above types of communications activities can be engaged in formally or informally. Individual communications can be formalized. For example, lists of the key individuals and groups could be constructed and members of the planning group assigned to communicate with all the key individuals and groups. The advantage of this approach is that it provides the opportunity to explain and respond directly to the special interests and concerns of each key individual and group. Special concern is demonstrated (Bennis, 1966; Nielsen, 1974; Stanley, 1981).

2. **DISCUSSION BODIES.** Another vehicle for OSCB is the discussion body. These bodies can take many different forms. They could be information sessions, sessions where the opinions and concerns of people are solicited, or exploratory sessions where the potential and ramifications of cooperative education programs are discussed. These discussions could be held with normally constituted bodies such as departments, faculty senates, staff meetings, etc., or with special bodies convened for that purpose. A potential advantage of this form compared with individual communications is that more people can be reached at the same time with probably fewer resources. A potential disadvantage of this approach compared with individual communications is that it can risk a momentum building against cooperative education that may be based on fear. Within the support of the group, some people may be more willing to express their fears as the main position and put themselves in positions of opposition without having had the opportunity for the type of dialogue that can occur in more individualized forms of communications (Lewin, 1948; Nielsen, 1979; Vogel, 1979).

3. **ADVISORY BODIES.** In many higher education institutions there are elaborate committee and governance structures that are advisory. They make recommendations to the administration. If these advisory bodies are representatives of key groups and individuals and can endorse the plan to move toward cooperative education while agreeing on the reasonable satisfaction of special interest objectives, then they can add legitimacy and weight to the desired consensus. The risk is that the opposite could occur and that the planning group might find itself in the difficult position of trying to overturn or ignore the advice it receives. However, if the central objective to move toward cooperative education makes sense, if the special interest objectives are reasonably satisfied, and if communications have been effective, negative advisory recommendations should not be highly likely (Cyert, 1980; Garbarino, 1975; Bennis and Chin, 1964).

4. **INFORMAL CONSULTANT FACT-FINDING AND MEDIATION.** One of the reasons for resistance to change is that the people

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resisting the change may not have confidence that the people suggesting the change are competent or objective. Informal consultant fact-finding and mediation can be helpful in this situation. For example, the consultant can be paid by the administration but be selected by, report to, or be removed by a group that is particularly worried about the change in direction toward cooperative education. The consultant fact-finder or mediator can provide the objectivity and expertise that various groups may be worried the administration does not have. The risk is that the fact-finder or mediator could come to a conclusion different from the administration's. However, if the strategic plan to move toward cooperative education is well thought out and the consultant is competent, this should not be a problem (Nielsen, 1979).

5. FORMAL COLLECTIVE BARGAINING, FORMAL FACT-FINDING, FORMAL MEDIATION, FORMAL ARBITRATION. In those situations where higher education institutions are highly unionized and where there are contract provisions that prohibit or restrict the administration from making unilateral "changes in working conditions," the formal structures of labor relations may be required. In the collective bargaining process the administration would bargain with unions concerning the acceptance of optimizing the central objective of moving toward cooperative education in exchange for formally negotiated reasonable satisfaction of other objectives of the union side. If agreement could not be reached, formal mediation might be utilized in order to bring the administration and its position into closer harmony with the union's and their special interests. If agreement could not be reached, both sides might agree to submit the areas of dispute to mutually selected arbitrators. Each party would agree to live up to the decision the arbitrator makes before the arbitrator makes the decision. This process has the standard advantages and disadvantages of normal labor relations in higher education. It has the additional consideration that the labor relations process in the United States is not normally directly involved in strategic decision making. The personnel and systems involved may not be sufficiently appropriate for this type of participative decision making.

Even if formal labor relations is a fact of life at a particular institution, the individual communications, discussion bodies, advisory bodies, and informal fact-finding and mediation can go a long way in reducing the probability of the difficult and protracted conflicts that sometimes result in normal formal labor relations. These mechanisms have been found to reduce the labor relations conflicts in other areas such as in business as well as higher education institutions (Elkouri and Elkouri, 1977; Garbarino, 1975; Nielsen, 1979).

6. REPRESENTATIVE DECISION MAKING BODIES. In some higher education institutions governance bodies such as faculty senates have the formal authority to make decisions. In such a situation, the strategic decision to move toward cooperative education might have to be made by such a body. In such a situation, the individual communications, discussion bodies, advisory bodies, informal fact-finding and mediation would be particularly important in not only building consensus, but also making a positive decision possible. This type of situation resembles the normal legislative processes of government bodies. OSCB is not uncommon in such institutions (Ackoff, 1962; Simon, 1945, 1976; Cyert and March, 1963).

Conclusion

This article examined the relationships among strategic planning, consensus building, and optimal satisficing in moving toward large scale cooperative education programs. The need to develop OSCB was explained. The reasons for considering an OSCB approach to strategic planning and implementation of large scale cooperative education programs were considered. The communications and decision processes in OSCB were explored. The organizational structural vehicles for OSCB were also considered. OSCB should be a useful approach to strategic planning and implementation of large scale cooperative education programs in many higher education institutions.

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