Summary – Doctoral Thesis Dr. Bert George

Unravelling the Determinants of Strategic Planning Effectiveness in Public Organizations: A Strategic Decision-Making Perspective at the Individual and Organizational Level.

Ghent University – 14th of November 2016.

1) Introduction and research questions

Strategic planning in public organizations can be defined as “a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is (its identity), what it does (its strategies and actions), and why it does it (mandates, mission, goals, and the creation of public value)” (Bryson 2010, S256). Although strategic planning in public organizations can be traced back to the late 1950s and early 1960s, it was the New Public Management (NPM) movement of the 1980s that made strategic planning a ubiquitous practice among public organizations (Bryson, Crosby, and Bryson 2009, Poister, Pasha, and Edwards 2013). NPM even inspired governments worldwide to mandate strategic planning’s adoption for a variety of public organizations (e.g. US Government Performance and Results Act and UK Local Government Act) (Boyne 2001, Poister and Streib 2005). One of the main reasons why strategic planning gained this almost normative status, is the fact that strategic planning’s systematic, analytic and rational approach to strategy formulation is assumed to be beneficial to public organizations (Poister, Pasha, and Edwards 2013, Bryson 2011, Poister and Streib 2005, Walker and Boyne 2006). Frequently cited benefits include enhanced strategic decision-making, enhanced intra-organizational coordination and improved organizational performance (Boyne 2001, Bryson 2011, Poister, Pasha, and Edwards 2013, Walker et al. 2010).

Nevertheless, despite the widespread adoption of strategic planning by public organizations and its often proclaimed relation with organizational outcomes (Boyne 2001), the debate about the effectiveness of
strategic planning is ongoing (Bovaird 2008, Ugboro, Obeng, and Spann 2011). After all, Mintzberg (1994) did declare the fall of strategic planning over two decades ago. As such, strategic planning’s presumed value has been suggested to be “a shot in the dark” (Walker and Boyne 2006, 375) as the complex relation between strategic planning and organizational outcomes in public organizations remains unknown (Boyne 2001).

The lack of insights into the relation between strategic planning and organizational outcomes in public organizations has been suggested to be the result of limited scholarly attention to the macro-level and micro-level of strategic planning (Bryson 2010, Poister 2010). Previous research displayed the tendency to interpret strategic planning as a stand-alone, fixed routine that directly results in organizational performance thus neglecting the micro-processes that constitute strategic planning and strategic planning’s role within the broader rational planning toolbox (Poister, Pitts, and Edwards 2010). First, at the macro-level strategic planning is typically an element of a rational planning cycle within public organizations, where plans are formulated through strategic planning, implemented through performance measurement and evaluated through performance management (Boyne 2001, Poister and Streib 2005). Second, at the micro-level, strategic planning consists of a set of micro-processes including the process characteristics of the strategic planning process, the individuals and teams involved in strategic planning and the strategy tools employed during strategic planning (Bryson, Crosby, and Bryson 2009). Hence, Poister, Pitts, and Edwards (2010, 540) conclude that the knowledge deficit on the macro-level and micro-level of strategic planning in public organizations is so large “that it is difficult to envision recommending too much research”.

In addition to the lack of insights into the macro-level and micro-level of strategic planning in public organizations, another critical issue emerges in the public management literature. Specifically, one of the main reasons underlying strategic planning’s popularity in the public sector is its assumed impact on strategic decision-making (Boyne 2001, Walker and Boyne 2006). For instance, Poister (2005, 1053)
argues that strategic planning can “provide overall direction for major decisions throughout the organization on an ongoing basis”. Boyne (2001, 76) states that rational planning practices such as strategic planning allow “decisions between alternative strategies to be taken logically on the basis of comprehensive information, rather than intuitively on the basis of incomplete or inaccurate data”. Empirical evidence supporting these claims is, however, scarce and we know little about the relation between strategic planning and strategic decision-making in public organizations. This is a particularly salient issue for public management scholars because the origins of rational planning lie within the strategic decision-making literature, where it is considered a counterbalance to purely political or intuitive decision-making processes (e.g. Elbanna and Child 2007, Elbanna 2006). One could thus argue that a core benefit underlying rational planning practices such as strategic planning should be their contribution to strategic decision-making within public organizations but we have only limited evidence supporting this argument.

Conclusively, the research problem underlying current academic endeavors on strategic planning in public organizations is threefold. First, strategic planning is often considered a stand-alone process whereas, in practice, it is typically an element of a rational planning cycle which also includes performance measurement and performance management. Second, strategic planning is often operationalized as a fixed routine, which typically disregards the micro-processes that constitute strategic planning such as the actual practitioners responsible for plan formulation. Third, although one of the core theoretical benefits on strategic planning should be its impact on strategic decision-making in public organizations, there is only limited empirical evidence supporting this claim. In my doctoral manuscript, I seek to address these issues by (a) investigating strategic planning both at the micro and macro level and (b) providing empirical evidence on if and how strategic planning can indeed contribute to strategic decision-making within the public sector. Hence, the two interconnected research questions (RQ) underlying this manuscript are:
**RQ1:** Does strategic planning, at the macro level, contribute to strategic decision-making in public organizations? (IF-question)

**RQ2:** Which characteristics of strategic planning, at the micro level, can help to account for this potential contribution? (HOW-question)

2) Scope statement of doctoral manuscript

Before elaborating on the conceptual and methodological rationale underlying my manuscript, I first seek to clarify the **scope of my doctoral work.** Indeed, as indicated in several chapters throughout my manuscript, semantic and conceptual discussions underlie the strategic planning and strategic decision-making literature. The objective of my PhD is not to solve this debate, but rather to focus on specific literature streams and seek to contribute to those streams. In order to clarify this contribution, I define the core concepts of my manuscript as follows:

**Strategic planning in public organizations:** Throughout this manuscript, strategic planning is defined as a systematic, analytic and rational approach to strategy formulation. Typically, such an approach includes the stepwise formulation of a formal plan, an analysis of the organization’s internal and external environment (e.g. through a SWOT-analysis), and defining strategic goals based on this analysis. This definition is in line with the operationalization of some of the most prominent strategic planning scholars in public management (Bryson 2010, Poister, Pasha, and Edwards 2013). Additionally, in this manuscript strategic planning is considered as an “intended strategy formulation process”, which implies that some formal document (i.e. a plan) is produced at a specific moment in time including specific goals that the organization sets out to achieve (Mintzberg 1978). Importantly, as Mintzberg (1978) taught us, I acknowledge the existence of “emergent strategies” that are made on a daily basis within public organizations, for instance based on political processes and changing environments, and that might undermine the content of the plan or minimize its importance. Nevertheless, such emergent strategies
are not within the scope of this doctoral manuscript. Moreover, due to the highly politicized nature of public organizations, there are typically also political documents (e.g. coalition agreement) that co-exist next to strategic plans. How these political documents are formulated and/or influence the plan is, again, not within the scope of this manuscript.

**Strategic decision-making in public organizations:** This manuscript operationalizes strategic planning effectiveness by drawing on the perceptual strategic decision-making literature (e.g. Olson, Parayitam, and Bao 2007, Parayitam and Dooley 2009). This implies that the outcome variable of interest are the perceptions of planning team members (i.e. the individuals responsible for formulating and implementing the plan) towards plans and/or a set of decisions resulting from the plan. These perceptions are not merely of scholarly interest, previous research has found that planning team members with positive perceptions towards plans or decisions are more likely to successfully implement these throughout the organizations (Yang, Sun, and Eppler 2009). These planning team members thus become “champions” of the plan or decisions by supporting their implementation and convincing other individuals to go along with the requested changes (Bryson, Crosby, and Bryson 2009). Focusing on planning team members’ perceptions thus ties in with the perspective that strategic planning is a social process, during which a planning team uses instruments and processes to define strategies that they believe are the best course of action for the organization and that they are committed to actually achieve (Eden 1992). Additionally, because these planning team members are, predominantly, administrative staff and strategic decision-making in public organizations is highly politicized (Nielsen and Baekgaard 2015), an additional paper is included in the manuscript (see chapter four). This paper moves beyond the perceptual strategic decision-making literature by offering experimental evidence for the impact of strategic planning on actual strategic decision-making behavior by politicians.

**Conceptualization of “strategic” in public organizations:** One could argue whether and when strategic plans and strategic decisions are truly “strategic” in public organizations. Indeed, plans might be
mandated by central governments, which is the case in Flemish municipalities (see chapter four, six and seven), and one could wonder whether the formulated plan is merely a compliance document drafted to address said mandate. Similarly, the possibility to make “strategic” decisions in public organizations might be limited because the mission and the subsequent areas of service delivery of these organizations can be mandated by law, which is the case in Flemish pupil guidance centers (see chapter three). However, both arguments are, to some extent, accounted for by the scales that I use to measure perceptions towards plans and/or a set of decisions. Specifically, as opposed to identifying what is “strategic” myself, I surveyed key organizational staff (i.e. planning team members) on the extent to which (a) they find the delivered plan or a set of decisions made by the planning team to be truly qualitative strategic decisions (i.e. strategic-decision quality, see chapter three and six) and (b) they are committed to implement the delivered plan and support it throughout the organization (i.e. strategic-decision commitment, see chapter seven). If indeed plans or decisions are merely compliance documents or operational choices lacking any “strategic” dimension, this would likely result in a lower score on perceived strategic-decision quality and strategic-decision commitment. Additionally, in chapter four I look at strategic planning’s impact on budget allocation and reform initiatives by politicians, both of which are considered instrumental to the strategic decision-making toolbox of politicians (Nielsen and Baekgaard 2015).

3) Conceptual overview of chapters

Having introduced the research problem and the scope statement, I now discuss the conceptual logic underlying the six core papers of my doctoral manuscript. This conceptual logic is presented in Figure 1.
The papers can be divided into two separate parts. In the first part, I present a set of three papers that focus on the **macro-level** of strategic planning in public organizations. Specifically, these papers adopt a helicopter perspective by looking at the effectiveness of different rational planning tools for plan formulation (i.e. strategic planning), implementation (i.e. performance measurement) and evaluation (i.e. performance management). In the second part, I present a set of three papers that focus on the **micro-level** of strategic planning in public organizations. Specifically, these papers adopt a deep dive perspective by looking at the actual characteristics of strategic planning processes (i.e. the underlying micro processes) and how those characteristics might relate to strategic decision outcomes.
The cement throughout these papers is their focus on the practices, practitioners and/or praxis (3 P’s) of strategic planning in public organizations. These 3 P’s are core to the Strategy-as-Practice (SAP) paradigm and are aimed at understanding “how” strategic planning is executed by public organizations (Vaara and Whittington 2012). Specifically, the practitioners are “those who do the work of making, shaping and executing strategies” (Whittington 2006, 619). They include policy makers, senior executives, strategic planners, middle managers, outside strategy advisors, other external stakeholders and staff (Wolf and Floyd 2013). The practices are “shared routines of behavior, including traditions, norms and procedures for thinking, acting and using things” (Whittington 2006, 619) and center on the processes used by organizations (e.g. do organizations use strategic planning at the macro-level? What are the characteristics of this process of the micro-level?) (Wolf and Floyd 2013). Finally, the praxis is “actual activity, what people do in practice” (Whittington 2006, 619) and includes the usage of boundary documents and activities during strategic planning such as analytical tools (e.g. benchmarking and SWOT-analysis), creative tools (e.g. brainstorm sessions) and the impact of strategy workshops or strategic off-sites (Wolf and Floyd 2013).

Both the macro and micro section adopt a similar flow. They start off with a broad literature review that looks at all 3 P’s and their relation to specific outcomes. Next, the second papers are empirical studies at the organizational level which look at how practices and practitioner elements influence strategic decision outcomes. Finally, the third papers are empirical studies at the individual level which look at how characteristics of individual practitioners can influence strategic decision outcomes. This is not a random order, all papers are interconnected and offer a different level of detail based on the findings of their predecessors.

Chapter two kicks off the manuscript with a systematic literature review of 42 research articles. In this chapter, I focus on the rational planning cycle of plan formulation, plan implementation and plan evaluation as core elements of a strategic management process in public organizations. Specifically, I
present a conceptual model which provides insights into (a) the determinants affecting public sector adoption of strategic management, (b) the characteristics (i.e. 3 P’s) of strategic management processes in public organizations, (c) the outcomes of these processes and (d) the empirical body of knowledge investigating the relationships between the defined determinants, 3 P’s and outcomes. The review concludes with a set of future research avenues.

Chapter three tests the relation between three core rational planning practices, namely strategic planning, performance measurement and performance management, practitioner behavior during decision-making, operationalized as procedural justice of the decision-making process and perceived quality of strategic decisions. Hypotheses are defined based on information processing theory. Data are derived from a survey of 187 decision-makers within 55 Flemish pupil guidance centers and analyzed by means of multivariate linear regression analysis. In doing so, chapter three addresses an important issue put forth in chapter two. By focusing on Flemish pupil guidance centers, chapter three offers evidence on rational planning’s effectiveness in a non US, UK or local government setting. Specifically, Flemish pupil guidance centers are subjected to a specific set of contingencies that differ from local governments (e.g. no political layer within individual centers, limited availability of performance data, focused on hard-to-measure services such as wellbeing of pupils), making it interesting to see whether rational planning practices still “work” in such a setting.

Chapter four focuses exclusively on the political practitioners underlying rational planning practices by looking at the impact of strategic planning and performance measurement on decision-making by politicians. Specifically, the chapter draws on a randomized survey experiment with 1,484 Flemish city councilors and an analysis of 225 municipal strategic plans to test the relation between strategic goals derived through strategic planning, performance information drawn from performance measurement systems and politicians’ preferences for spending and reform. Hypotheses are defined based on blame avoidance theory. Both logistic and linear regression models are used to analyze the data. By focusing on
politicians, chapter four is linked to several key findings of chapter two – such as the necessity of evidence on how policymakers use strategic management processes.

Next, chapter five kicks off the micro level section of my manuscript and presents the findings of a mixed research synthesis of 40 research articles. The review adopts a SAP-based conceptual framework that operationalizes the relations between characteristics (i.e. 3 P’s) and outcomes of strategic planning within public organizations, identifies which elements of the framework have already been investigated within the public administration literature and integrates the findings of the 40 articles to identify some meta-analytic insights. The mixed research synthesis concludes with both an integration of our current research knowledge and a set of theory-driven future research avenues.

In chapter six, survey data gathered from 271 planning team members in 89 Flemish municipalities are used to test whether the practice of strategic planning formality and the practitioners participating in strategic planning are associated with strategic-decision quality. Hypotheses are defined based on rational planning theory and integrative stakeholder participation theory. Structural Equation Modeling based on Partial Least Squares is used to analyze the data. This chapter builds on chapter five by replicating the two main findings of chapter five (i.e. a formal and participatory strategic planning process is associated with positive outcomes for public organizations) within the specific empirical setting of Flemish municipalities and with an outcome variable drawn from the strategic decision-making literature.

Finally, in chapter seven survey data gathered from 439 planning team members in 203 Flemish municipalities are used to identify how these planning team members can become champions of the strategic plan by being fully committed to its implementation. Hypotheses are defined based on information processing theory. Structural equation modeling is used to analyze the data. This chapter again builds on calls put forth by chapter five by exclusively focusing on the practitioners of strategic
planning in public organizations and by using concepts drawn from psychology (i.e. cognitive styles) to predict the behavioral intentions of planning team members in a public sector setting.

Conclusively, the manuscript at hand offers several conceptual contributions to the strategic planning and public management literature. The main contributions are fourfold. First, a typical criticism of strategic planning research in general is its lack of theoretical frameworks (Wolf and Floyd 2013). This manuscript defines hypotheses on strategic planning’s contribution based on four different theoretical frameworks (i.e. information-processing theory, blame avoidance theory, integrative stakeholder participation theory and rational planning theory) – thus allowing us to assess the relevance of as well as refine these frameworks for future strategic planning research. Second, empirical research on strategic planning in public organizations has typically centered on the direct relation between strategic planning and organizational performance (e.g. Poister, Pasha, and Edwards 2013, Jimenez 2013) – thus neglecting potential process outcomes that might precede performance. The manuscript strongly focuses on the strategic decision-making impact of strategic planning, which is an often-assumed process outcome of planning in the public sector (Walker and Boyne 2006, Boyne 2001). Third, some of the leading scholars in public-sector strategic planning have argued the necessity of studies that consider strategic planning as a practice in public organizations, something they “do” as opposed to solely “have” (Bryson, Crosby, and Bryson 2009, Bryson, Berry, and Yang 2010). By drawing on the strategy-as-practice framework as an overarching conceptual model as well as a framework for the literature reviews, this manuscript offers insights into how strategic planning has been practiced within public organizations. Fourth, public-sector planning research has typically centered on the organizational level (e.g. Andrews et al. 2009, Poister and Streib 2005), thus neglecting the impact that planning might have on individuals (e.g. employees, managers, politicians) within public organizations. The manuscript incorporates two papers that exclusively focus on planning’s impact at the individual level (i.e. politicians and planning team members), thus adopting a different level of analysis than most previous studies on the subject. Hence, the
manuscript’s main contributions lie in its (a) theory-driven nature, (b) focus on process outcomes of public-sector strategic planning, (c) assessment of strategic planning as a practice within public organizations and (d) inclusion of individual-oriented studies that complement the current organizational research focus.

4) Methodological overview of chapters

Having discussed the conceptual overview of the chapters, I now present the methodological rationale underlying my doctoral manuscript. This methodological rationale is presented in Figure 2.
Figure 2: Methodological framing of PhD manuscript

*PSO’s = Public sector organizations

**SP = Strategic planning
In their literature review on strategic planning and management in public organizations, Poister, Pitts, and Edwards (2010, 541) argue that a “mix of methods that incorporate both quantitative and qualitative data would be the strongest approach for research in strategic planning and management to take”. Simultaneously, they also argue that “more large-N quantitative analyses […] are needed to test specific hypotheses […] so that findings can be generalized across a variety of settings” (Poister, Pitts, and Edwards 2010, 541). The methods incorporated into my manuscript aim to address both calls.

As will be apparent to the reader, the doctoral manuscript at hand employs the philosophical underpinnings of positivism in most of the chapters. Three core aspects typically constitute a positivist approach: (a) the goal is to offer, to some extent, evidence-based insights that are generalizable towards a specific population, (b) to employ existing theoretical frameworks to formulate hypotheses and, subsequently, test these hypotheses to see whether these are (partially) confirmed or rejected and (c) to objectify and quantify data-gathering as much as possible in order to avoid researcher-related biases (Saunders, Lewis, & Thornhill 2007). Hence, the empirical studies of this manuscript (chapter 3, 4, 6 and 7) employ large-n studies to allow generalization to a specific population, deductively use theoretical frameworks to define hypotheses that are tested based on data and, finally, employ quantification and objectification of data through closed-ended surveys and statistical analysis. However, I would argue that the manuscript – and specifically chapter 2, 5 and 8 – also acknowledges the limitations of a purely positivist approach, including a potential disconnection from and oversimplification of the practice of strategic planning in public organizations. Thus, chapter 2 and 5 integrate insights from both qualitative and quantitative studies to generate a state of the art on strategic management and strategic planning in public organizations whereas chapter 8 draws on several expert interviews with practitioners that are aimed at refining the findings of the empirical studies in order to generate practitioner-relevant knowledge. Conclusively, the research methods underlying the empirical body of this manuscript are optimally placed within a post-positivist framework, where a sequential explanatory mixed method
**design** is used to further “explain and interpret quantitative results by collecting and analyzing follow-up qualitative data”, while predominantly adopting a quantitative research perspective (Creswell 2009, 211). In what follows, I elaborate on the specific designs per chapter.

Chapters two and five are both literature reviews that draw on a **mixed research synthesis design** (Sandelowski et al. 2012). Such a design includes (a) a data collection process based on a systematic literature review and (b) an integration of research evidence drawn from both qualitative and quantitative studies - where findings by both types of studies are considered as mutually reinforcing, mixed research evidence. This implies that “the methodological differences between qualitative and quantitative studies are minimized as both kinds of studies are viewed as producing findings that can readily be transformed into each other” (Sandelowski, Voils, and Barroso 2006, 29). If a statistical meta-analysis is selected as opposed to a mixed research synthesis, this results in a loss of the qualitative studies as these typically do not present the type of statistical data (i.e. effect sizes) fit for statistical data aggregation. Hence, the mixed research synthesis allows me to analyze both qualitative and quantitative studies while simultaneously providing some form of integration in the literature reviews – which ties in with the argument of Poister, Pitts and Edwards (2010).

Chapters three, four, six and seven address Poister, Pitts and Edwards’ (2010) call for **large-N studies** that test specific hypotheses aimed at generalization towards a population. These chapters thus employ a quantitative research design based on survey data and aimed at testing specific theory-driven hypotheses. In chapters three, six and seven cross-sectional, multi-informant survey data are used and analyzed. This survey is designed and analyzed in accordance to recommendations for optimal cross-sectional survey design and analysis in public administration scholarship (e.g. Lee, Benoit-Bryan, and Johnson 2012). Nevertheless, the cross-sectional nature of the data implies that these chapters present associations between independent and dependent variables, but cannot provide insights into causality. Chapter four, on the other hand, presents findings based on a **randomized survey experiment** which is in line with the
method presented by Aguinis and Bradley (2014). Through this design, chapter four allows some interesting causal statements on the defined theory-driven hypotheses.

Finally, chapter eight of this manuscript presents, apart from the conclusion, the findings of a qualitative follow-up phase geared towards uncovering policy implications of the six core papers. Specifically, the findings of a set of expert interviews with key stakeholders of Flemish local government are presented. These expert interviews are geared towards understanding the relevance of the empirical findings for public organizations as well as identifying some other important aspects that are not necessarily grasped by the empirical papers. Hence, although the doctoral manuscript is largely quantitative and hypothesis-testing, this final phase allows us to identify some intricacies that cannot be captured by a structured survey.

5) References


