Does strategic planning 'work' in public organizations? Insights from Flemish municipalities

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Strategic planning (SP) is a popular instrument within public organizations. Despite its popularity, it remains unknown whether SP actually 'works' in a public sector setting. This article presents insights based on three empirical articles and interviews with five expert stakeholders in Flemish municipalities. These insights suggest that SP is more than a fad and can contribute to positive outcomes. However, this contribution is contingent upon the behaviour underlying the SP process.

Strategic planning (SP) is a popular management instrument in contemporary public sector organizations (Bryson, 2010). Typically, SP is operationalized as a systematic process of strategy formulation during which an organization's environment is analysed and strategic goals are defined (Poister *et al.*, 2013; George *et al.*, 2016a). Despite its popularity, the effectiveness of SP is strongly debated (Ugboro *et al.*, 2011). Some argue that the complex adaptive context of public organizations inhibits effective application of SP and incremental processes might be needed (see, for example, Bovaird, 2008). Additionally, recent reviews have shown that there is a lack of large sample evidence testing the effectiveness of SP in public organizations (Bryson *et al.*, 2010; Poister *et al.*, 2010). Nonetheless, it is hard to deny the omnipresence of strategic plans in the public sector and the question that emerges is:

Why are practitioners so keen on SP if it does not work?

This article identifies some key drivers of effective SP in Flemish municipalities based on interviews with five expert stakeholders and three empirical articles (George *et al.*, 2016a; 2016b; 2017). In Flanders (the northern, Dutch-speaking part of Belgium), SP was introduced in local government as part of a set of new public management (NPM) reforms. This article assesses the actual impact of an imposed change. This institutional setting is not unique to the Flemish context—indeed, SP is often part of NPM-related reforms throughout the European public sector (Joyce and Drumaux, 2014; Johnsen, 2016). Hence, this article will be of use to all practitioners who are required to formulate strategic plans or who want to initiate SP.

Research questions

My first research question (RQ) centred on politicians and their use of strategic plans. Historically, the strategic public management literature has focused on analysing managers' perceptions of strategic plans (for example Johnsen, 2016). However, rational planning theory suggests that SP is particularly popular in public organizations because of its tendency to offer a counterweight to purely intuitive or knee-jerk decision-making by politicians (for example Boyne, 2001; Walker and Boyne, 2006). As such, my first research question looked at the validity of this argument:

RQ 1: Do strategic plans contribute to decision-making by politicians?

The second research question was on participation during SP. Typically, SP has been linked to NPM—and thus to concepts like 'efficiency' and 'effectiveness'. However, recent work by Bryson (2015) illustrates that SP is not only geared towards creating efficient and effective public organizations. Strategic planning can be a process that enhances responsiveness to citizens by (*a*) facilitating citizen-municipality collaboration and (*b*) generating consensus between core stakeholders in the municipality on the strategic

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issues that need to be tackled and the subsequent strategies (Bryson, 2011, 2015). However, in order to generate collaboration and consensus, we need to think about, as well as design, stakeholder participation during SP processes (Bryson, 2004). In line with this argument, we need to know whether participation during SP is a component of effective SP:

RQ 2: Does participation during SP contribute to its effectiveness?

My third research question was about the role of the people who actually 'do' SP in public organizations. The public management literature has neglected the micro-level of public organizations (Grimmelikhuijsen *et al.*, 2017). Similarly, the strategic public management literature has focused on the relationship between SP and organizational performance (for example Poister *et al.*, 2013). Nevertheless, recent research has shown that, to understand if strategic plans work, we need to understand the people behind the planning (Bryson *et al.*, 2009; Hansen, 2011):

RQ 3: Do the individuals involved in SP contribute to its effectiveness?

Methods
Empirical setting
This article presents the actual impact of an NPM-related change (SP) in Flemish municipalities by drawing on three published empirical studies and expert interviews to ensure a detached, informed and authoritative perspective.

As a result of NPM reforms, Flemish municipalities had to develop a strategic plan by January 2014. This plan needed to contain 'the strategic blueprint of the municipality's 2014–2019 policy cycle, including strategic policy goals, action plans, financial impact assessments and performance indicators' (George *et al.*, 2016a, p. 2). Flemish municipalities are an excellent setting to test whether SP 'works' in public organizations—the institutional, political and economic settings are very similar, which means that a variety of other factors can be eliminated when investigating outcomes of SP (Goeminne and Smolders, 2014).

Data
The three empirical articles focused on Flemish municipalities and included the following data:

• Survey-based data from Flemish city

councilors, chief planners (the individuals responsible for SP) and other planning team members (the individuals who support the chief planner).
• Secondary data based on a document analysis of the municipalities' strategic plans.

The expert interviews were conducted with individuals from five key stakeholders in Flemish municipalities:

• The Flemish Government Agency for Domestic Governance.
• The Association of Flemish Cities and Municipalities.
• The city of Ghent.
• The municipality of Wachtebeke.
• IDEA Consult—a consultancy firm working with Flemish local governments.

These stakeholders represent different interests, ensuring different perspectives. Onsite interviews were conducted in May and June 2016. The interviewees were the individuals within the organization best informed on the specific SP context in Flemish municipalities.

Findings
RQ 1: Do strategic plans contribute to decision-making by politicians?
George *et al*. (2016b) present the findings of a large-scale survey experiment with 1484 Flemish city councilors and an analysis of 225 municipal strategic plans. Their paper looked at the way politicians might behave when confronted with information drawn from SP processes. Strategic goals derived from SP were found to be positively associated with politicians' spending preferences. Specifically, policy issues with a strategic goal were more likely to be prioritized in budgeting processes.

This finding was confirmed during the interviews for this article as one of the core effects of NPM reforms in Flanders—politicians have to adapt their ideas to the managerial reality of the municipality, which can prevent knee-jerk, purely intuitive or short-term electoral decision-making. When politicians come up with an idea, they now have to identify whether it fits the municipality's plan and budget. Interestingly, the interviews demonstrated that this is one of the reasons why SP is not popular with Flemish local government politicians—they feel that the decision-making 'power' in the municipality has shifted from them to the administration.

RQ 2: Does participation during SP contribute to its effectiveness?

George *et al.* (2016a) employ survey data gathered from 271 planning team members in 89 Flemish municipalities to test whether two core elements of SP—the formality of the SP process and the level of participation during the SP process—result in positive outcomes. Their findings suggest that SP can produce positive outcomes when a variety of both internal (for example lower-level staff) and external (for example citizens) stakeholders are included in the SP process.

Although most interviewees indicated that these findings seem 'logical', they also emphasized their importance. Several Flemish municipalities fully outsourced stakeholder/environmental analyses to external consultants, while focusing on the financial aspects of the planning process. The underlying rationale is that municipalities can be penalized on the financial aspects, but not on having underdeveloped stakeholder/environmental analyses. This resulted in a lack of citizen-centric plans because, far too often, citizens or front-line staff in contact with citizens were simply left out of the planning equation. Moreover, the interviews suggested that widespread participation (both internally and externally) illustrates that the SP process is broadly supported throughout the organization and not just a top-down process.

RQ 3: Do the individuals involved in SP contribute to its effectiveness?

George *et al.* (2017) focus on 439 planning team members from 203 Flemish municipalities. They identify predictors of planning team members' commitment to implement strategic plans. Members with a creative cognitive style (i.e. individuals who were early adopters, were creative and intuitive) were more likely to be committed to the implementation of a strategic plan. Additionally, planning team members who consider SP to be a useful process that improves municipal performance are more likely to be committed to plan implementation.

This particular finding sparked the strongest reaction during the interviews. The person usually responsible for the SP process in Flemish municipalities is the municipality's financial manager or accountant. Since the financial aspects of the planning cycle are the ones that will be monitored and potentially penalized by the Flemish government, this finding is not very surprising. However, financial managers and accountants tended to lean more towards a knowing or planning cognitive style, indicating their preference for numbers and analysis and/or time management and well-organized activities. These people were not necessarily the 'change champions' selling the SP process as well as the strategic plan throughout the municipality. Creators, on the other hand, tended to be more open to dealing with changes and convincing others to go along with the plan.

Conclusion

This article shows that SP, a core NPM reform, can contribute to positive outcomes for public organizations. However, assuming that by adopting a formal, mechanical SP process a public organization will perform better is too simplistic. Specifically, whether or not SP actually 'works' in public organizations is—at least partially—contingent upon:

• The manner in which strategic plans are used by politicians during decision-making (i.e. as instruments for informed decision-making).
• The participatory nature of the SP process (involvement of internal and external stakeholders).
• The psychological characteristics of planning team members (cognitive style) and their perceptions towards the SP process (usefulness of the process).

In sum, SP is—by its very nature—organizational behaviour and, to understand how SP 'works', we need to understand the people involved in SP. Such a need might be addressed by behavioural strategic planning—using theories and methods from psychology and organizational behaviour to help improve the effectiveness of SP in the public sector. After all, SP is not just something that organizations 'have' but, rather, an activity that practitioners 'do' (Bryson *et al.*, 2009).

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IMPACT

This article suggests that strategic planning can work in public organizations. However, practitioners need to acknowledge all of the people involved in delivering a strategic plan. Five main implications for public sector strategic planning are offered:

- Linking plans to political decision-making: plans should help politicians make decisions.
- Involve lower-level staff: lower-level staff have insights that top managers do not have.
- Involve citizens: citizens should have a voice to ensure citizen-centric strategic plans.
- Involve 'creators' as team members: creators help generate and 'sell' ideas.
- Ensure that strategic planning is considered useful by team members: this produces 'change champions'.