

**STRATEGIC PLANNING IN LOCAL GOVERNMENT:  
IS THE PROMISE OF PERFORMANCE A REALITY?**

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# **STRATEGIC PLANNING IN LOCAL GOVERNMENT: IS THE PROMISE OF PERFORMANCE A REALITY?**

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## **SUMMARY**

The purpose of this dissertation is three-fold. First, it explores whether or not experience with strategic planning increases comprehensiveness of the strategic planning process. Second, it investigates the potential impact of comprehensive strategic planning processes on performance. The final rationale for this dissertation is to determine whether the impact varies according to the dimension of performance analyzed.

This exploratory study uses a unique data set that combines the performance measures of select local government departments from the International City/County Manager's Association and an original survey of the heads of those departments to determine their strategic planning practices. The dissertation utilizes an evaluative approach by analyzing the practical significance of the potential impact including correlation, differences between groups, and effect size. These analysis taken together can help demonstrate a potential relationship where regression analysis would be inappropriate due to small sample size.

The findings justify further studying these questions about strategic planning in the public sector. First, the analysis demonstrates that departments with more strategic planning experience have higher mean comprehensiveness than departments with less experience. Second, though the findings are mixed concerning the impact of comprehensive processes, the majority of the findings support the hypothesis that more comprehensiveness leads to better departmental performance. Finally, the mixed findings demonstrate that strategic planning comprehensiveness impacts different dimensions of performance differently.

# **CHAPTER 1:**

## **INTRODUCTION**

In 2007, IBM produced a commercial that showed employees playing “buzzword bingo” in an “innovation meeting.” “Buzzword bingo” is actually a quite popular game on the internet that is similar to traditional bingo. Instead of using letters and numbers, this form of bingo uses trendy business jargon. Employees can print these cards off the internet and take them to their meetings at work. This is a humorous form of entertainment, no doubt, for the numerous meetings that some employees have to attend. The commercial used phrases like “value-added,” “goal orientation,” and “out-of-the-box thinking.” In the public sector, tools for management and budgeting have come and gone at such a quick pace that our own “buzzword bingo” would be an easy task to create using the various “management of the month” fads that come in and out of our management vernacular.

Some researchers wondered whether strategic planning was another trendy tool that would eventually go the way of other trendy tools, invested heavily in by public organizations without achieving any of the promised results. Kaufman and Jacob (1987) wrote that public managers could view the new practice as a threat, an opportunity, or a fad. They advised in 1987 to take a “wait and see” approach so that managers could determine whether strategic planning would be around long enough to be worth the investment. Strategic planning has withstood the test of time. Indeed, by the third edition of Bryson’s guide to strategic planning in 2004, *Strategic Planning for Public and*

*Nonprofit Organizations*, strategic planning was clearly not just a trend but an accepted, and often encouraged, practice in the public sector.

### **Purpose of Dissertation**

Public organizations often implement strategic planning to improve organizational performance. But this decision is based on an assumption made by practitioners and academics alike. This assumption is derived from the logic that strategic planning will help unify organizations around a clear mission and goals, which will result in improved organizational performance (Boyne and Gould-Williams 2003). The purpose of this dissertation is to understand whether strategic planning leads to improved performance.

However, just including a dichotomous variable that indicates whether or not an organization does strategic planning is too simplistic (see Ugboro et al. 2010). Some organizations that implement strategic planning may never gain the benefits, including the promise of better performance, because they half-heartedly engage in the practice or lack the necessary resources (Bryson 2004). Unless organizations properly invest in the process of strategic planning, the expected benefits are not likely to materialize.

Therefore, I will first create a framework for the aspects that make up comprehensive strategic planning processes. Then, I will examine how experience with strategic planning impacts the comprehensiveness of planning processes in local government departments. I will then explore the relationship between strategic planning comprehensiveness and departmental performance.

Bryson et al. (2010) write that future research should be concerned with determining whether or not strategic planning leads to the desired outcomes, as well as how to design successful strategic planning processes that produce those results. The findings of this exploratory study will help to fill this gap in the current research by illuminating a major assumption about strategic planning and whether public organizations are getting the results they wanted when they initially implemented the practice, at least in terms of improved performance.

### **Research Questions and Hypotheses**

Therefore, this dissertation focuses on two major questions. First, do departments that have more experience with strategic planning have more comprehensive processes? Second, does investment in a comprehensive strategic planning process result in improved performance? By developing a framework that builds on eight dimensions of comprehensive processes, I can first evaluate how departments are doing strategic planning. I can also explore the relationship between strategic planning and performance through quantitative analysis. I hypothesize that this relationship will be positive, meaning that organizations with more comprehensive processes for strategic planning are more likely to have better organizational performance than organizations with less comprehensive processes.

### **Motivations for Dissertation**

#### **Practical Motivation**

My motivation for doing this dissertation is deeply rooted in my experiences as an intern for the strategic planning department of the city of Irving, Texas. As an intern, I quickly recognized that strategic planning requires many hours of work from employees

throughout the organization and a strong commitment from those in executive positions, particularly the city manager. The strategic plan in Irving was and continues to be a useful endeavor for employees and citizens alike, growing in importance as the practice has transformed the daily activities of the city. In my research, I have also found that other cities are not as successful with their strategic planning efforts and this has led me to question what successful cities do that unsuccessful cities fail to do.

As strategic planning has become an accepted practice throughout public organizations (Bryson 2004), it is an important moment to determine whether the promises of strategic planning result in actual practice. Many advocates of strategic planning tout the promise of better performance as a reason for implementing strategic planning (Boyne and Gould-Williams 2003). This dissertation will help practitioners understand whether this promise is an empty promise or an actual outcome. As evidenced by my time in Irving, as well as case studies like Rock Hill (Wheeland 2004), the process and implementation of strategic planning takes time and resources. Practitioners need to understand whether strategic planning is worth the effort, at least in terms of the pay off for performance.

### **Theoretical Motivation**

To determine whether or not strategic planning impacts performance, I first construct a framework of comprehensive strategic planning processes. Utilizing the organizational theory, findings of past case studies, surveys, and advice of advocates, I determine that there are eight dimensions of strategic planning that demonstrate the qualities of public organizations that do strategic planning well. This framework will

deepen the current research on strategic planning by building a comprehensive view of the strategic planning process.

This dissertation also adds to the current research by developing a theory of why strategic planning should impact performance, moving forward to validate a current assumption. Recent management models, like those outlined by O'Toole and Meier (1999) and Ingraham et al. (2003) lay the groundwork for strengthening the assumption that strategic planning will have a positive impact on performance. Furthermore, goal setting theory, from organizational research, can help to illuminate the logic behind this promised relationship.

### **Methodological Motivation**

I felt challenged by Bryson et al. (2009) to determine a method for using quantitative methods to study the link between strategic planning and performance. This article suggests that case studies are the desired method. I argue that given the case studies and advisory works already published, research already exists that demonstrates the dimensions of comprehensive strategic planning. This dissertation brings those works together to model the characteristics of such a process, which can then be used for quantitative analysis.

I was also challenged by the current state of data utilized in the public management field to study the impact of management strategies on organizational performance. There are two data sets widely relied upon for analysis, which includes a yearly survey of superintendents in Texas school districts that is linked with testing outcomes for those districts (for example see Meier and O'Toole 2001) and surveys of either British or Welsh local authorities linked with performance measures of those

authorities (for example see Andrews et al. 2009). The thesis relies on a newly created data set that links the resulting data from a survey of local government department heads with performance data from a national benchmarking project from the International County/City Management Association (ICMA). This data will expand the current contexts that have previously been explored in terms of management strategies and further explore the impact of strategic planning on performance.

I use the survey of local government department heads to gather information on the strategic planning practices of their respective organizations. Indexes based on the dimensions of comprehensive planning processes were created from the resulting data. These indexes are useful measures of how comprehensive the processes of departments are, as well as useful in determining whether comprehensiveness is associated with better performance.

Past research has also presented challenges when operationalizing performance as a dependent variable. This dissertation relies on an existing data gathering effort by the ICMA. The ICMA collects annual performance data on participating local governments throughout the U.S. These data are collected at the departmental level for the main functions of local government, such as police and fire departments. I will look at four disaggregated dimensions of departmental performance: efficiency, effectiveness, service quality, and productivity.

This dissertation will explore the possibility that the impact of strategic planning will vary according to dimension of performance when using performance as a dependent variable. Researchers of public sector performance advise practitioners to measure different types of performance because one type would not be adequate to establish

progress (for example, see Hatry 1980 and Poister 2004). These differences could also be important when studying the impact of management strategies on performance. Though the hypothesis is that the impact of strategic planning on all four dimensions of performance will be positive, it is possible that strategic planning might have a stronger impact on certain types of performance and a weaker impact on others. Performance is a multidimensional concept and researchers should not expect different dimensions to be impacted in the same way.

### **Organization of Dissertation**

This thesis is organized into four chapters, in addition to this one. Chapter 2 is an overview of the past and current literature on strategic planning and performance in the public sector, and more particularly in local governments. I use the review of strategic planning literature to create an ideal process of strategic planning as recommended by strategic planning advocates, researchers, and practitioners. This chapter relies on past research to make hypotheses regarding the relationship between planning and performance. Chapter 3 discussed the data, survey methodology, and analysis. The findings of the analysis are presented in Chapter 4. Chapter 5 focuses on how these findings can help inform practice in local governments. This chapter further discusses how the framework can be helpful for jurisdictions engaged in strategic planning. Chapter 5 discusses the implications of these results and concludes with the direction for my future research about this topic as informed by the findings of this study.



## **CHAPTER 2**

### **LITERATURE REVIEW**

Strategic planning cannot be defined in isolation, separate from other strategic concepts. Strategy, strategic management, strategic planning, and to a lesser extent comprehensive planning, are terms that are used often in research but without much attention to their explicit definitions. Halachmi (1987) pointed out that we have a serious semantics problem when it comes to these terms. Strategy, strategic management, and strategic planning are not identical ideas. However, they are closely related and the lines that would explicitly define each term have the tendency to be blurred, particularly between strategic planning and strategic management. These unclear definitions have meant that some researchers use strategic planning when other researchers would define their application as strategic management. Thus, this section begins by clearly defining strategy, strategic management and strategic planning, as well as demonstrating how the concepts are related.

#### **Strategy**

Strategy is a broad term used in public sector research to define how organizations relate to their environment and progress purposely into the future by improving services and performance (Boyne and Walker 2010). Wechsler and Backoff (1987) define strategy from two perspectives: process and content. Process strategy refers to the tools, as well as analyses, used by public managers to make decisions about the direction of the organization. These tools include a wide range of concepts that help managers plan for the future, such as comprehensive planning and strategy formulation.

Recent process strategy tools include strategic planning, human resource management strategies, performance management, and the various budgeting strategies of public organizations.

Content refers to the long-term orientation of an organization to internal and external influences. Several typologies of strategy content in public organizations exist in public sector research (Stevens and McGowan, 1983; Wechsler and Backoff, 1986; Rubin, 1988; Nutt and Backoff, 1995; and Osborne and Plastrik, 1997). A more recent typology by Boyne and Walker (2004) relies on private sector research on strategic stance (Miles and Snow 1978) and strategic actions (Porter 1980) to characterize how public organizations strategize. Strategic stance refers to an organization's enduring relationship with their environment. The strategic stance of public organizations can be characterized as prospector, defender, or reactor. Prospectors are entrepreneurial organizations that tend to try new approaches and management strategies before other organizations. Defenders are more interested in maintaining core operations. Reactors strategize when they are forced to by their environment. Strategic actions, which are similar to the balanced scorecard approach, includes: markets, service, financial viability internal management, and external relationships (Boyne and Walker 2004).

### **Strategic Management**

Strategic management is defined by Bryson et al. (2010) as “the appropriate and reasonable integration of strategic planning and implementation across an organization (or other entity) in an ongoing way to enhance the fulfillment of its mission, meeting of mandates, continuous learning, and sustained creation of public value” (495). Strategic management is a way for organizations to be forward-looking so that they can strengthen

their position in their environment, both internally and externally (Poister and Streib 1999).

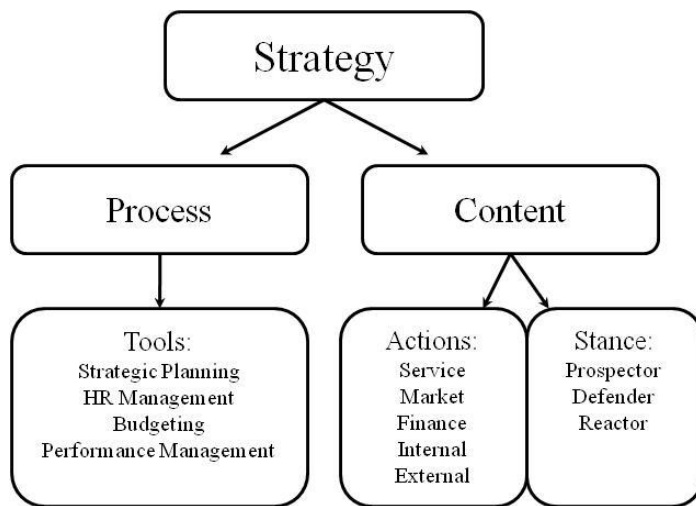
Strategic management and strategic planning are often used interchangeably; but they are not identical concepts (Poister 2003). Current research tends to see strategic planning as the cornerstone in the overall strategic management process (Poister et al. 2010). However, this relationship was not so evident in earlier studies. Eadie and Steinbacher (1985) wrote that it was hard to define how strategic planning fit into strategic management because it was not initially clear what strategic planning involved. They wrote that “strategic management is not so much the outcome of the evolution of strategic planning as it is a reaction to an early preoccupation of the field with analytical techniques for strategy formulation...” (424).

According to Vinzant and Vinzant (1996a), strategic planning is but one part of strategic management. The other two components are resource allocation and evaluation and control. Resource allocation includes not only budgeting tools but also tools for human resource management. The control and evaluation component of strategic management ensures that the goals laid out in strategic planning are met, often incorporating performance management. This is the identification of indicators and measurement of those indicators, which helps organizations determine whether they are successfully progressing towards their stated goals. Strategic management requires the integration of all of these components (Vinzant and Vinzant 1996b). In the terms of Wechsler and Backoff (1987), strategic management is the integration of process strategy tools: strategic planning, tools for resource allocation, and tools for control and evaluation.

## Strategic Planning

As described above, strategic planning is one part of an organization's management effort and is seen by some as the principal part of that effort (Poister et al. 2010). Bryson and Roering (1988) define strategic planning as “a disciplined effort to produce fundamental decisions and actions that define what an organization (or other entity) is, what it does, and how it does it” (995). The strategic planning process helps to unify the organization around a common mission, goals, and objectives based upon appropriate internal and external analyses.

Figure 2.1 demonstrates the relationship between strategy, strategic management, and strategic planning. Strategy encompasses the processes and content of an organization. Strategic management integrates the tools that an organization uses to pursue their process strategies, including strategic planning.



*Figure 2.1. Strategy Framework*

## **Strategic Planning in Public Organizations**

### **Strategic Planning Research**

The roots of strategic planning are planted firmly in private sector research (Bryson 1981, Eadie 1983, Bryson and Roering 1987, and Gibson 1993). Gibson (1993) notes there are several similarities between strategic planning in the private and public sectors. Strategic planning requires support from management, internal communication, and understanding of an organization's history and future regardless of the organization's type.

However, researchers were quick to point out that these early methods should take into account the differences between private and public organizations (Eadie and Steinbacher 1985, Ring and Perry 1985, and Nutt and Backoff 1992). These differences include three different types of factors: environmental, transactional, and organizational processes (Nutt and Backoff 1992). Environmental factors include what guides decision-making, constraints or mandates, and the political influence found in public organizations. The coerciveness or choice of citizen customer to consume services, broad societal impact, public scrutiny, and a large variety of stakeholders are considered transactional factors. Organizational factors include ambiguous goals, authority limits, vague but high performance expectations, and a different set of incentives to work (Nutt and Backoff 1992).<sup>1</sup> Ring and Perry (1985) advised early adopting public organizations that when adopting private sector practices, such as strategic planning, they should maintain flexibility to account for the issues that might arise due to sectoral differences. With the current level of attention given to strategic planning in the public sector, public

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<sup>1</sup> Bozeman (1987) argued that all organizations were to some degree public and fell on a continuum of "publicness" and that the degree of publicness defines differences in organizations.

organizations can build off models of strategic planning built for the public realm and no longer solely rely upon private sector practices.

In early research, strategic planning was often contrasted with traditional planning in the public sector, comprehensive or long range planning (Denhardt 1985, Eadie and Steinbacher 1985, Bryson and Einsweiler 1987, and Bryson and Roering 1987).<sup>2</sup> The major expansions of strategic planning were attention to actions that would help organizations reach their listed goals, more attention to all possible stakeholders, and environmental analyses (Bryson and Roering 1988). However, the most important distinction between the traditional planning and strategic planning is that traditional planning was based upon certain, narrow functions in municipal government, like transportation or education, or upon land use planning (Bryson and Einsweiler 1987). Strategic planning, on the other hand, is typically done at the organizational level, paying more attention to the complexity of the whole organization and coordinating people at various levels (Denhardt 1985).

#### Reasons for Implementing Strategic Planning

Organizations have different motivations for utilizing strategic planning with most reasons rooted in some sort of organizational change (Nutt and Backoff 1992, Gibson 1993, and Nutt et al. 1993). Positive motivations for implementing strategic planning include when an organization is new or is growing, when there is a desire to develop better or additional services, when the role of an organization is expanded, when there is a need to coordinate services, or when there are economic development opportunities. Negative rationales include financial reasons, such as a need to stabilize

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<sup>2</sup>Not all researchers agreed that these differences were substantial. Kaufman and Jacob (1987) argued that strategic planning was simply bringing together the different types of traditional planning already in existence, that strategic planning was not necessarily new.

funding or fiscal stress, when an organization needs to downsize, or when the media or political process highlights the need for strategic planning. Other reasons include a legal mandate to do strategic planning, such as the Government Performance and Results Act (GPRA), or when there is leadership change, politically or administratively, especially when the new leader has experience with strategic planning (Berry and Wechsler 1995). Strategic planning does not have to be associated with organizational change, though. Organizations may use strategic planning to keep themselves from being stuck in the rut of status quo and assist leaders and staff members to envision a promising future for their organization (Nutt and Backoff 1992).

### Benefits of Strategic Planning

Many proponents of strategic planning point to the benefits for organizations. Proponents claim that strategic planning has the potential to improve management, decision-making, stakeholder involvement in public organizations, and performance. As far as helping improve internal management, strategic planning can help unify various parts of an organization through better communication (Denhardt 1985, Pindur 1992, Berry and Wechsler 1995, and Boyne 2001) and an enhanced ability to respond to the organization's environment, in terms of responding to crisis or to take advantage of new opportunities (Bryson 1981, Denhard 1985, Bryson and Einsweiler 1987, Pindur 1992, Boyne 2001, and Bryson 2004). Strategic planning can also help public organizations make better decisions due to a clearer direction (Denhardt 1985) and a unified vision (Pindur 1992). Improved decision-making applies to better choices regarding the budget, policies, programs, and goals (Denhardt 1985, Bryson and Einsweiler 1987, Pindur 1992, Gibson 1993, Boyne and Wechsler 1995, Boyne 2001, and Bryson 2004). The strategic

planning process can help to bring various stakeholders together, including citizens, business leaders, employees of the city, and politicians (Denhardt 1985, Gabris 1993, and Berry and Wechsler 1995). Because strategic planning can increase the communication between stakeholders (Kissler et al. 1998) and educate external stakeholders about the goals and purposes of a public organization (Pindur 1992), strategic planning can facilitate consensus building between all stakeholders with an interest in the organization (Pindur 1992 and Gibson 1993). Finally, strategic planning can lead to the accomplishment of stated objectives (Pindur 1992) and improved performance and efficiency (Pindur 1992 and Bryson 2004).

#### Barriers to Strategic Planning

However, as with all management strategies, there are barriers to implementing strategic planning efficiently and costs that can potentially outweigh any benefits gained (Eadie and Steinbacher 1985). Strategic planning requires some complex techniques in complex environments and the techniques from the private sector are not always readily applicable in the public sector. Strategic planning also requires more resources, in terms of time, money, and people, than public organizations typically have to invest. Resources are needed for analysis, meetings, administration of the planning effort, and, later in the process, for writing report and disseminating results.

These costs often lead researchers to conclude that strategic planning is not worth the investment of the resources required in public sector organizations. Boyne (2001) summarizes the arguments against planning. First, the advice of planning researchers is too difficult to actually accomplish in real organizations because data for analysis are often difficult to obtain and even more difficult to analyze. Politically, planning is also



difficult, because of the short attention spans of elected officials on the strategic issues. What is important one day may very well be of little importance the next day. Second, the author points to research in the private sector that says strategic planning can have a negative impact on performance because planning becomes more of a burden on organizations than a benefit (for example see Mintzberg 1994). Essentially, organizations feel as if they are spending more time planning rather than actually accomplishing anything. Furthermore, strategic planning can create uncertainty and conflict that can potentially destabilize rather than unify an organization (Mintzberg 1994).

### **The Process of Strategic Planning**

A well-thought out and comprehensive process for strategic planning could potentially overcome some of these barriers (Eadie 1983). Denhardt (1985) writes that “strategic planning produces both a plan and a process” (179). This may, at first glance, seem like a simple statement. Nevertheless, it is important to note that many organizations get as much, if not more, benefit from going through the strategic planning process than the implementation of the plan. According to Bryson and Bromiley (1993), managers often find more value in the process of planning than in the plan the process produces.

In Wheeland’s 2004 book about the experience of Rock Hill, South Carolina with strategic planning, the author lists the specific benefits that the city gained from their ongoing strategic planning initiative. First, Rock Hill was able to manage the uncertainty all localities face because of improved decision-making. Rock Hill was also able to sustain citizen participation and engaged in consensus building throughout the process

that resulted in effectively resolving conflicts. The city capitalized on the interdependent nature of local governments by building a network through the strategic planning process. The process also helped to bring stakeholders from around the community together in a way that will have lasting benefits for the community beyond a cohesive strategic plan.

Public organizations cannot expect to gain any of the benefits achieved by Rock Hill without investing in a quality strategic planning process. Rock Hill's strategic planning process is an example for how a well-thought out process can produce desired benefits. Rock Hill's process was ongoing for ten years and required much time out of many participants, including both paid workers and citizen participants. A comprehensive process brings people together and gives public organizations the chance to take a long, hard look at themselves and their environments (Denhardt 1985 and Pindur 1992). Without the proper investment of resources and time, the benefits of strategic planning will not likely be gained (Bryson 2004).

A handful of researchers have offered advice concerning specific components for the strategic planning process in public organizations (Eadie 1983, Denhardt 1985, Kaufman and Jacobs 1987, Pindur 1992, Gibson 1993, Nutt and Backoff 1992, Poister 2003, and Bryson 2004). Many of them have the same components in a similar order, with some variation. However, Bryson (2004), as well as many other researchers, states explicitly that the combination of his proposed steps are only a generic model and any use of them must take the particular characteristics and environment of the individual organization into account. There is clearly not a one-size-fits-all approach to strategic planning (Denhardt 1985, Bryson and Roering 1987, Roberts 2000, and Poister et al. 2010). This is best articulated by Eadie (1983), who wrote, "Tailor the application to

their own organization, with its unique conditions and needs” (440). The following components are a combination of the most often cited in public sector strategic planning literature (Eadie 1983, Denhardt 1985, Kaufman and Jacobs 1987, Pindur 1992, Gibson 1993, Nutt and Backoff 1992, Poister 2003, and Bryson 2004):

- Plan for strategic planning
- State organizational mission/vision/values
- Assess external and internal environments (SWOT)
- Stakeholder assessment
- Identify and analyze issues facing organization
- State goals of how the organization will face issues
- Create strategies for reaching goals
- Assess feasibility of strategies
- Create and implement action plans
- Evaluate, monitor, and update process

One component of strategic planning is to actually plan for the process of strategic planning (Pindur 1992 and Bryson 2004). During this component, organizations will need to outline the process and define the scope of the plan. Hiring an external consultant is also an advisable practice while planning for the process (Denhardt 1985). Next, the organization needs to create their overall mission, what they envision for their future, and what values will guide their decision-making (Kaufman and Jacob 1987, Nutt and Backoff 1992, Poister 2003, and Bryson 2004). This component must take into account any mandates that the organization has in regards to their existence, funding, or for planning (Bryson 2004).

Organizations also need to analyze what is currently happening internally and externally and what could occur in the future (Eadie 1983, Denhardt 1985, Kaufman and Jacob 1987, Gibson 1993, Nutt and Backoff 1992, and Bryson 2004). Gibson (1993) suggests creating a matrix of the environments in which an organization operates with the environmental factors that impact the organization. This can also be completed by doing

a SWOT analysis, which is when organizations analyze their internal strengths and weaknesses and their external opportunities and threats (Eadie 1983, Denhardt 1985, and Nutt and Backoff 1992). SWOT analysis is popular because it forces organizations to consider the areas where they can capitalize on their strengths and work on areas where they are deficient. This type of analysis also encourages organizations to explore what external issues are present that could have potentially negative or positive consequences for them. By understanding their environment, organizations can better plan to meet any possible challenges.

Denhardt (1985) and Gibson (1994) suggest another type of analysis, stakeholder analysis, at this point of the process. Nutt and Backoff (1992) put this analysis closer to the end; but others contend that the earlier stakeholder analysis is completed, the more useful it can be. Stakeholders are those that “have a direct interest in what is done by an organization (Gibson 1993, 15). Stakeholder analysis requires the organization to determine potential parties that will be impacted by its strategic plan and then to determine what is salient to those parties. Gibson (1993) lists the possible stakeholders for local governments, which could be amended for other public organization as well. Stakeholders can include elected officials, administrative officials, appointed officials, recipients of the service, business leaders, university faculty and staff, and visitors.

Another type of analysis is to help an organization identify the issues it is facing (Kaufman and Jacob 1987, Pindur 1992, and Bryson 2004). Once issues have been identified, the organization can determine goals to face those issues and the strategies to meet its goals and objectives (Eadie 1983, Gibson 1993, and Poister 2003). Before deciding upon specific strategies, the organization can undertake a feasibility assessment

to determine whether the strategy can actually be done (Poister 2003). This includes looking at a cost benefit analysis and determining whether resources are available (Eadie 1983 and Nutt and Backoff 1992). Once strategies are determined, action plans can be created and implemented (Gibson 1993).

Another component serves as a feedback loop in a process that continually develops. Organizations should monitor their progress and evaluate the process and implementation so that updates to the process can be made (Poister 2003 and Bryson 2004). Strategic planning is a flexible process that should not be rigidly applied but rather monitored and revised as necessary.

### **Comprehensive Strategic Planning Processes**

Most of the research concerning good practices in strategic planning are case studies (Bryson and Roering 1988, Pindur 1992, Wheeland 1993 and 2004, and Ingram et al. 2002) or prescriptive works (Eadie 1983 and Bryson 2004). Findings from various case studies, as well as advice from strategic planning experts, highlight characteristics about the organizations that have successfully implemented strategic planning. I utilize this research to create a framework of comprehensive strategic planning processes. I find that there are eight common dimensions of comprehensive processes: general management capacity, good leadership, broad participation, inclusion of essential elements, broad dissemination, and integration with performance management practices, budgeting, and human resource management.

#### **Management Capacity**

The capacity of a government is often defined in terms of the capability of that organization to manage resources and programs (Gargan 1981). In other words, capacity

can be defined as the ability of an organization to accomplish what it wants and needs to get done (Honadle 1981 and Ingraham et al. 2003).<sup>3</sup> With this broad definition in mind, researchers have taken liberties to define capacity and build subsequent capacity building frameworks that are more specific to the particular function of public organizations they are studying (for examples see Malysa 1996, Berman and Wang 2000, and Donahue et al. 2000). Malysa (1996) points out that this is entirely appropriate given that different functions require a different set of skills and resources.

In the case of management capacity for strategic planning, I define capacity simply as the capability of an organization to do strategic planning. Indeed, strategic planning requires a vast set of skills and resources given the complicated nature of strategic planning (Poister and Streib 1990). In order for public organizations to undertake strategic planning, they need to have the necessary resources and knowledge in place. This includes the investment of the necessary financial resources (Wheeland 1993 and 2004 and Boyne et al. 2004), organizational competency about strategic planning (Hendrick 2003 and Boyne et al. 2004), the capability to gather and analyze data (Poister and Streib 1990), and general management capacity in other areas, like human resources (Poister and Streib 1990).

## **Leadership**

Public administration has traditionally focused on management of organizations. Leadership in public organizations is a largely understudied area, mostly due to the lack of a good definition of public sector leadership (Fairholm 2004). Like many of the innovations that resulted from the reinvention movement, strategic planning requires

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<sup>33</sup> Ingraham et al. define capacity as concerning “the extent to which a government has the right resources in the right place at the right time” (2003,15). They define capacity in terms of the means in which public organizations perform and create good public policy.

good leadership from the individuals overseeing the innovations (Hennessey 1998, Borins 2000, Joyce et al. 2003, and Fairholm 2004).

Indeed, applying strategic planning in public organizations is more than just completing all of the precise steps. Bryson (2004) asserts that many organizations rarely reap all the benefits of strategic planning because “strategic planning is simply a set of concepts, procedures, and tools” (13). Making strategic planning work is ultimately the responsibility of people. Therefore, strategic planning is only as good as the leadership guiding the process. Gibson (1993) writes that strategic planning does not “relieve decision-makers of their ongoing responsibilities” (10) and that ultimately the “final decisions will be made by individuals and groups...who must make difficult choices...” (10).

According to van Wart (2003), public sector theory lacks a comprehensive model of leadership. However, leadership in strategic planning is outlined quite clearly by Bryson (2004). He categorizes three roles that are of primary importance in the strategic planning process: sponsors, champions, and facilitators. Process sponsors are managers or elected officials that help articulate why strategic planning is important and ensure that resources are available for the process. Process champions are the individuals that keep strategic planning at the forefront of the agenda by organizing meetings and participation. Finally, facilitators ensure that individuals understand the process and their roles in the process, as well as tailoring the process to their unique organization. All three types of leaders are needed to guarantee that the strategic planning process is successful. This follows how Fairholm (2004) defines leadership, which emphasizes leadership as infusing the organization with specific values. Process sponsors, champions and

facilitators can carry out their duties only if they are able to impart the value of the strategic planning process to all participants to keep them interested in and committed to the process.

## **Participation**

Broad participation in organizational decision-making has been shown to have many advantages for organizations, particularly when big changes are being implemented (Berg 1997). Public sector research has demonstrated that including employees, from street-level employees to management, in decision-making helps to facilitate consensus on difficult decisions (Berg 1997), builds interpersonal trust within organizations (Nyhan 2000), and increases job satisfaction of employees (Kim 2002). Nyhan (2000) found that when interpersonal trust within organizations increases, so would organizational commitment of employees and productivity. Furthermore, Ng (1993) found that the failure of an agency in Hong Kong to implement strategic planning was due in part to the lack of employee participation in the process.

Including other stakeholders, such as citizens, interest groups, and elected officials, can be equally important when the decisions being made impact those outside of the organization (Gordon 1993). Like the inclusion of employees from different levels of an organization, including the public can facilitate buy-in from citizens on decisions made and increase legitimacy of those decisions (Roberts 2004). However, there is an even a more important aspect to participation in public sector decision-making and that is that both the citizen and the organization can learn from the interaction (Irvin and Stansbury 2004). When decisions are made in a deliberative fashion, the outcomes are more likely to reflect the common good (Barabas 2004). Citizens are often aware of



issues and how they will be impacted by the decisions made in a public organization that public managers have not thought about. Although this has not been researched to the extent of participation of citizens, this same type of two-way education is likely to also occur when employees from all levels of the organization are included in decision-making.

The process of strategic planning should likewise include multiple stakeholders (Wheeland 1993 and 2004, Ingram et al. 2002, Hendrick 2003, and Poister 2005). Stakeholders should include citizens (Kissler et al. 1998, Franklin 2001, and Blair 2004), business leaders, and staff members from all levels of the city government (Wheeland 1993 and 2004 and Donald et al. 2001). With these stakeholders there should be a sense of ownership of the process and plan (Kemp et al. 1993) that leads to a wide-spread commitment of the process that goes beyond leadership (Boyne 2001). Furthermore, participation in the process can help the organization get a firm grasp on their external and internal environments and the issues that exist within the organization that should be accounted for by the strategic plan. Different perspectives could help enrich the resulting analyses and eventual implementation of the plan (Bryson 2004 and Burby 2003).

### **Process Elements**

There are certain elements of the process that are essential to ensure of comprehensive strategic planning process. Accomplishing the various components as outlined earlier is also crucial to ensuring that the organization takes full advantage of the strategic planning, such as determining the mission and vision of the organization and analyzing the organization's environment (Eadie 1983 and Bryson and Roering 1988). Strategic planning researchers in the private sector advocates using a multiple indicator

approach to measure strategic planning formalization based on similar elements (Boyd and Reuning-Elliot 1998).

Different types of analyses are also crucial elements, in terms of being part of the process and to understand how the plan should be updated in future planning processes (Poister and Streib 1990 and Boyne and Gould-Williams 2003). Continuous scanning of internal operations and the external environment can improve the ability of the organization to plan, such as analysis of strengths, weaknesses, opportunities, and threats (SWOT) (Eadie 1983). Denhardt (1985) and Gordon (1993) suggest that organizations should undertake stakeholder analysis to understand the interested parties in the plan and how decisions will impact them.

### **Dissemination**

Gordon writes, “To fully appreciate the benefits of strategic planning, it is useful to recognize its nature: it is both a process and a product” (1993, 3). A strategic planning process is only worthwhile if it actually produces a usable plan. In my personal experience of talking to executives about strategic planning, they often say that the plan that was produced essentially gathered dust on a shelf and any good that came out of the process was seen as a waste of time. A good process should produce a plan that is actually useful to the organization (Vinzant and Vinzant 1996).

Beyond producing a plan, the product of the process should also be widely disseminated and publicized. When employees, other than executive management, have access to the strategic plan, they are more aware of their role in implementing the strategic plan. Also, when citizens have access to the strategic plan, this will likely build

trust in the institution and help citizens hold their public officials accountable (Bryson 2004 and Gordon 1993).

### **Integration with other Processes**

As already discussed, strategic planning is often considered the cornerstone in the much broader framework of strategic management. Vinzant and Vinzant (1996) outline the phases of a successful strategic management initiative. Though their article is about successful strategic management, I argue that for strategic planning processes to likewise be successful, the process must be integrated into other strategic management processes in the organization. Research has consistently demonstrated the importance of the process of strategic planning being linked to performance management, budgeting, and human resources management, (Eadie 1983, Canary 1992, Kerr 1994, Vinzant and Vinzant 1996, Kissler et al. 1998, Melkers and Willoughby 1998, Ingham et al. 2002, and Boyne and Gould-Williams 2003). Integrating the strategic planning process with each of the other process has potential positive impacts not only for the process but also for the other processes and for the overall organization.

### **Performance Management Integration**

Joyce et al. (2003) recognizes that successfully managing and monitoring performance in public organizations is directly tied to the success or failure of other management process. The authors write that “management effectiveness is not only driven by the ability of leaders to focus the government on its missions but also by mechanisms for tracking activities and performance relative to overall objectives” (22). More specifically, integrating an organization’s performance management system with the strategic planning process is vital because strategic planning requires good

performance information while the creation of performance indicators depend on a clearly defined strategy for the organization (Poister 2003). A private sector study on strategic planning sophistication classified firms that used their strategic planning process to judge performance as the highest level of sophistication (Pearce et al. 1987a).

For example, Kissler et al. (1998) describes that the success of the strategic planning initiative in the state of Ohio is due in part to their use of performance data. The authors point out that officials utilized benchmarks and other performance information to analyze where the state stood as the process began and the economic and social trends that would impact the state moving into the future. Furthermore, they found that integrating the strategic plan with performance by linking goals and findings to measurable outcomes ensures accurately monitoring progress.

#### Integration with Financial Management

Financial management in public organizations concerns itself with two main functions: allocation and budget execution (Joyce et al. 2003). Both functions have important consequences for public organizations generally and should be integrated into the strategic planning process (Eadie 1983, Canary 1992, and Ingraham et al. 2002).

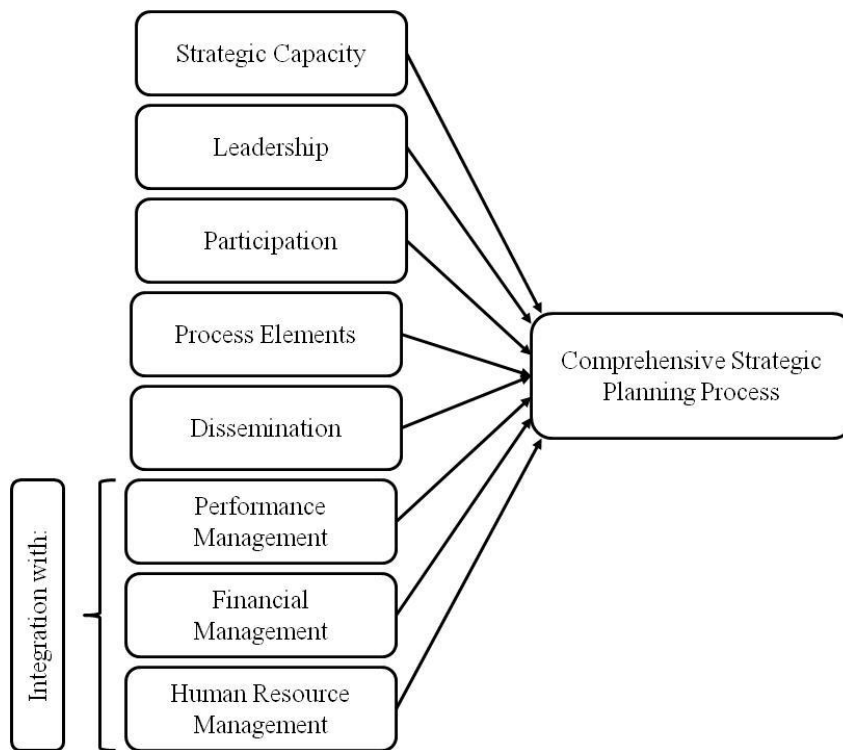
The main reason that advocates stress the importance of linking strategic planning with allocation is that they argue strategic planning initiatives should inform how financial resources are used in the organizations (Eadie 1983, Canary 1992, and Ingham et al. 2002). By indentifying strategic goals during the planning process, organizations can prioritize what is important to accomplish in the near future and allocate resources accordingly (Berry and Wechsler 1995). Bryson (2004) writes that strategic thinking should precede budgetary decisions, not the other way around. However, Bryson also

writes that being involved in the budgetary process can be an effective way for officials to design, adopt, and execute the strategic plan. For example, budgetary information and knowing how much financial resources are available can help organizations determine whether certain strategies are actually financially feasible.

### Integration with Human Resource Management

Human resource management is likewise an integral part of effective public organizations (Kerr 1994, Ingraham et al. 2003, and Rainey 2003). Human resource management ensures that organizations have the workforce to meet strategic goals, retain those employees, develop their skills, and keep them motivated (Joyce et al. 2003 and Rainey 2003).

Linking human resource management with strategic planning has mutual benefits for each process. Eadie (1983) writes that strategic planning should help inform human resource decisions, such as analyzing human capital needs for achieving strategic goals identified during the strategic planning process. Likewise, Kerr (1994) writes that strategic planning should be integrated with human resources because the department is integral to training employees in the value of strategic planning and how to utilize strategic planning. Essentially, training can help instill strategic planning values throughout the organization through training and staff development.



*Figure 2.2. Framework of Comprehensive Strategic Planning Processes*

### **Performance in Public Organizations**

Over the past few decades, public management literature has focused very heavily on organizational performance. Ingraham (2005) noted in a speech at the national conference for the American Society for Public Administration that “performance, at its heart is about governance and accountability” (391). Measuring performance helps public managers manage more efficiently and provide public services more effectively. Performance measures are “periodic measurement in order to permit tracking of problems, progress, and trends” (Hatry et al. 1977, 4). In a public organization, these measures should be derived from the stated missions, goals, and objectives of the organization (Poister 2003). Performance measurement is defined by Poister as the “process of defining, observing, and using such measures” (2003, 4). The system that

combines gathering data for performance measures and monitoring progress is called performance management (Van Dooren et al. 2010).

The topic of performance in public organizations is an ongoing research topic for many public sector researchers. This continued interest in the subject of performance is largely due to recent efforts in the public sector to remake public sector organizations more in the image of private sector firms. Reinvention efforts like the New Public Management have generated an intense focus upon measuring performance. Bouckaert wrote a detailed history of performance measure utilization in the public sector in 1990 (also see Williams 2003). This article points to a very long history of using measures in the public sector, beginning in the early 1900s because of the desire for a more efficient government. From the 1940s until the 1970s, public organizations were particularly interested in performance measures as a way to help keep costs down. In the 1970s, cost control efforts were replaced with the call to be efficient with taxpayer dollars. In the 1980s and 1990s, the movements were toward reinventing government to ensure maximum efficiency and effectiveness. Therefore, performance measures have been utilized throughout the twentieth century but for different purposes.

Today, the push for more performance measurement is still present in the public sector due to the prescriptions laid out by New Public Management proponents and Osborne and Gaebler's *Reinventing Government* (1993) (see also Williams 2000, Poister 2003, and Ingraham 2005). As pointed out by Williams (2000), performance measurement was not a new idea in the public sector as part of the reinvention movement. However, the intensity of the calls for performance measurement and the reasoning for implementing performance management did change. This attitude is

reflected in a line quoted often from Osborne and Gaebler (1993), “What gets measured gets done” (146). Not all public sector researchers have been comfortable with this focus on performance, though (see Behn 2002). Recent research has pointed to the benefits of performance measurement for public organizations, on the condition that measures are used appropriately (Noordegraaf and Abma 2003) and its limitations in the public sector, such as ambiguous goals, costs, and reputational fears, are acknowledged (Ammons 1995, Behn 2002, Bouckaert and Peter 2002, Brewer 2006, and Van Dooren et al. 2010).

The nature of performance in the public sector is complex because of ambiguous goals and objectives that are difficult to measure (Chun and Rainey 2005). Furthermore, administrators may attempt to focus upon objectives that are measurable while paying less attention to the overall, complex goals that are common in public organizations (Bohte and Meier 2003).

Poister (2002) suggests several types of performance measures that public organizations should focus upon: output, efficiency, productivity, service quality, outcome, cost-effectiveness, and customer satisfaction (Poister 2003). Output measures, also called workload measures, gauge the amount of direct products, or units of services, produced as part of a program. Efficiency measures are typically ratios of output measures per the cost spent to produce the output. Likewise, productivity measures are typically ratios of output measures per the resources, like staff, to produce the output. Service quality measures relate to the quality of the service produce and stands in contrast with output measures that indicate the quantity of products. Effectiveness measures are indicators directly related to the mission of the program and cost-effectiveness measures are ratios of effectiveness measures per the cost to produce them. Customer satisfaction



measures are similar to service quality measures but are from the standpoint of the citizen consuming the service. These measures are obtained from existing program documents, surveys of employees or customers, self-assessments, technical measurements, or measurements made by external observers (Van Dooren et al. 2010).

Measures can be either objective or subjective. Objective measures have been treated as the gold standard in evaluation and more desirable of the two because they supposedly minimize the discretion of individuals. These measures are meant to represent an impartial view of the organization's progress (Andrews et al. 2006). For example, Meier and O'Toole often use student exam scores to measure the performance of Texas school districts (for example, see O'Toole and Meier 2004).

Subjective scores, on the other hand, are judgments made internally or externally about the performance (Andrews et al. 2006). Because of the potential of subjective measures for partiality, most researchers seek objective measures instead. However, some argue that objective measures are just as prone to bias as subjective measures (Brewer 2006) and subjective measures can be just as useful in relating performance (Andrews et al. 2006, Brewer 2006, Shingler et al. 2008, and Brewer and Walker 2010). Perception of how public organizations are doing is more important to most citizens than how they are actually doing, which should not be ignored by evaluators of public services (Brown and Coulter 1983).

There are many reasons that public organizations decide to measure performance, including evaluation, strategic planning, budgeting, monitoring progress of processes and quality of outputs, improve performance, accountability to stakeholders, and benchmarking (Altman 1979, Hatry 2002, Behn 2003, Poister 2003, Ingraham 2005, and

Van Dooren et al. 2010). Public sector research often utilizes performance measures, as well, to determine whether management styles and strategies have a positive impact on the government (see O'Toole and Meier 1999). This pursuit is often complicated for researchers for the same reasons that public organizations have difficulty measuring performance. Furthermore, public organizations rarely have a unified manner of measuring performance. This makes comparison across similar organizations very difficult to accomplish.

### **The Local Government Context**

#### **Strategic Planning in Local Governments**

I propose studying strategic planning in the context of local government. The use of strategic planning in local government has grown in the last three decades. Denhardt writes that in 1985, strategic planning was rare in local government but that interest was growing. A survey by Poister and Streib in 1994 found that sixty-three percent of the cities surveyed used strategic planning, but only about thirty-eight percent of the cities were using strategic planning citywide. An update to that survey in 2005 found that forty-four percent of the cities surveyed were using strategic planning city-wide. Though the number of cities using strategic planning city-wide only slightly increased in the decade between the two surveys, satisfaction with strategic planning, on the other hand, greatly increased. In a 1990 article, Poister and Streib reported that sixty percent of the respondents rated strategic planning as "somewhat effective." The 2005 survey found that almost ninety percent of respondents thought the benefits outweighed the costs of strategic planning. Therefore, satisfaction increased tremendously from 1990 to 2005, even if utilization did not, which could be an indication that the tool is being used more

effectively and that local governments are applying strategic planning better so that it is more useful.

Most of the reasons that local governments implement strategic planning are due to organizational change. Some of these are unique to local governments (Gibson 1993 and Wheeland 1993 and 2004). For example, many cities are dealing with the decline of industry, or even the loss of one major employer, in their geographical areas that result in population and job loss. Other cities are dealing with population growth and need to plan for increased demand for services. Still other cities are facing demographic changes in their population and need to account for possible tensions and change in demand for services.

There are also certain barriers that are particular to local governments (Kovach and Mandell 1990). The financial cost of doing strategic planning can be difficult for cash-strapped local governments that need to focus on day-to-day operations. Also, the decision-making process in local governments can prove to be a difficult issue, due to complexity. Citizens tend to be more directly involved in city-wide decision-making than other levels of government through citizen boards and city council meetings. This can make consensus building on what goals the city should be pursuing very difficult. Furthermore, local governments are relying more and more on cooperation and networking with other governmental, nonprofit, and private organizations to carry out their operations. This interdependence of local governments can make it difficult for the implementation of strategic planning because of the need to include all relevant stakeholders.

However, local governments can gain many benefits from implementing a strategic plan, according to Pindur (1992). Strategic planning can help identify important issues in a community and how resources should be used. The planning process can also help educate citizen participants about the functions and goals of the municipality. The process can also assist local governments in bringing together various stakeholders (citizens, business owners, and staff of all levels) through consensus building. Finally, strategic planning can improve organizational performance and the ability of the government to reach stated objectives because city staff and citizens are working toward the same mission.

The survey by Poister and Streib (2005) demonstrates particular benefits that cities gain from implementing strategic planning. The highest-rated group of benefits relate to the missions, goals, and priorities of the locality, such as focusing the city council and employees upon important issues and organizational goals. A majority of the respondents also found that strategic planning improved communication with external stakeholders, management and decision-making, and employee development. Finally, and most important for this paper, respondents also reported that they perceived that strategic planning improved performance. The highest-rated single benefit is the ability to deliver high-quality services. Eighty-nine percent of respondents who had implemented strategic planning in the last five years listed service delivery as a benefit. About seventy percent found that planning helped maintain financial conditions and manage operations efficiently.

This study focuses on the strategic planning practices of local governments at the departmental level. To my knowledge, one study to date has delved into departmental

strategic planning. Hendrick (2003) compares the practices of fifteen departments in a single city, Milwaukee. This article analyzes only a few aspects of the strategic planning process and the association of those aspects with strategic planning performance.

This study explores strategic planning even deeper at the departmental level and is interested in the level of comprehensiveness in departmental strategic planning processes. Researchers suggest that the process should be planned over a considerable amount of time (Eadie 1983 and Kemp et al. 1993) and one private sector study suggests that planning was more likely to lead to better performance in organizations when planning had been ongoing for at least four years (Brews and Hunt 1999).<sup>4</sup> Wheeland's (2004) description of Rock Hill's process demonstrates that their success was largely due to their persistence to plan over a ten-year period.

Another study from the private sector determines that time is an important element because the longer an organization is involved with strategic planning, the process and implementation of the plan become more sophisticated over time (Bracker et al. 1988). This could also be a function of routinization, or what happens once an organization begins an innovative practice and then over time the practice becomes ingrained as a routine practice in the organization (Yin 1981). This requires flexibility and a willingness to learn throughout the process (Eadie 1983, Bryson and Roering 1988, Wheeland 1993 and 2004, Ingram et al. 2002, and Bryson 2004). As the process is evaluated and the plan is monitored, organizations can learn from what has been done to improve future planning processes (Bryson and Roering 1988, Wheeland 1993, and Hendrick 2003).

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<sup>4</sup> Other private sector studies have based their framework of strategic planning sophistication on how long strategic planning had been in place in a firm and what elements were included in strategic planning (Sapp and Selier 1981, Bracker and Pearson 1986 and Bracker et al. 1988).

At this point strategic planning is fairly mainstream (Bryson 2004) but early adopters will have had much more experience at this point than those departments just beginning. As demonstrated by Bracker (1998) and Yin (1981), when the planning becomes routine organizations become better at strategic planning. I hypothesize that departments that have completed several rounds of strategic planning will have more comprehensive processes in place than those that have only started the process. The strategic planning process is ongoing and should become more encompassing as the process is monitored and updated (Poister and Streib 2005 and Bryson 2004).

*Hypothesis 1: Departments will become more comprehensive in their application of strategic planning the longer that they do strategic planning.*

### **Performance and Local Governments**

The history of performance measurement in public organizations begins in local governments. New York City has the first record of using measures, as early as 1910 (Bouckaert 1990, Ammons 1995, and Williams 2003). Recent studies have demonstrated that a little more than half of local governments participate in performance measurement (Ammons 2001). About half the respondents in another survey responded that all of their departments utilized performance measurement, while about twenty percent responded that at least half of their departments used performance measurement (Melkers and Willoughby 2005). The first survey highlighted that though a majority of their respondents was using performance measures, these programs usually lacked depth and relied on output or workload measures (Ammons 2001). Localities that measure their performance are generally interested in reviewing progress and trends, accountability, planning, budgeting and resource allocation, improving day-to-day operations, evaluating

programs and performance, and managing contracts (Hatry et al. 1977 and Ammons 2001).

Local governments have made advances in the past decade with the creation of city-wide performance management systems that integrate performance data from across city functions for the purposes of improving accountability and performance. CitiStat, the performance management system in Baltimore that began in 2000, has gained nationwide attention as the standard for cities that want to not only measure performance but also use the data they gather. Baltimore, and the other cities that followed, have regular meetings regarding the performance of departments and progress toward city goals and objectives (Behn 2006). These localities often make these results public, which can improve communication with the public. Edwards and Thomas (2005) documented how Atlanta's performance measurement system provided transparency and accountability after a period of deep mistrust in the city government.

Even with these new developments, there are still many challenges in measuring performance that mirror the challenges that public organizations face generally (Ammons 1995 and Sanger 2008). Local governments face a further challenge because they are more likely to offer a conglomeration of many different types of services (Edwards and Thomas 2005). State and federal agencies usually have a more narrow focus than local governments that focus on many functions under one roof. Neither a measure, nor even a group of measures, exists that demonstrates how a city is doing overall because performance at the local level is typically measured at the departmental level, or program level, according to function. The ICMA specifically focuses upon fifteen areas for performance measures for local governments, including fire department, policing, code

enforcement, management of facilities or fleet, road maintenance, housing, libraries, human resources, parks and recreation, purchasing, refuse, risk management, and youth services (ICMA 2008). This is a particular challenge for researchers interested in studying the performance of local governments.

Some researchers utilize perceptual, or subjective, data from citizen satisfaction surveys. Van Ryzin and Immerwahr (2004) and Van Ryzin (2006) have an interesting approach of using these types of measures to create an overall measure of performance using factor analysis. The authors take the satisfaction of citizens with nine functions of local government (schools, police, fire, library, parks, roads, buses, subways, and clean streets) to form a weighted index of overall local government quality. They use the measure to understand the importance of citizen satisfaction with local government services. This approach has potential as a measure of overall local performance using objective data. However, the necessary data collection would be quite substantial.

Past research has also utilized financial measures to look at overall local government performance. For example, Carmeli and Tishler (2004) used a measure of fiscal health that is a ratio of how much revenue the city earns through taxes or fees to how much money the city brings in from all sources, including higher levels of governments. The authors also used the localities' employment rate, level of economic development, and changes in population to measure the overall local performance. Some researchers in other countries can rely upon mandated performance initiatives for performance data. The Comprehensive Performance Assessment (CPA) has provided a wealth of data on the performance of English local authorities. Researchers in the United



Kingdom have utilized these assessments to define performance as the proportion of targets reached as part of the CPA (for example see Brewer and Walker 2010).

Another approach is to study performance at the departmental level. This approach can take two forms. The first is to study particular departments. For example, Donahue (2004) uses data from fire departments to study the impact of management techniques on performance at the local level. Another approach could be to study standardized performance across different departments in a local government. The CPA, mentioned above, provides information on the performance of local authorities in England. These authorities cover many different functions, such as education and libraries. The researchers are able to include all types of authorities because they use standardized measures of performance obtained from dividing the raw measure by the average performance of other like authorities. This has not been used with local government departments in the U.S. but has great potential.

### **Impact of Strategic Planning Process on Performance**

One of the major tenets of public management research is that the way organizations are managed has an impact on their organizational performance. O'Toole and Meier's article (1999), "Modeling the Impact of Public Management: Implications of Structural Context," laid out that the impact of management on performance was conditional on structural factors. Since then, numerous publications have utilized the Meier-O'Toole model to determine how management strategies, such as networking, influences performance (Meier and O'Toole 2001, Meier and O'Toole 2002, Meier and O'Toole 2003, O'Toole and Meier 2003, Nicholson-Crotty and O'Toole 2004, O'Toole and Meier 2004, Meier et al. 2007, Hicklin et al. 2008, O'Toole and Meier 2009, Meier et

al. 2010, and Jacobson et al. 2010). Another research stream based on the idea that management strategies impact organizational performance is the logic of governance model that also hypothesizes that the way organizations are managed and structured can impact organizational performance (Lynn et al. 2001). A very recent article by Andrews and Boyne (2010) posits that management matters but is dependent on leadership and capacity.

That management matters for effective organizational performance is an important starting point for determining whether or not strategic planning impacts organizational performance. Strategic planning is a management tool that can help to set the direction of an organization (Bryson 2004). Furthermore, one of the major assumptions of strategic planning research is that strategic planning should lead to improved organizational performance (Nutt and Backoff 1992, Pindur 1992, and Bryson 2004). And though the link has not been firmly established in public sector research, there has been increased interest and movement in that direction (Hendricks 2003, Boyne and Gould-Williams 2003, and Andrews et al. 2009).

Boyne (2001) argues that the manner in which an organization plans for the future, either rational planning or logical incrementalism, should have an impact upon performance.<sup>5</sup> The impact of strategic, or rational, planning on performance is expected because planning requires officials to clarify the objectives of the organization, formalizes communication among many different parts of the organization, and integrates diverse activities in a large, complex organization (Boyne 2001). Essentially, advocates

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<sup>5</sup> He defines rational planning as the intent “to be explicit, rigorous, and systematic; it involves the application of scientific methods to policy problems” (75). Rational planning includes aspects of formality, completeness, intensity, quality, commitment, implementation, and flexibility. Thus, the application of rational planning, as defined, is very similar to strategic planning (Bryson et al. 2009).

believe that strategic planning should lead to improved performance because strategic planning is a tool of well-managed organizations and well-managed organizations tend to perform better than other organizations (Bryson 2004).

Indeed, Poister and Streib (2005) surveyed local government managers about their strategic planning practices and included questions on the impact of strategic planning. They found, descriptively, that top managers in local governments that engaged in strategic planning overwhelmingly believed that strategic planning had improved performance, in terms of financial conditions, operations management, and delivering services.

Organizational theory also provides some insight when building a link between strategic planning and performance. Goal setting theory states that when employees understand the goals of the organization and their role in reaching those goals, those goals are more likely to be reached (Fried and Slowicki 2004). In part, strategic planning process in organizations focuses on identifying goals for the organization and developing strategies for reaching those goals (Bryson 2004). Though goal setting theory is most often applied at the individual employee level, the same should also hold true organization-wide. When organizations state their goals and how to achieve those goals, they should be more likely to reach those goals, thus performing better overall. Furthermore, the goals associated with strategic planning are often performance related and if those goals are reached, then performance will directly improve.

However, some private sector researchers have argued against a formal approach to planning because of negative impacts on performance due to the burden that strategic planning places upon an organization (Mintzberg 1994) or a preference for logical

incrementalism (Quinn 1978). According to Quinn (1978), the most successful organizations in the private sector do formal planning that is integrated with logical incrementalism to take advantage of new opportunities. Mintzberg and Lampel (1999) tell a similar story. Formal planning can endanger progress in performance when organizations focus solely on planning and not enough on doing. The practice of planning is better suited in concert with other strategic management techniques.

The impact of strategic planning on performance in the private sector has been widely studied and debated for over four centuries (for lists and analyses of past research see Pearce et al. 1987b and Miller and Cardinal 1994). One analysis that looks back at these studies find that, despite the disagreement, many of these studies suggest that strategic planning has a positive impact on firm financial performance (Miller and Cardinal 1994). However, to date, only a handful of studies have tested the impact of strategic planning on performance in the public sector.

Hendrick (2003) uses a survey of employees in the city of Milwaukee to test different assumptions regarding strategic planning, including the assumption that how strategic planning is conducted will have an impact on organizational performance. To operationalize the strategic planning process, she uses survey questions that assess the comprehensiveness of planning, to what extent monitoring was conducted, whether there was broad participation in planning, whether there were internal and external participants, the centralization of the process, and whether there was commitment to planning. Unfortunately, her measures of organizational performance are measures of planning performance, not measures of organizational performance. Hendrick (2003) asks respondents about ease of planning and the capacity of the organization to plan.

Furthermore, she uses correlations to test this assumption because of her small number of observations. She finds that broad participation and commitment to planning are positively correlated and internal centralization is negatively correlated with ease of planning. She also finds that the comprehensiveness of the plan and extent of monitoring was positively correlated with the capacity to plan.

Boyne and Gould-Williams (2003) and Andrews et al. (2009) test the assumption that rational planning will lead to positive performance. The first article by Boyne and Gould-Williams (2003) tests the impact of rational planning elements on various types of performance measures for English local authorities. The aspects of rational planning they measured were: setting targets, external and internal analysis, action plans, and perception of planning ease. The authors used perceptual measures of performance based on the impact of planning on service quality, cost, efficiency, and cost effectiveness measures. They found that the impact of planning on performance is complex and depends on the particular aspect of planning that is studied. Therefore, it is too simplistic to determine whether planning has an impact on performance. Rather, the question of whether certain characteristics of the planning process have an impact on performance should be studied. It should be noted that there are no controls included in their study, not even past performance. The authors ran several multiple regression models using each of the performance measures as dependent variables and the five aspects of planning as their only independent variables. Furthermore, their measures of performance are perceptual questions about the impact of planning on performance. Their performance measure is tied up with the concept of planning and not a separate distinct idea.

Andrews et al. (2009) compare the impact of rational planning, logical incrementalism, and having no strategy on the organizational performance. The authors created a weighted index of each strategy using questions from a survey of Welsh local governments. The performance variable is a standard indexed variable constructed from twenty-nine uniform measures of effectiveness collected from each local government. They found that the rational planning did not have a statistically significant impact on performance. Furthermore, they found that logical incrementalism and the absence of strategy leads to negative performance. Part of the issue with this study is that there was one comprehensive measure used to operationalize performance, combining the various types of performance into one measure. There is the possibility that there are differences in how strategic planning impacts performance based on the type of measure in the study, such as cost effectiveness and service effectiveness measures. This study did control for other factors that impact organizational performance, such as past performance and expenditures.

In a similar study on local authorities in the U.K. published in 2010, Boyne et al. find that rational planning does have a positive association with organizational performance but only when past performance is not included as a control variable. Once again, they use a standardized aggregate performance measure that combines indicators from different types of performance measures. That neither study found that planning had a statistically significant impact on performance can perhaps be explained by the nature of the performance measures utilized for the dependent variable.

A preliminary study done in a similar manner as the above studies conducted on one-hundred and four public transit agencies in the U.S. found that the dependent

variable mattered (Poister et al. 2010). Several analyses were run with different performance measures that included measures of efficiency, cost effectiveness, and service effectiveness. We found that strategic planning was positively associated with measures of efficiency and service effectiveness but not of cost effectiveness. This initial finding could be different than previous findings because the measure of performance was separated out into types.

Ugboro et al. (2010) also looks at strategic planning in fifty-four transit agencies in the U.S. The authors use factor analysis to create four factors representing dimensions of strategic planning: context, design, process, and leadership. The contextual dimensions refer to organizational environment and includes questions about organizational complexity and the support and commitment of managers toward strategic planning. The dimension of design is concerned mainly with the extent, formality, and sophistication of planning design. Employee understanding of strategic planning and how the process is managed is defined at the process dimension. Finally, the leadership dimension is defined as the climate and practices of top management officials. This study is similar to the study conducted by Boyne and Walker (2003) as the authors utilize measures of perceived strategic planning effectiveness as their outcome variable. This study is potentially problematic because their measures are created from items in a single survey. It is possible that those respondents that are positive about strategic planning practices are also positive about the effectiveness of strategic planning. The authors do not provide evidence that bias was not evident in their study. A summary of these studies can be seen in Table 1.

*Table 2.1. Past Quantitative Research on Strategic Planning and Performance*

Author(s)	Context of Study	Strategic Planning Measure(s)	Performance Measure(s)	Findings
Hendricks (2003)	Local government of Milwaukee	Aspects of planning	Perceived planning performance	Certain aspects of planning are correlated with perceived performance of planning
Boyne and Gould-Williams (2003)	Welsh local governments	Aspects of planning	Perceived impact of planning on different types of performance	Certain aspects of planning have an impact on performance, depending on the dimension of perceived performance that is the dependent variable
Andrews, Boyne, Law, and Walker (2009)	Welsh local governments	Rational planning, logical incrementalism, and absence of strategy	Standardized aggregate measure	Formal planning has no impact, logical incrementalism and absence of strategy have negative impact on performance
Walker, Andrews, Boyne, Meier, and O'Toole (2010)	English local governments	Rational planning and logical incrementalism	Standardized aggregate measures	Formal planning has a positive impact but only when past performance is not included as a control
Ugboro, Obeng, and Spann (2010)	U.S. public transit agencies	Contextual, design, process, and leadership dimension of strategic planning	Perception of strategic planning effectiveness	Contextual, process, and leadership dimension ha a positive impact on the perceived effectiveness of strategic planning
Poister, Edwards, Edwards, Arnett, and Berryman (2010)	U.S. public transit agencies	Strategic planning, logical incrementalism, and absence of planning	Separate measures of efficiency, cost effectiveness, and service effectiveness	Strategic planning has a consistent positive association with performance when the performance measures deal with efficiency and service effectiveness but not cost effectiveness

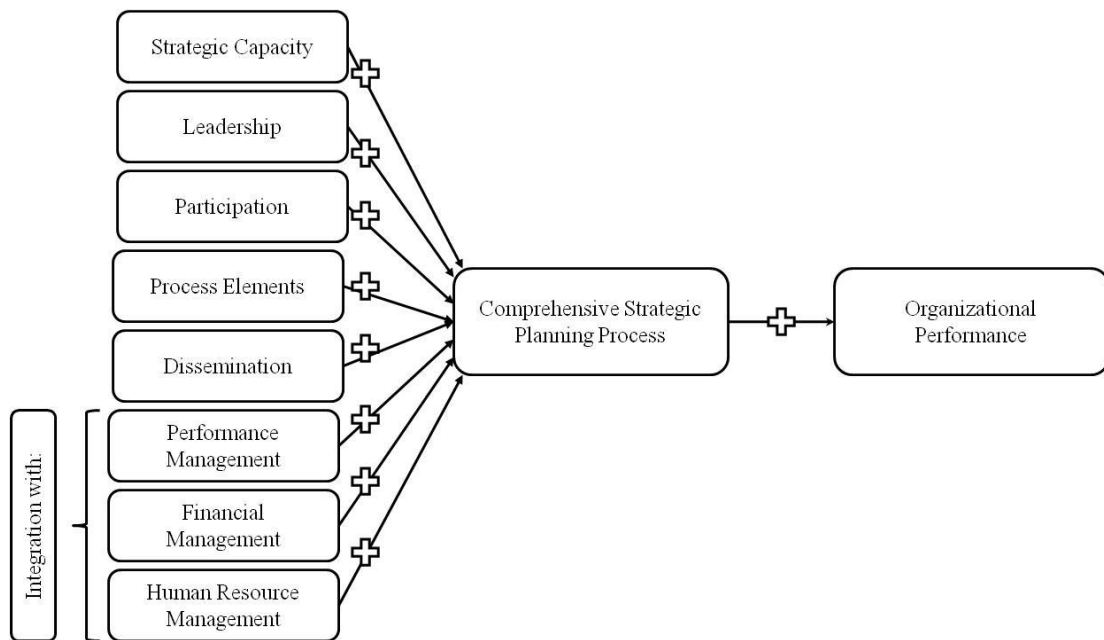
Bryson et al. (2009) complains that Boyne and Gould-Williams (2003), Hendrick (2003), and Andrews et al. (2009) treat strategic planning “as a routine that is a fixed object, not a generative system comprised of many interacting and changeable parts” (175). They argue that strategic planning is a “complex cognitive, behavioral, social and political practice in which thinking, acting, learning and knowing matter” (176). Even though public sector research has improved the practice of simply using a dichotomous variable to determine the impact of planning or not planning on performance utilized in private sector research, they have not gone far enough according to Bryson et al. (2009). The authors argue that quantitative, large-N studies do not succeed in correctly modeling the relationship between the strategic planning process and performance; and only qualitative, process-oriented studies will be able to fully capture the “black box” of planning.



Bryson et al. (2009) makes the argument that using fixed aspects of the process, as done by Boyne and Gould-Williams (2003) and Hendrick (2003), does not account for the variations that could occur within each of those aspects. For example, just asking whether or not organizations set targets is as simplistic as asking whether or not organizations do strategic planning. This does not account for process quality. However, Boyne and Gould-Williams (2003) did not just simply ask this question. They studied the strategic plans of the local governments they were researching and assessed how many targets had been set. This is much more detailed than Bryson et al. (2009) allows. The authors' proposed approach still relies on fixed points of time to gather their data. Thus, this approach does not necessarily represent an improvement on the research.

By utilizing the framework I have constructed to represent comprehensive strategic planning processes, I can test which characteristics have an impact on organizational performance and determine if they jointly have an impact. This approach allows me to account for the comprehensiveness of the strategic planning effort, thus reaching deeper into the "black box" of process. Figure 2.3 demonstrates the hypothesized relationship between comprehensive processes and performance.

*Hypothesis 2: When departments have implemented a comprehensive strategic planning process, strategic planning will be associated with better departmental performance.*



*Figure 2.3. The Hypothesized Impact of Strategic Planning on Performance*

I further hypothesize that each component of the process will individually be associated with positive organizational performance because of their impact on the overall strategic planning process. To further determine which parts of the process lead to better performance is an important aspect of this study because public organizations may focus on one or two aspects of the process due to restrictions in resources or time. It is useful for them to understand whether certain aspects of the process are more likely to lead to desired outcomes than other aspects and, therefore, more worth investment.

I have defined management capacity for the strategic planning process as the ability of organizations to manage the strategic planning process. These abilities refer to the knowledge of employees in the organizations can lend to the betterment of the process, the capability to gather and monitor performance data, investment of the necessary financial resources, and general management capacity (Eadie 1983, Poister and

Streib 1990, Wheeland 1993 and 2004, Hendrick 2003, Boyne et al. 2004).

Organizations that are more capable of doing strategic planning are more likely to be successful in their strategic planning effort and, therefore, be associated with better performance.

*Hypothesis 3.1: Higher capacity for strategic planning in a department will be associated with positive performance.*

Leadership has long been recognized as being paramount to the success of public organizations but largely has remained understudied (Hennessey 1998, Borins 2000, Joyce et al. 2003, and Fairholm 2004). Strategic planning also requires leadership. Bryson (2004) outlines the leadership roles needed in the strategic planning process as sponsors, champions, and facilitators (Bryson 2004). These leaders lend to a better process overall because they move the process along, keep the process on the agenda, and infuse the organization with the potential values of strategic planning. Because of this, good leadership of the process is likely to be associated with better organizational performance.

*Hypothesis 3.2: Better strategic planning leadership for strategic planning in a department will be associated with positive performance.*

The participation of various stakeholders in the decision-making processes of public organizations, particularly strategic planning, can help improve those processes (Berg 1997). Stakeholders in the strategic planning process includes employees from all levels of the organizations, citizens, and business leaders (Wheeland 1993 and 2004, Kissler et al. 1998, Donald et al. 2001, Franklin 2001, Ingraham et al. 2002, Hendrick 2003, Blair 2004, and Poister 2005). Participation improves the strategic planning process because it builds a sense of ownership and commitment to the plan and improves

the environmental analyses (Kemp et al. 1993 and Boyne 2001) and, thus, will be associated with enhanced organizational performance.

*Hypothesis 3.3: Broader participation in the strategic planning process will be associated with positive performance.*

There are many elements that have been identified as being important aspects of the strategic planning process (Eadie 1983, Denhardt 1985, Kaufman and Jacobs 1987, Pindur 1992, Gibson 1993, Nutt and Backoff 1992, Poister 2003, and Bryson 2004). Allotting the appropriate amount of time to complete the first round of the strategic planning process, flexibility, stating the mission and vision of the organization, and analyzing the internal and external environment of the organization are individual pieces of the overall process. The greater extent to which these components are included in the process can help to improve the process and for that reason will likely be associated with better performance.

*Hypothesis 3.4: The more strategic planning elements included in a department's process will be associated with positive performance.*

The strategic planning process will ultimately benefit from actually publishing and implementing the resulting plan (Gordon 1992). Essentially this means that the organization was not simply going through the motions of the process but going through the process of strategic planning with the intention of producing an actual plan that will be implemented (Vinzant and Vinzant 1996). Having the process produce an actual document that guides the organization and updates to that document will be associated with higher performance because dissemination improves the overall strategic planning process.

*Hypothesis 3.5: Publishing and dissemination of the department's strategic plan will be associated with positive performance.*

Research demonstrates that strategic planning should be integrated into other organizational process, particularly performance management, budgeting, and human resources management, and that these linkages can improve the strategic planning process (Eadie 1983, Canary 1992, Kerr 1994, Vinzant and Vinzant 1996, Kissler et al. 1998, Melkers and Willoughby 1998, Ingham et al. 2002, and Boyne and Gould-Williams 2003). Integration with each process will likely be associated with better performance because each of these processes can help to improve the overall strategic planning process when they are properly linked.

Linking strategic planning with performance management can lead to a better process because the process requires good performance data to understand how the organization is currently performing and to monitor future progress (Poister 2003). The use of benchmarking data can also help organizations determine where they would like to be in the future by comparing their current performance with other similar organizations (Kissler et al. 1998).

When discussing the integrations of strategic planning with financial management, most researcher point out how strategic planning is beneficial for budgeting, especially in terms of prioritizing how money is spent (Eadie 1983, Canary 1992, and Ingraham et al. 2002). However, integrating strategic planning with financial management can likewise be beneficial to the strategic planning process because this linkage helps organizations understand which strategies are financially feasible and should ultimately be pursued (Bryson 2004).

Like financial management, the benefits of linking strategic planning and human resources management often point to the benefit for human resources, such as ensuring

that an the staff of the organization reflects their priorities (Eadie 1983). Human resource management can also improve strategic planning process because employees need to be trained about the strategic planning process and how to implement the strategic plan, as well as imparting strategic values to employees (Kerr 1994).

*Hypothesis 3.6: More integration of a department's strategic planning process with their performance measurement process will be associated with positive performance.*

*Hypothesis 3.7: More integration of a department's strategic planning process with their budgeting process will be associated with positive performance.*

*Hypothesis 3.8: More integration of a department's strategic planning process with their human resource management will be associated with positive performance.*

Lastly, this dissertation explores the impact of a comprehensive strategic planning process, as well as each component of the process, to vary according to the dimension of performance analyzed (see Selden and Sowa 2004). A handful of studies have demonstrated that is the case for other types of management strategies, such as strategies for rent generation (Spanos and Lioukas 2001). This particular study, from the private sector, found that strategy impacted financial and market performance differently.

Another study from the public sector by Boyne and Walker (2002), demonstrates that total quality management (TQM) practices impact quality measures more than other dimensions. However, they begin to argue here for the use of comprehensive performance measures. The authors argue that aggregation is “particularly important because organizational performance in the public sector is complex, contested, and multidimensional” (125). Indeed, more recent works by these authors, along with other co-authors, use an aggregate measure of performance as their dependent variable (Andrews et al. 2009 and Walker et al. 2010).

I have argued above that precisely because performance is a multidimensional concept, organizational performance should not be aggregated for research purposes. As demonstrated in Poister et al. (2010), the impact of strategic planning in public transit agencies varies among dimensions of performance. Had these measures been aggregated, the negative, or lack of relationship, and positive impacts would cancel out any potential impacts made by the strategic planning process. To fully understand the impact of any management strategy, analyzing disaggregate measures will show researchers more about the relationships than looking at overall measures of performance.

Although I have hypothesized that a comprehensive strategic planning process will have a positive impact on performance, I suspect that the impact will vary by dimension. In Boyne and Walker (2002), the authors hypothesize that TQM will have a greater positive impact on quality measures than other types of measures because the focus of TQM is quality. Likewise, I hypothesize that the strategic planning process will have a greater positive impact on effectiveness and service quality measures. Strategic planning by definition is concerned with the long-term goals and mission of the organization (Bryson 2004). Effectiveness and service quality measures typically reflect the goals of the organization rather than day-to-day measures, such as cost efficiency or productivity measures.

*Hypothesis 4: A comprehensive strategic planning process, as well as the individual components of that process, will have a greater positive impact on effectiveness and service quality than other types of measures.*

## **Conclusion**

This chapter has laid out the dimensions of comprehensive strategic planning processes for public organizations. Also, the reasons that comprehensive processes might

be associated with positive organizational performance were also discussed. The following chapters describe how information regarding the strategic planning processes of local governments was obtained and discusses the findings regarding the hypotheses of this chapter.



## **CHAPTER 3**

### **DATA AND METHODOLOGY**

This chapter explains the data and methods I will use to analyze the comprehensiveness of strategic planning processes and whether strategic planning has an impact on performance. I first explain the two data sources that I will use in my analysis: performance data from the ICMA's Comparative Performance Measurement Project (CPM) and a survey of local government executives. I then describe how I operationalize the measures of comprehensiveness and objective performance and the analyses.

#### **Data and Research Design**

##### **The Comparative Performance Measurement Project**

The CPM began in 1994 as a consortium of forty-four local governments decided to gather uniform performance data so that they would be able to compare performance across similar cities (ICMA website). The ICMA soon began to coordinate their efforts and expanded the program to more localities, eventually growing to over 200 local governments in the U.S. and Canada until 2009. As of 2011, there are 177 participating local governments, slightly down from 2009. Because localities pay ICMA for this service, the recent recession could explain why fewer governments are participating in CPM.

This program is a service that jurisdictions pay for so they can benchmark departmental performance. Therefore, participation is totally voluntary and not mandatory, which greatly impacts the quality of the data. Not every department in a participating jurisdiction submits data. For example, only fifty-seven library departments

submitted data in 2009. Furthermore, complete information is obviously not a requirement so if a department does not have the information readily available or they simply choose not to answer, they are not required to answer a question. Therefore, almost every department answered a question that asks libraries how many registered users they have. However, a much more interesting measure of how many of these users are active users (as defined by ICMA) is answered to a much lesser extent.

The program focuses on fifteen functions of local government: code enforcement, facilities, fire and EMS, fleet, highway and road maintenance, housing, human resources, information technology, obesity prevention, library services, parks and recreation, permits, police, purchasing, refuse and recycling, sustainability, risk management, and youth services. Each participating government gathers uniform data across these functions as defined by the ICMA's Center for Performance Measures. The Center then creates an aggregate data set of all participating localities so that they can compare their performance across organizations.

For the purpose of this study, I have chosen to look at the six service departments that provide direct services to citizens. These departments include code enforcement, fire and EMS, library services, parks and recreation, policing services, and refuse and recycling. Other services, such as information technology, are internal services that have little contact with citizens and could have different approaches to strategic planning, particularly in including citizens and business leaders to participate in planning.

## **Survey Procedure**

To gather information on the strategic planning process of local government departments, I sent a survey to the department head of participating departments. Considering the incomplete nature of the data, I first identified the performance measures I wanted to analyze so that I only sent surveys to departments that had at least partial performance data. The sample is therefore purposive in that I first identified my sample based on participation in CPM and then on the performance data requirement. This biases the results because departments that participate in the CPM are more likely to be focused on performance improvement than the average organization not participating. However, the CPM provides objective data on performance that would not otherwise be available.

I obtained most of the e-mail addresses of the appropriate contact through a web search. Since most cities provide contact information for their management team on their website, most addresses were readily available. Where they were not available, I called the cities to obtain the e-mail addresses. I identified that 451 departments answered at least one of the performance measures in the CPM project.

The survey was sent electronically through the web site Survey Monkey. I first sent an alert letter letting potential respondents know what the survey was about and why I was interested in the topic. I then sent out an email containing a link to the survey. Two follow-up emails were sent in the preceding month and the survey was closed one month after it was opened. I received ninety-seven surveys back for a response rate of twenty-two percent, which is low but not wholly unexpected given that it is an

organizational survey (Tomaskovic-Devey et al. 1994 and Hager et al. 2003). Table 3.1 shows the response rate by department.

*Table 3.1. Response Rate by Department*

Department	Number Surveyed	Number of Responses	Response Rate
Code Enforcement	92	18	20
Fire	84	24	29
Library	41	11	27
Parks and Recreation	78	16	21
Police	101	19	19
Refuse and Recycling	55	9	16
Total	451	97	22

### Survey Instrument

The survey instrument is similar to the surveys conducted by Poister and Streib (1990, 1994, and 2005) on the same topic. However, this survey expands the descriptive nature of their surveys by linking the specific aspects of strategic planning processes with performance. I used the survey to gather information on respondents' strategic planning practices and perceived performance. To gain information on the strategic planning practices of localities, I provided statements concerning the eight categories of comprehensiveness and asked to what extent they agreed or disagreed with each statement. The wording of the statements can be found in the descriptive statistics of Chapter 4.

The most current CPM data comes from 2009. It would be inappropriate to gauge the impact of the current strategic planning practices on past performance. Therefore, I particularly asked that respondents answer questions based on their practices before 2008 so that temporal causality could be established. Dillman et al. (2009) caution against asking respondents to recall activities from the past, particularly when the questions are too specific or ask about routine activities. The questions in this survey do not ask for

specific dates or how many times the department engaged in certain activities.

Furthermore, strategic planning is far from being a routine activity in the daily operations of a local government department. Strategic planning is often an important initiative that is undertaken as an addition to their daily activities. Memory error is an issue but given the lack of specificity and extraordinary event, the error should be minimized in this study.

Of the respondents, fifty-nine percent of the departments had started strategic planning before 2008, twenty-five percent began strategic planning after 2008, and seventeen percent had not started at all. So, as of May 2011, eighty-four percent of respondents have at least begun the strategic planning effort.

There are only a handful of studies that analyze strategic planning at the department level making comparability of these findings difficult (Hendrick 2003 and Korosec 2006). Poister and Streib (2005) found that forty-four percent of the respondents were doing strategic planning in their survey of local governments. Their survey was interested in city-wide strategic planning not at the departmental level. Korosec (2006) found that sixty-seven percent of the departments they surveyed were doing strategic planning. That eighty-four percent of respondents to this survey are doing strategic planning at the departmental level seems a little high. However, the respondents to this survey are already more likely to be involved in management innovations as participants in the CPM.

### Size

The respondents represent departments in cities of all sizes. Of all respondents, five percent come from smaller jurisdictions or those with populations less than 10,000.

Seventeen percent come from jurisdictions with populations between ten and twenty-five thousand. Departments in medium-sized jurisdictions with populations between 25,000 and 100,000 make up forty-seven percent of respondents. Twenty-two percent of the responding departments are in jurisdictions with populations between 100,000 and 500,000 and nine percent are in jurisdictions with populations larger than 500,000.

Departments in smaller jurisdictions, less than 10,000, have largely not begun a strategic planning process as of 2011. Only twenty-five percent began before 2008. Departments in jurisdictions with populations between 10,000 and 50,000 are exactly the opposite. Seventy-five percent of these departments started strategic planning before 2008. A majority of cities larger than 100,000 began strategic planning by at least 2011 and all of the departments in the largest cities, with populations larger than 500,000, began strategic planning by 2008.

#### States

The departments are representative of twenty-four different states. Georgia, Missouri, Texas, and Virginia each have a little over ten percent of the responding departments. This is not surprising, given that more cities in these states participate in the CPM project. Each region of the United States is represented with the exceptions of Alaska and Hawaii.

#### Departments

Six service departments were included in the survey: code enforcement, fire, library, parks and recreations, police, and refuse and recycling. The largest percentage of responding departments were fire (twenty-four percent) and police (twenty percent). These departments are also more likely to participate in the CPM project and to

participate more fully. They are already collecting most of the data asked for by the CPM for national databases, such as the Uniform Crime Report maintained by the Federal Bureau of Investigation. The lowest percentage of responding departments were refuse and recycling departments.

A majority of fire, library, parks and recreation, and police departments began doing strategic planning before 2008. Only forty-three percent of code enforcement departments began before 2008 and thirty-six percent have not started at all. Over eighty percent of responding parks and recreation departments began strategic planning before 2008. This could be because the projects of these departments typically require long-term planning of some sort.

### **Variables**

This thesis utilizes a unique data set created by combining the data from the survey and the CPM. The variables that measure the comprehensiveness of department strategic planning processes from the survey are used to determine how comprehensive the plans of respondents are. These data are then linked with outcome measures from the CPM to determine if comprehensiveness is related to performance.

#### **Strategic Planning Variables**

Respondents were asked questions about their strategic planning processes only if they had started strategic planning before 2008. These thirty-eight departments were then asked to rate the extent of their agreement or disagreement with a series of statements regarding their approach to strategic planning based on the eight dimensions outlined in Chapter 2. Like Poister and Streib (2005) and Korosec (2006), the agree/disagree scale was used uniformly because the overall intent of this project is to determine whether

overall comprehensiveness impacts performance. To accomplish this analysis, the answers to individual items were loaded on to a single index of overall comprehensiveness, making uniformity in the manner the questions were asked necessary.

Ideally, these items would be combined using confirmatory factor analysis (CFA). However, given the number of respondents that do strategic planning, CFA would be inappropriate. The rule of thumb is generally that for each individual item that is used to create a factor, there should be at least ten observations in the sample (Osborne and Costello 2005). The only dimension that would be appropriate is the integration of human resource management with the strategic planning process. There were three questions asked about this dimension and thirty-eight of the responding departments do strategic planning. The rest of the dimensions have five or more items and would need at least fifty observations to do CFA. Therefore, I have opted to create an additive index for each dimension by adding the responses to each individual item that is part of that dimension, as well as for the index of overall comprehensiveness. The reliability of each index will be verified using Chronbach's alpha (Nolan and Heinzen 2008). The wording and descriptive statistics of each item are reported in Chapter 4, as well as the Chronbach's for each index.

### **Performance Measures**

The data from CPM provides information on the performance of local government departments. As discussed, participation in the CPM is voluntary so the data for all departments are incomplete, some much more than others. This further lowers the already small number of respondents because not all of the thirty-eight respondents who



did strategic planning filled out every measure asked for by ICMA. Therefore, I chose one measure from four dimensions of performance for each department and standardized those measures so different departments could be included in the same analysis. This approach is similar to the approach of researchers who study British local authorities (for example see Andrews et al. 2009). These researchers standardized performance across authorities with different functions by dividing the raw measure by the average performance across similar authorities. They created an aggregate measure of overall performance by adding several dimensions of performance together.

This study uses a similar approach. I gathered performance data across four dimensions of performance: efficiency, effectiveness, service quality, and productivity. A raw performance measure was gathered and in some cases calculated for each department using the CPM. Then I divided the raw measure by the average performance of similar departments in the CPM for effectiveness and productivity. For two dimensions of performance, efficiency and service quality, low performance is positive. For example, code enforcement departments want to see lower costs per case, not higher. For ease of interpretation and explanation, I inverted these dimensions so that I divided average performance by the departments' raw performance. The resulting measure is a standardized score for each department. If these standardized scores are below one, then the department has below average performance. If the standardized score is above one then the department has above average performance.

I chose not to aggregate the measures across different dimensions of performance as was done by Andrews et al. (2009) and Walker et al. (2010). As found in Poister et al. (2011), management strategies may have different impacts on different types of

organizational outcomes. When the performance is analyzed in the aggregate, the impact of formal planning was either nonexistent or very small (Andrews et al. 2009 and Walker et al. 2010).

The measures for this study were typical measures for each department suggested by either the ICMA in their publications concerning performance measurement (see ICMA 2008) or by Ammons (2001). For some departments, appropriate measures for each dimension of performance, such as a productivity measure for code enforcement, were not available. Table 3.2 lists the measures utilized from each department.

The ideal approach would be to use an aggregate measure of one dimension of performance, given that one measure does not fully encompass a department's performance. However, this approach would cut my already small number of observations substantially, particularly for code enforcement, library, parks and recreation, and refuse and recycling departments.

*Table 3.2. Performance Measures by Department*

<b><i>Department</i></b>	<b><i>Efficiency</i></b>	<b><i>Effectiveness</i></b>	<b><i>Service Quality</i></b>	<b><i>Productivity</i></b>
Code Enforcement	Expenditures per code violation case for cases with dispositions	Percentage of cases resolved through voluntary compliance	Average calendar days from first complaint report to inspection	N/A
Fire	Expenditures per total fire incidents	Percentage of one-and two-family residential fire structure incidents contained to room of origin	Percentage of fire calls with response times of five minutes or less	N/A
Library	Personnel expenses per hours operated per week, Central Library only	Number of visits per capita	N/A	N/A
Parks and Recreation	Expenses per tree pruned	Average daily visits to recreation centers per capita	N/A	Average daily visits to recreation centers per recreation center full-time equivalent (FTE)
Police	Expenses per dispatched call for service	Percentage of Uniform Crime Report (UCR) part 1 crimes cleared	Average time from top priority calls to arrival on scene, in seconds	Total arrests for UCR part 1 crimes per FTE
Refuse and Recycling	Expenses per ton of refuse collected	Tons of recyclable material collected as a percentage of all material collected	N/A	N/A

Table 3.3 presents the descriptive statistics for each dimension of performance only for the departments that began strategic planning before 2008. As demonstrated, the number of observations within each category is low. The mean of all four dimensions of performance are above average (above 1), meaning that the respondents to the survey were above average performers. The range demonstrates that departments did vary quite a bit in performance scores.

*Table 3.3. Descriptive Statistics for Standardized Performance Scores*

<b><i>Dimension of Performance</i></b>	<b><i>N</i></b>	<b><i>Minimum</i></b>	<b><i>Maximum</i></b>	<b><i>Mean</i></b>	<b><i>Standard Deviation</i></b>
Efficiency	16	.04	11.25	2.65	2.86
Effectiveness	28	.02	4.69	1.02	0.84
Service Quality	13	.51	7.72	1.99	2.05
Productivity	13	.02	6.46	1.37	1.66

### **Methodology**

As demonstrated above, the analysis for this study must take into account the small number of observations per each dimension of performance. Therefore, multivariable regression analysis, though ideal, would be inappropriate. However, other methods provide more appropriate analyses that explore the major questions of this dissertation.

Evaluators, as well as researchers in other fields, such as psychology, have long recognized that significance tests are not sufficient for understanding the impact of a program or strategy on outcomes (see Goldbring and Presbrey 1986, Kellow 1998, Thompson 2002, and May 2004). The most discussed argument against this reliance is the impact of sample size on significance levels and the inability in small-n studies to reject the null hypothesis (Golbring and Presbrey 1985 and Thompson 2002).

Essentially, with large enough sample sizes, any analysis will eventually reach significance. However, it is possible that although the relationship has been shown to be significant, the actual impact of the relationship is miniscule. Over-reliance on statistical significance can obscure the practical significance that an intervention of program or a strategy could have on measurable outcomes. Therefore, some studies might claim that a strategy is useful because of statistical significance and it not be actually making an impact. Likewise, a study could claim that a useful program is not making an impact based on statistical significance because there were not enough observations to reach statistical significance. Kellow (1998) points out that with large enough sample sizes, the null hypothesis will always be false.

This is often a problem in research, so much so that the several journals in the field of psychology strongly recommend reporting practical significance when reporting any type of statistical significance testing (Ferguson 2009). The problem also exists in evaluative studies, such as this one, where the number of observations is on the low end. Kellow (1998) suggests calculating effect sizes will help researchers understand the practical significance of the potential impact of a program or strategy. According to the author, there are three ways to determine practical significance: analyzing the correlation, analyzing raw differences between organizations, and analyzing the magnitude of that difference using effect size.

To analyze the each hypothesis I follow the advice of Kellow (1998). To determine whether departments that were further along in their process had more comprehensive processes, I asked respondents that began strategic planning before 2008 about where in the process their departments were. The possible responses were not yet

finished with their first round of strategic planning, one cycle completed, or multiple cycles completed. I first determine the strength of the relationship between stage of process and each index by analyzing their correlations. I also divide respondents into two groups (those that started strategic planning before 2008 and those who had not) and analyze the difference in their means.

I also follow the suggestions of Kellow (1998) to determine the impact whether the level of comprehensiveness in strategic planning has on the measures of performance described above. First, using correlation coefficients, I can determine the strength of the relationships between each index and each dimension of performance.<sup>6</sup> I expect that these will be very low, given that performance is generally caused by many different factors, with the most important predictor of current performance being past performance.

To make the analysis more meaningful, I then divided the departments that began strategic planning before 2008 into two groups based on the mean for each index. Those above the mean demonstrate high comprehensiveness for that particular index and those below the mean demonstrate that they have less. By calculating the mean performance for each of these groups, I can directly compare outcomes between departments that have highly comprehensive processes and those that do not. Although I do not expect many significant differences given the number of observations, I analyzed significance using

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<sup>6</sup> I analyzed the skewness and kurtosis of each dimension of performance, as well as the Shapiro-Wilk test of normality in SPSS, and determined that the performance data is nonlinear across all four dimensions for the departments that began strategic planning after 2008. Therefore, I use Spearman's  $r$  instead of Pearson's  $r$  to account for the nonlinearity of the data (Chen and Popovich 2002).

the Mann-Whitney U test of significance for mean differences (Nolan and Heinzen 2008).<sup>7</sup>

I also calculated the effect size for each of these differences based on Cohen's (1988) d. By dividing the raw difference between the means of the two groups by the standard deviation, I can determine the standardized magnitude of the difference. Cohen's guidelines for interpreting this number are most often used in social science research to determine the magnitude of the raw difference. The absolute value of .2 and below represent a small impact, the absolute value around .5 represent a moderate impact, and the absolute value of .8 and above is a large impact. Effect sizes can be determined when statistical significance cannot because they are much less dependent on sample size (Ferguson 2009).

### **Limitations of Approach**

This approach has some drawbacks. The results will ultimately be biased due to the omission of variables that might also explain departmental performance. Research in this area often controls for past performance because performance incrementally changes over time (see O'Toole and Meier 1999). Furthermore, I cannot control for the impact of other jurisdiction or departmental characteristics that are important for performance such as departmental resources, type of department, or socio-economic descriptions of the population.

Generalizing the findings of this study to the broader population of local government departments is also something I lose with the current methodology. Without significance testing, I am unable to infer with confidence what the relationship might be

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<sup>7</sup> Because of the nonlinear nature of the data, t-tests are inappropriate. The nonparametric equivalent is the Mann-Whitney U test.

in the population, though that would be difficult regardless of sample size. The respondents to this survey have already demonstrated that they are different from the general population by choosing to participate in the CPM. Cities that choose to participate are also like to be more interested in management innovations than cities that do not participate.

However, the method allows me to explore the potential impact of doing strategic planning well on performance using a unique data set that links questions about strategic planning with objective performance data. The CPM may not be complete but it is the only data set of its kind that gathers data across local government departments. To take advantage of this data set, there are some trade-offs. With the described methods, I am still able analyze the hypotheses and determine the practical significance, if any, of paying more attention to the strategic planning process.

Chapter 4 describes the findings of the analyses described above.



## **CHAPTER 4**

### **RESULTS**

This chapter presents the results of my analyses as outlined in Chapter 3. First, an overview of the descriptive statistics illustrates the strategic planning processes of the responding local service departments. This section also looks at the impact of experience on the comprehensiveness of processes. The second section looks at the relationship between comprehensive strategic planning processes and each dimension of performance. Third, I analyze the relationship between each dimension of comprehensive process and performance. The final section summarizes the results.

#### **Characteristics of Comprehensive Strategic Planning Processes**

The thirty-eight departments that began strategic planning before 2008 vary in how they approach planning. For example, at least 92 percent of the respondents agree or strongly agree that they were able to keep staff members focused on strategic goals and objectives. There is very little variation around the mean of 4.03, as the standard deviation for this item is only 0.19. There is much more variation in other items such as inviting business leaders to participate in a department's strategic planning process. The mean of this item is 3.18 with a standard deviation of 1.11. Furthermore, less than half of the respondents were in agreement with that statement. The following section describes the process of the responding departments in more detail and provides the descriptive statistics on each individual item that makes up the process indexes. The analysis also includes looking at the reliability of combining those elements into indexes for each

dimension and the index of comprehensiveness by examining the Cronbach's alpha for each index.

### **Capacity**

More than eighty percent of respondents agreed or strongly agreed with every item but one in the capacity index. Only forty-nine percent of respondents agreed with the statement: "Our staff, at all levels, was highly knowledgeable about strategic planning." This is consistent with some of the concerns that their departmental staff did not have enough training about the strategic planning process. The Chronbach's alpha for this index is the lowest of the eight, at .514, and no combination of the items produce a Cronbach's alpha higher than .514. For this reason, I will be using each individual item for analyses in addition to the the index.

*Table 4.1. Strategic Planning Capacity: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
My department invested the necessary financial resources in the strategic planning process.	86.8	4.08	0.85	.514
Our staff, at all levels, was highly knowledgeable about strategic planning.	48.6	3.43	0.96	
Generally, managers at the program level had good management skills.	89.5	3.92	0.59	
My department had access to staff that had the capability to gather and analyze performance data in our department	86.9	4.00	0.61	

### **Leadership**

About seventy-three percent of respondents agreed or strongly agreed that the political leadership in their jurisdiction was committed to their department's strategic

planning efforts. This was the lowest percentage of agreement for the individual items in the leadership dimension. The rest approach or are above eighty percent. The item that asked about their own ability to keep staff focused on the parts of the plan that were under their responsibility received the highest percentage of agreement, ninety-two percent. These items demonstrate very good reliability with a Cronbach's alpha of .827.

*Table 4.2. Strategic Planning Leadership: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
The political leadership of my jurisdiction (city council and mayor) was highly committed to the strategic planning process in my department.	73.7	3.87	0.60	.827
The administrative leadership of my jurisdiction (city manager and other department heads) was highly committed to the strategic planning process in my department.	84.2	4.16	0.68	
The administrative leadership of my jurisdiction holds me responsible for implementing my department's strategic plan.	84.2	4.21	0.71	
My department had an individual, or team of individuals, that made it their focus to ensure that the process of strategic planning stayed high on the agenda.	76.4	3.89	0.75	
I was able to get the necessary financial resources to complete strategic planning.	76.3	3.79	0.87	
I was able to keep staff members focused on the strategic goals and objectives under their responsibility.	92.1	4.03	0.19	

## **Participation**

Less than half of respondents agreed that their departments involved citizens or business leaders in their strategic planning activities. This might be because this analysis

is at the departmental level and would most likely go up when looking at jurisdiction wide strategic plan. However, in my professional experience this is still done at the departmental level in some jurisdictions because citizens are consumers of these services. Employee involvement depends on the level of employment. Over ninety percent agreed that mid-level managers were involved in planning while sixty-eight percent agreed that lower-level employees were involved. The Cronbach's alpha for this index is low at .615. When considering the items for participation, two of the items represent external participation of citizens and business leaders and two of the items represent internal participation of employees. The Cronbach's alpha for external participation index is high at .844 and can be utilized for the analysis. However, the index for internal participation is still low at .618. Like the items for capacity, these two individual items for internal participation and the external participation index will be used for analyses in addition to the overall participation index.

*Table 4.3. Strategic Planning Participation: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
Selected residents from my jurisdiction participated in the strategic planning process.	47.3	3.24	1.08	.615
Business leaders were invited to participate in the strategic planning process.	44.7	3.18	1.11	
Mid-level managers were centrally involved in the development of the strategic plan.	92.1	4.13	0.62	
Lower-level employees were centrally involved in the development of the strategic plan.	68.4	3.74	0.86	

## **Strategic Planning Elements**

This set of statements includes the elements recommended by strategic planning advocates and the responses demonstrate that most are including the majority of the elements in their department's strategic planning efforts. Over eighty percent of respondents agreed or strongly agreed that all but one of the elements were present in their process. Sixty-seven percent of respondents agreed or strongly agreed that they assessed the feasibility of their proposed strategies. Almost all (above ninety-five percent) agreed or strongly agreed that their process included clarifying mandates for their department, assessing internal strengths and weaknesses, and developing strategic goals and objectives. The reliability of this index is very high with a Cronbach's alpha of .874.

*Table 4.4. Strategic Planning Elements: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
To what extent do you agree or disagree that the following elements were included in your strategic planning process:				.874
Review of departmental mission	92.3	4.36	0.63	
Clarification of departmental mandates	94.9	4.23	0.54	
Evaluation of external threats and opportunities	84.7	4.28	0.79	
Assessment of internal strengths and weaknesses	94.8	4.36	0.58	
Development of vision statement	79.5	4.08	0.84	
Development of strategic goals and objectives	97.3	4.42	0.55	
Feasibility assessment of proposed strategies	36.7	3.92	0.90	
Development of action plans	87.2	4.26	0.68	
Identification of needs and concerns of various stakeholders (citizens, business leader, and employees)	84.6	4.18	0.76	
Continuous evaluation of strategic planning process	89.4	4.16	0.68	

### **Dissemination**

Ninety-two percent of the respondents agreed or strongly agreed that their department's strategic planning process including the publication of a strategic planning document. Though the other three items have a lower percentage of agreement than the initial question, a majority of respondents did agree or strongly agree that there was external dissemination of their strategic plan. The lowest percentage of agreement, fifty-five percent, was with the statement that departments gave their plan out to citizens and

business leaders. A Cronbach's alpha of .893 demonstrates that this index is highly reliable.

*Table 4.5. Dissemination of Strategic Plan: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
We produced a strategic planning document.	92.1	4.34	0.50	.893
We disseminated the plan to employees at all levels of our department.	73.7	3.97	0.95	
We disseminated the plan externally to citizens and business leaders in our community.	60.5	3.61	1.44	
We uploaded a summary of the plan to our jurisdiction's website for public viewing.	65.8	3.68	1.63	

### **Performance Measurement**

This set of statements gauges to what extent departments are integrating performance measures with their strategic planning. Over eighty percent of the responding departments agreed with the statements that show a basic integration of the performance measurement with strategic planning which included tracking the implementation of strategic planning initiatives, accomplishing strategic goals and objectives, strategic plan outcomes, and improvement over time. The rest of the individual items demonstrate more sophistication in reporting performance and using benchmarking. Sixty-five percent of respondents agreed or strongly agreed that they were reporting performance related to the strategic plan to the city council and fifty-eight percent were in agreement that they reported these measures to the public. Sixty-five percent agreed or strongly agreed that their departments used performance measures to benchmark the achievement of their strategic goals against departments in other

jurisdictions. This seems low given that each of the departments participate in the CPM program so it appears that not all are using the CPM program to benchmark at least in terms of their strategic plan. This index is very reliable with a Cronbach's alpha of .877.

*Table 4.6. Integration with Performance Measurement: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
We used performance measures to track the implementation of project or other initiatives called for by the strategic plan.	79.0	3.87	0.60	.877
We used performance measures to track the accomplishment of goals and objectives found in the strategic plan.	86.8	4.00	0.49	
We used performance measures to track outcome conditions targeted by the strategic plan.	81.6	3.95	0.54	
We used performance measures to benchmark our performance against other jurisdictions to gauge the effectiveness of strategic initiatives.	65.8	3.55	1.17	
We tracked performance data over time to determine whether performance improved over previous levels.	86.9	3.37	0.94	
We reported performance measures associated with the strategic plan to the city council on a regular basis.	65.8	3.63	0.89	
We reported performance measures associated with the strategic plan to the public on a regular basis.	57.9	4.05	0.43	

## **Financial Management**

The extent to which departments liked financial management and strategic planning is represented in this set of statements. A majority of respondents were in



agreement with each statement. Fifty-four percent of respondents agreed or strongly agreed that that capital budget reflected strategic planning goals. This was the lowest percentage of agreement with any of the financial management statement, which is interesting given that both the capital budget and the strategic plan deal with long term goals and projects. Over eighty percent of respondents were in agreement that their department's budget targeted the goals and objectives in their strategic plan. This index has the highest reliability of all the indexes with a Cronbach's alpha of .915.

*Table 4.7. Integration with Financial Management: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
The annual budget strongly supported the goals, objectives, and priorities established in our strategic plan.	62.1	3.70	0.88	.915
The city council considered strategic goals and objectives when reviewing my department's annual budget.	64.8	3.62	1.19	
The capital budget for my department sharply reflected the goals, objectives, and priorities established in our strategic plan.	56.7	3.57	1.09	
Whenever possible, my department's budget targeted the achievement of strategic goals and objectives.	83.8	4.03	0.47	
The strategic plan had a strong influence on my department's budget requests.	73.0	3.78	1.01	

## **HR Management**

Linking human resource management with the strategic plan is less common than either performance measurement or financial management. Two of the items receive just over a majority of agreement by the respondents and the last item that salary adjustments

are made in part because of contributions to strategic plan received less than thirty percent. So it is more likely that departments are considering accomplishment of strategic goals and initiatives when evaluating employees but much less likely to do so when considering salaries. This index is also highly reliable with a Cronbach's alpha of .844.

*Table 4.8. Integration with HR Management: Descriptive Statistics*

<i>Item</i>	<i>Percent Agreement</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Cronbach's Alpha</i>
My annual evaluation was based in part on the accomplishment of strategic goals and objectives.	57.9	3.39	1.06	.844
Annual evaluations of other employees were based in part on their accomplishment of strategic goals and objectives.	65.8	3.50	0.85	
Annual salary adjustments in my department were partly based on contributions to advancing our strategic plan.	28.9	2.87	1.04	

### **Comprehensive Strategic Planning Processes**

The first hypothesis asserts that the more experience that a department has with strategic planning the more comprehensive their process will be. To determine the overall comprehensiveness of the respondents' processes, I created an additive index using each individual measure that makes up the indexes of strategic planning dimensions. Taken together, each of these individual measures demonstrates part of a comprehensive strategic planning process as laid out in Chapter 2. Departments that have a high overall index are those that are doing the most in terms of what is recommended by strategic planning advocates and researchers. These measures taken together have a

Cronbach's alpha of .944, which demonstrates that this index has high reliability as a measure. The mean of this index is 164.5 out of a possible 205, with a standard deviation of 20.39.

To analyze the first hypothesis I asked respondents to indicate their department's stage of strategic planning. The possible responses for the question utilized for this analysis is categorical but has direction: 1=not yet finished with first cycle of strategic planning, 2=finished one cycle of strategic planning, and 3=finished multiple cycles of strategic planning. Most of the respondents (71%) had finished multiple cycles of strategic planning by 2008. Twelve percent had completed one cycle and fifteen percent had yet to complete their first cycle.

Table 4.9 presents the correlation results between the question of the experience of departments with strategic planning and each of the indexes. The impacts of experience on the components that did not create highly reliable indexes are analyzed but the individual items are not. However, the individual items are included in the overall comprehensiveness index. As demonstrated, there is a high, positive correlation between experience and comprehensiveness. Therefore, departments with more strategic planning experience have more comprehensive processes. Experience is also significantly and moderately correlated with better leadership and more dissemination.<sup>8</sup>

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<sup>8</sup> Given the small sample size, statistical significance of correlation coefficients and difference of means is not common. However, because reaching significance with this many observations is worth noting.

Table 4.9. Correlation between Experience and Strategic Planning Indexes

<i>Index</i>	<i>N</i>	<i>Pearson Correlation with Stage</i>
Overall Comprehensiveness	34	0.452**
Capacity	37	0.046
Leadership	38	0.347*
Overall Participation	38	-0.019
External Participation	38	0.129
Elements	37	0.144
Dissemination	38	0.368*
Performance Measurement	38	0.161
Financial Management	37	0.298
HRM	38	0.123

\*Significant at the .05 level (two-tailed)

\*\*Significant at the .01 level (two-tailed)

I also compared the means of comprehensiveness between departments that had finished multiple cycles of strategic planning and those that either had finished one cycle or had not completed a cycle yet. Table 4.10 demonstrates the results of this analysis. This analysis further demonstrates that departments that have been doing strategic planning longer have more comprehensive processes. In every index, the mean for the group that completed multiple rounds of strategic planning is higher than mean of the groups that had either complete one cycle or was still in their first round. The effect sizes show that the standardized differences between these groups range from moderate to large and the differences are significant for the overall, leadership, participation, elements, dissemination, and financial management indexes.<sup>9</sup> These findings are consistent with the correlations above and confirm the second hypothesis that the departments that have more experience have more comprehensive processes.

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<sup>9</sup> I am using Cohen's (1988) definitions for determining the magnitudes of effect sizes: .2=small, .5=moderate, and .8=large.

*Table 4.10. Impact of Experience on Strategic Planning Indexes: Difference of Means<sup>10</sup>*

<i>Index</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference</i>	<i>Standard Deviation</i>	<i>Effect Size</i>
Overall Comprehensiveness	Multi. Cycles	26	169.35	20.25**	20.39	0.993
	1 or No Cycles	8	148.75			
Capacity	Multi. Cycles	27	15.63	0.63	1.97	0.320
	1 or No Cycles	10	15.00			
Leadership	Multi. Cycles	28	24.57	2.37*	3.49	0.679
	1 or No Cycles	10	22.20			
Overall Participation	Multi. Cycles	28	14.71	1.61*	2.56	0.629
	1 or No Cycles	10	13.10			
External Participation	Multi. Cycles	28	6.89	1.79	2.04	0.877
	1 or No Cycles	10	5.10			
Elements	Multi. Cycles	27	43.04	3.04*	4.83	0.629
	1 or No Cycles	10	40.40			
Dissemination	Multi. Cycles	28	16.32	2.72**	3.69	0.737
	1 or No Cycles	10	13.60			
Performance Measurement	Multi. Cycles	28	26.86	1.66	4.52	0.367
	1 or No Cycles	10	25.20			
Financial Management	Multi. Cycles	28	19.32	2.54*	4.16	0.612
	1 or No Cycles	9	16.78			
HRM	Multi. Cycles	28	9.96	0.76	2.59	0.293
	1 or No Cycles	10	9.20			

<sup>10</sup> The number of observations is different for each analysis due to several factors. First, the number of departments that began strategic planning after 2008 and answered the questions or had performance information differs for each type of performance indicator. Also, the number between each group varies because the cutoff point defining each group is defined by the mean and changes for each analysis.

## Comprehensive Strategic Planning and Performance

I first tested whether or not doing strategic planning had an impact on performance. For this test I divided the departments into two groups: those that had begun strategic planning before 2008 and those that had started afterwards or not at all. I then analyzed the differences in mean performance between those two groups. The results are fairly consistent and are displayed in Table 4.11. With the exception of effectiveness, departments that began strategic planning before 2008 has better mean performance than those that had not started strategic planning by that time. The effect sizes show a moderate standardized difference between the means for efficiency and productivity. The mean effectiveness for the group not starting before 2008 is only slightly higher than that of the group that had, confirmed by a small effect size.

*Table 4.11. Impact of Strategic Planning on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Strategic Planning before 2008?</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Yes	16	2.65	1.40	2.31	0.606	0.308
	No	13	1.24				
Effectiveness	Yes	28	1.02	0.17**	0.74	0.230	-0.116
	No	19	1.19				
Service Quality	Yes	13	1.99	0.37	1.68	0.220	0.112
	No	14	1.62				
Productivity	Yes	13	1.37	1.42	1.36	0.309	0.155
	No	8	0.95				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

As argued in Chapter 2, simply analyzing the impact of strategic planning with a dichotomous variable says nothing about how well an entity is actually doing strategic planning. The major hypothesis of this study is that comprehensive strategic planning

will be positively associated with performance. For this purpose, I created an index of overall comprehensiveness with every item that makes up the individual indexes of strategic planning characteristics. I first ran correlations between the index of overall comprehensiveness and each dimension of performance. All four correlations are weak with the exception of moderate and positive correlation between the index and productivity.

I then divided the respondents into two groups around the index mean. One group represents those departments that have above average comprehensive plans and the other is those with below average comprehensive plans. By comparing the mean performance in each of these groups, I can determine when one group is performing better than the other group, especially given the standardized nature of the performance variables. Performance above one demonstrates that departments have above average performance and below one demonstrates below average performance. However, as demonstrated in Chapter 3, the efficiency and service quality of responding departments are often above the ICMA average. Table 4.12 shows the results of this analysis.

Across three of the dimensions of performance analyzed, the group with higher comprehensiveness in planning performed better on average than those with processes that are less comprehensiveness. The exception is service quality, though both groups perform --above average. The difference in performance has a medium effect size, meaning that this difference has some practical significance.

The difference between the efficiency and effectiveness means for the two groups demonstrate that while the group with more comprehensive plans performs better. However, the practical significance the difference in the means for efficiency is low and

almost nonexistent for effectiveness. Finally, productivity mean for the more comprehensive group is above average and the mean for the lower group is below average. This difference is statistically significant at the .1 level and the standardized difference is very large. The effect size is above one (1.181) and the correlation is moderate. This demonstrates the having a more comprehensive process has a practical significant impact on productivity.

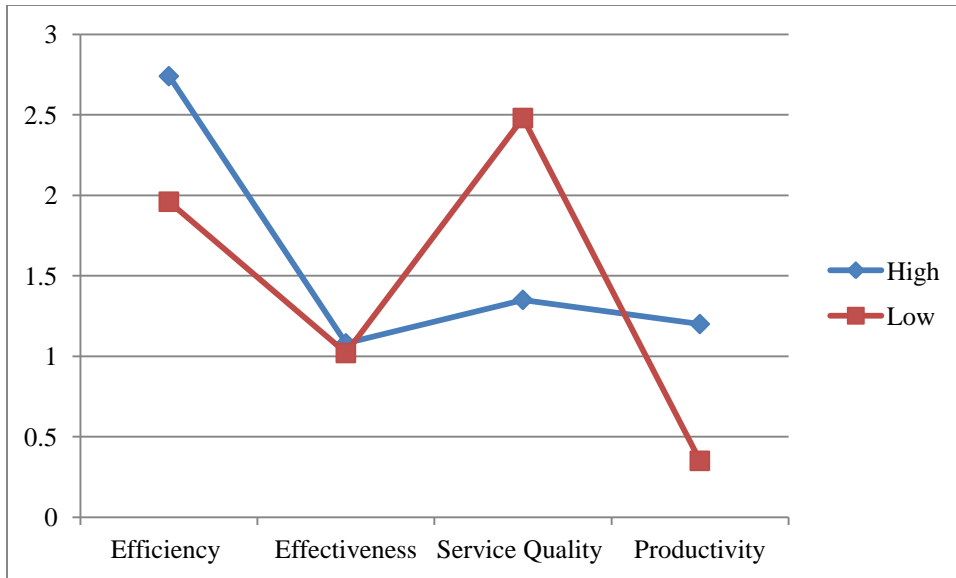
*Table 4.12. Impact of Comprehensiveness on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	9	2.74	0.78	2.86	0.272	.081
	Lower SP	6	1.96				
Effectiveness	Higher SP	15	1.08	0.06	0.86	0.070	.056
	Lower SP	10	1.02				
Service Quality	Higher SP	5	1.35	1.13	2.13	0.531	-.026
	Lower SP	7	2.48				
Productivity	Higher SP	8	1.20	0.85*	0.72	1.181	.306
	Lower SP	3	0.35				

*\*Significant at the .1 level*

*\*Significant at the .05 level*





*Figure 4.1: Impact of Comprehensiveness on Performance: Comparison of Means*

### **Dimensions of Comprehensive Strategic Planning Process and Performance**

This next section analyzes the relationship between the index for each individual dimension of comprehensive strategic planning and each type of performance. Like the analysis for the overall index, I first analyzed the correlations between each index and dimension. For the most part, these are very weak. I note any moderate relationships in the following description. These indexes are also divided into two groups around the mean of the index. Overall, there is a consistent pattern that departments with more comprehensive processes have higher mean performance than those with less comprehensive processes.

#### **Capacity**

Across all four dimension of performance, the groups with higher capacity for strategic planning had a better mean performance than those with a lower capacity. The mean for the effectiveness measure are above average for the high capacity group and

below average for the low capacity group.<sup>11</sup> This difference has a medium effect size.

The means of both groups for efficiency, service quality, and productivity are above average but the differences between the high and low capacity groups have effect sizes between .335 and .566. This demonstrates that departments with higher capacity for strategic planning not only perform better but that these differences are practically significant.

*Table 4.13. Impact of Strategic Planning Capacity on Performance: Difference of Means and Correlations*

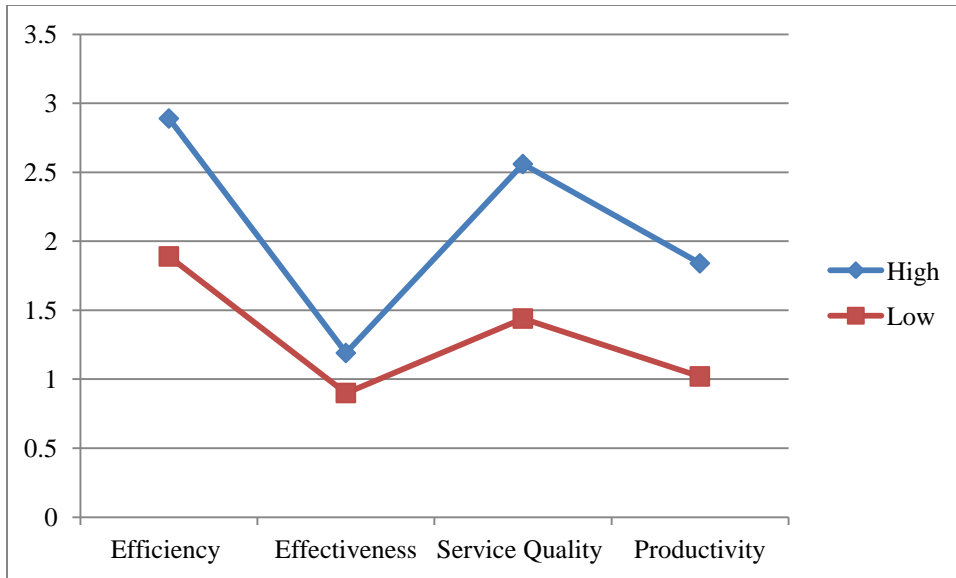
<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	11	2.89	1.00	2.81	0.355	.013
	Lower SP	6	1.89				
Effectiveness	Higher SP	14	1.19	0.29	0.83	0.349	0.93
	Lower SP	13	0.90				
Service Quality	Higher SP	6	2.56	1.12	1.98	0.566	.034
	Lower SP	8	1.44				
Productivity	Higher SP	6	1.84	0.82	1.73	0.474	.342
	Lower SP	6	1.02				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

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<sup>11</sup> Because performance is standardized, performance above 1 represents above average performance and below 1 represents below average performance.



*Figure 4.2. Impact of Strategic Planning Capacity on Performance: Comparison of Means*

However, the index had a low Cronbach's alpha that demonstrated that the index was not highly reliable. So, the same analyses were ran for the following individual items in the index: financial capacity, strategic planning knowledge, and data capacity. General management was eliminated from the analysis because it represents broad management skills not specific for strategic planning. The results for the individual items in the index are in tables 5.14-5.16.

*Table 4.14. Impact of Financial Capacity on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	7	3.53	1.69**	2.81	0.601	0.264
	Lower SP	10	1.84				
Effectiveness	Higher SP	7	0.93	0.17	0.83	0.205	-0.132
	Lower SP	20	1.10				
Service Quality	Higher SP	3	2.05	0.16	1.98	0.08	0.073
	Lower SP	11	1.89				
Productivity	Higher SP	3	0.56	1.16	1.73	0.671	-0.259
	Lower SP	9	1.72				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

Table 4.14 demonstrates mixed results for financial capacity. The group with higher financial capacity has higher means for efficiency and service quality. The difference in efficiency means is quite large. The effect size and correlation demonstrates a moderate impact. However, the difference barely exists for service quality, demonstrated by both a low effect size and correlation. The group with lower financial capacity has higher means for effectiveness and productivity. The difference in productivity means is large with a moderate to high effect size and a moderate correlation. The difference in effectiveness means is smaller.

The mixed results are interesting because the measures where cost is involved in the calculation of the performance indicator the group with better financial capacity does better. Where cost is not involved, the group with lower financial capacity does better.

This could be because the group with better financial capacity for strategic planning has better financial management in more areas than just strategic planning.

*Table 4.15. Impact of Strategic Planning Knowledge on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	9	2.15	0.82	2.81	0.292	-0.020
	Lower SP	8	2.97				
Effectiveness	Higher SP	14	1.17	0.24	0.83	0.289	0.059
	Lower SP	13	0.93				
Service Quality	Higher SP	4	2.97	1.47**	1.98	0.742	0.152
	Lower SP	10	1.50				
Productivity	Higher SP	6	1.86	0.87	1.73	0.503	0.497*
	Lower SP	6	0.99				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

The group with better staff knowledge about strategic planning had better mean effectiveness, service quality, and productivity. Only the mean for efficiency was higher for the group with less staff knowledge. However, this effect size is small and the correlation is almost zero. The effect sizes for service quality and productivity are much higher. The difference in mean service quality between the two groups is significant and the effect size is large. The effect size for productivity is moderate but the correlation is higher and significant at the .10 level. This demonstrates that when departments have staff members that are knowledgeable about strategic planning they will likely perform better, particularly for indicators of service quality and productivity.

*Table 4.16. Impact of Data Capacity on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	14	2.59	0.29	2.53	0.115	-0.079
	Lower SP	3	2.30				
Effectiveness	Higher SP	24	1.09	0.32	1.05	0.305	-0.049
	Lower SP	3	0.77				
Service Quality	Higher SP	11	2.07	0.70	1.92	0.365	0.054
	Lower SP	3	1.37				
Productivity	Higher SP	10	1.48	0.32	1.43	0.22	0.236
	Lower SP	2	1.16				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

Like financial capacity, the results for data capacity are also mixed, though the difference between both groups in all categories is small or close to being non-existent. The group with more capacity for gathering and analyzing data had better service quality and productivity means and the group with less capacity had better efficiency and effectiveness means. The correlations are close to zero for all indicators with the exception of productivity. The effect sizes for difference in means for effectiveness, service quality, and productivity are in the small range. Therefore, there is little evidence that data capacity has an impact on performance.

### **Leadership**

For the leadership index, the group that scored higher on the leadership index has better mean performance than the lower group for every dimension of performance but

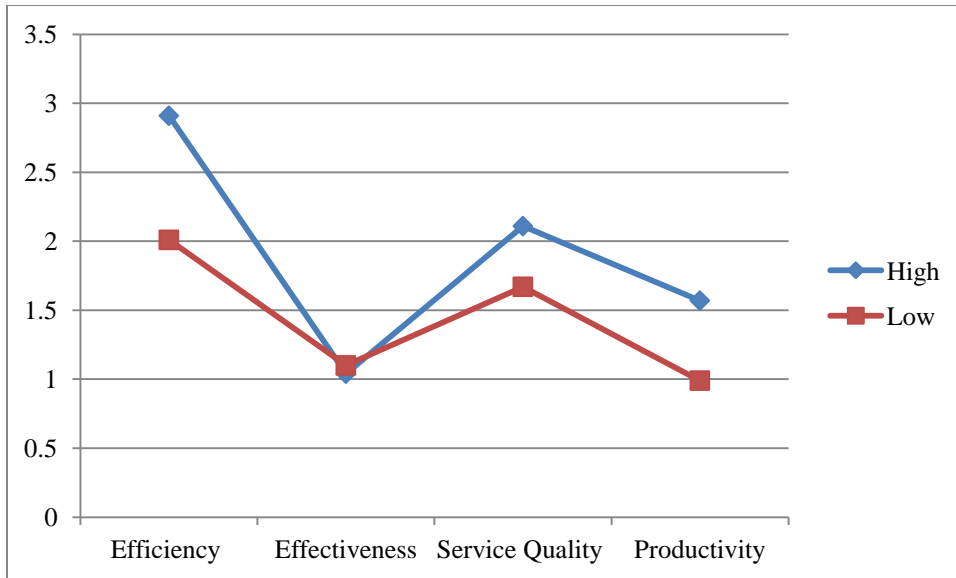
effectiveness. The difference in effectiveness means for the groups is very small which is backed up by an almost nonexistent effect size. The differences in efficiency and service quality means are also very small and in both cases performance for both groups are above average. In the case of productivity, the group with higher leadership has a mean performance that is above average and the mean performance for the lower leadership group is below average. The moderate effect size of efficiency and productivity, and the smaller effect size of service quality, demonstrates that strategic planning leadership has at least a small, practical significance on three of the four dimensions of performance.

*Table 4.17. Impact of Strategic Planning Leadership on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	10	2.91	0.90	2.81	0.320	0.218
	Lower SP	7	2.01				
Effectiveness	Higher SP	20	1.04	0.06	0.83	0.072	0.022
	Lower SP	7	1.10				
Service Quality	Higher SP	8	2.11	0.44	1.98	0.222	-0.081
	Lower SP	6	1.67				
Productivity	Higher SP	9	1.57	0.58	1.73	0.335	0.237
	Lower SP	3	0.99				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.3. Impact of Leadership on Performance: Comparison of Means*

### **Participation**

The results for participation also demonstrate that those departments that do more in terms of strategic planning have a higher performance. The only exception is service quality but difference of means and effect size are both small. The mean for productivity for departments with above average participation is once again above average and the mean for the lower group is below average. The efficiency and effectiveness means for both groups are above average. However, the effect size of the difference in efficiency means is quite large and statistically significant, which demonstrates that more participation has a positive impact on departmental efficiency.

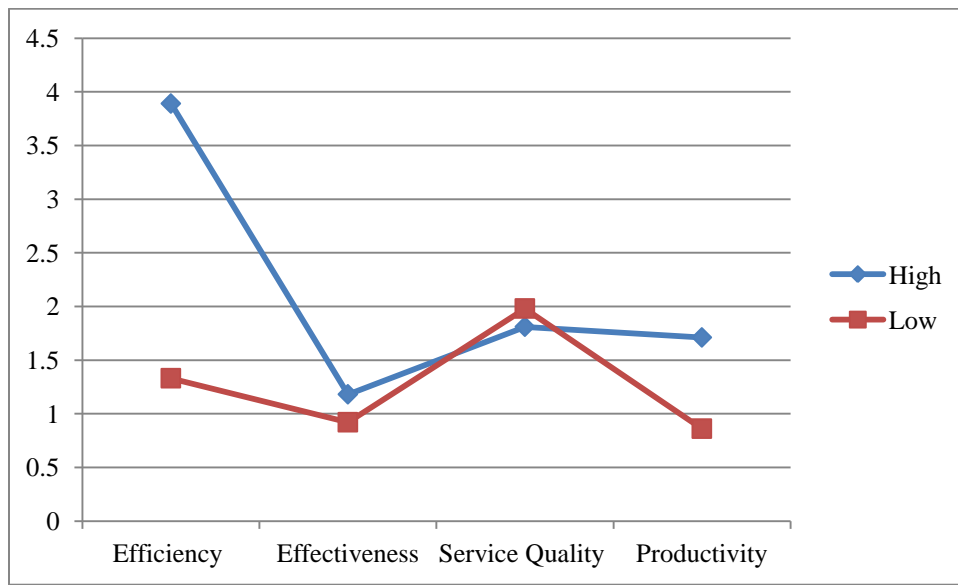


*Table 4.18. Impact of Participation in Strategic Planning on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	8	3.89	2.65**	2.81	0.943	0.281
	Lower SP	9	1.33				
Effectiveness	Higher SP	14	1.18	0.26	0.83	0.313	0.139
	Lower SP	13	0.92				
Service Quality	Higher SP	5	1.81	0.17	1.98	0.086	-0.279
	Lower SP	9	1.98				
Productivity	Higher SP	8	1.71	0.85	1.73	0.491	0.345
	Lower SP	4	0.86				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.4. Impact of Participation in Strategic Planning on Performance: Comparison of Means*

The conclusion could be that with the exception of service quality, more participation positively impact performance. However, as with capacity, this index was not highly reliable. So, the external participation index and individual items for internal participation were analyzed in addition to the above analysis. The results of these analysis are displayed in tables 5.19-2.21.

*Table 4.19. Impact of External Participation in Strategic Planning on Performance: Difference of Means*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	7	3.00	0.78	2.54	0.307	0.237
	Lower SP	10	2.22				
Effectiveness	Higher SP	12	1.16	0.19**	1.05	0.181	0.133
	Lower SP	15	0.97				
Service Quality	Higher SP	5	1.34	0.91**	1.92	0.474	-0.363
	Lower SP	9	2.25				
Productivity	Higher SP	7	1.88	1.08	1.43	0.755	0.115
	Lower SP	5	0.80				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

The group with higher external participation in their strategic planning activities had higher means for efficiency, effectiveness, and productivity. The group with lower external participation was higher on one dimension of performance, service quality. The difference in the means of the two groups is significant with a moderate effect size and correlation. So for service quality, there is evidence that external participation can have a negative impact on service quality. Out of all of the measures, service quality indicators

are typically the performance measures that interest citizens the most. It is interesting that the involvement of citizens and business leaders is negatively associated with that measure.

However, the other three measures tell a different story. The difference in mean effectiveness is higher for the group with more external participation and is statistically significant. But the effect size and low correlation demonstrates only a small practical significance. The effect size and correlation with efficiency demonstrates a moderate impact. The difference in mean productivity is large, though the correlation is smaller. All of the evidence taken together demonstrates that in the cases of efficiency, effectiveness, and productivity more external participation can potentially help performance.

*Table 4.20. Impact of Mid-Level Management Participation in Strategic Planning on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	4	3.66	1.47**	2.54	0.579	0.197
	Lower SP	13	2.19				
Effectiveness	Higher SP	5	0.88	0.21	1.05	0.20	-0.085
	Lower SP	22	1.09				
Service Quality	Higher SP	3	2.89	1.23	1.92	0.641	-0.336
	Lower SP	11	1.66				
Productivity	Higher SP	4	2.30	1.31**	1.43	0.916	0.373
	Lower SP	8	0.99				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

The impact of the participation of mid-level managers in the strategic planning process on performance has mixed results. The group with more mid-level participation has higher efficiency and productivity means. The difference in efficiency means has a moderate effect size and a smaller correlation. The difference in productivity means has a very large effect size and a moderate correlation. However, the group with less participation of mid-level managers does better on effectiveness and service quality, though the effect size for effectiveness is small and the correlation is approaching zero. The effect size and correlation for service quality demonstrates a moderate impact. This could be because mid-level managers are typically running the day-to-day operations of a department and are more concerned with seeing that these operations are completed in a timely manner so that they are more interested in efficiency and productivity overall. Their involvement in the strategic planning process could reflect this concern.

*Table 4.21. Impact of Low-Level Employee Participation in Strategic Planning on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	11	3.01	1.35*	2.54	0.531	0.066
	Lower SP	6	1.66				
Effectiveness	Higher SP	17	1.19	0.37	1.05	0.352	0.157
	Lower SP	10	0.82				
Service Quality	Higher SP	7	2.88	1.92**	1.92	1.000	0.427
	Lower SP	7	0.96				
Productivity	Higher SP	8	1.65	0.67	1.43	0.469	0.442
	Lower SP	4	0.98				

*\*Significant at the .1 level*

*\*Significant at the .05 level*

On the other hand, the involvement of low-level employees tells a different, more consistent story. The group with more lower-level involvement in their strategic planning process has higher mean performance across the board. The effect sizes for all of these differences are at least moderate, with the exception that service quality has quite a large effect size. The correlations for service quality and productivity are both about .4. The differences in mean efficiency and service quality are statistically significant. Therefore, there is evidence that lower-level participation in strategic planning can positively impact performance.

### **Strategic Planning Elements**

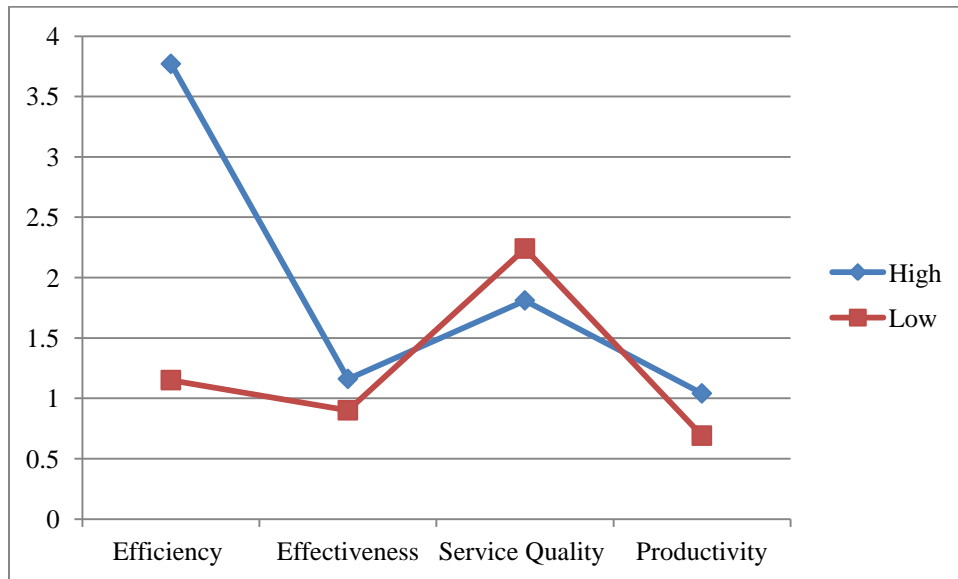
Departments that incorporate more of the recommended elements have a higher mean performance in all dimension of performance with the exception of service quality. The difference between the two groups' mean service quality, though, is small, confirmed with a small effect size. The mean effectiveness and productivity of the group using the recommended elements to a greater extent is above average and the lower group is below average. Both of the effect sizes for efficiency and productivity are moderate, rounding .299 up for effectiveness. The difference in mean efficiency between the groups is quite large, though both are above average. The effect size of .913 is large and the difference is statistically significant. Furthermore, there is a moderate relationship between the elements index and efficiency with a correlation of .356. In terms of efficiency, effectiveness, and productivity, it appears that incorporating more of the elements of strategic planning has a positive impact on performance.

*Table 4.22. Impact of Strategic Planning Elements on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	9	3.77	2.62**	2.87	0.913	0.356
	Lower SP	7	1.15				
Effectiveness	Higher SP	12	1.16	0.26	0.87	0.299	0.128
	Lower SP	14	0.90				
Service Quality	Higher SP	7	1.81	0.43	2.04	0.211	-0.053
	Lower SP	6	2.24				
Productivity	Higher SP	9	1.04	0.35	0.69	0.507	0.247
	Lower SP	3	0.69				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.5. Impact of Strategic Planning Elements on Performance: Comparison of Means*

## Dissemination

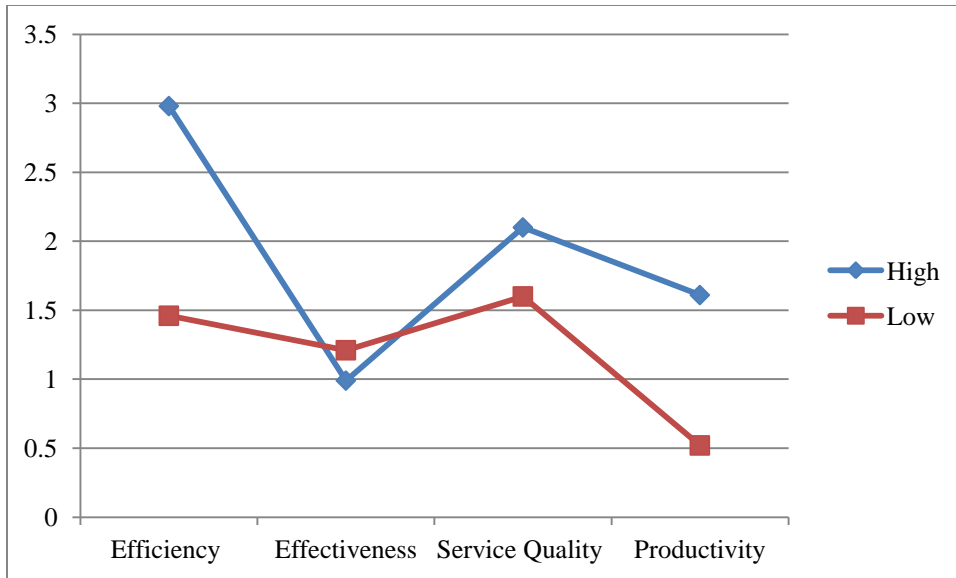
Departments with less dissemination have a higher mean effectiveness than the group that does more. This difference is statistically significant but the effect size is small. This result is interesting and could reflect that in certain instances dissemination of the plan could result in an activity that takes away from performing well. However, the group that does more dissemination has higher means for efficiency, service quality, and productivity than the group that does less. The correlation between the dissemination index and productivity is .280 which demonstrates a small to moderate relationship. The effect size for productivity, as well as efficiency, is also moderate. The effect size for service quality is smaller, though. Overall, the results for dissemination, though mixed, provides some evidence that departments with more dissemination have better performance.

*Table 4.23. Impact of Dissemination of Strategic Plan on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	12	2.98	1.52	2.81	0.541	0.239
	Lower SP	5	1.46				
Effectiveness	Higher SP	19	0.99	0.22**	0.83	0.265	-0.030
	Lower SP	8	1.21				
Service Quality	Higher SP	9	2.10	0.50	1.98	0.253	0.070
	Lower SP	5	1.60				
Productivity	Higher SP	10	1.61	1.09	1.73	0.630	0.277
	Lower SP	2	0.52				

\*Significant at the .1 level

\*Significant at the .05 level



*Figure 4.6. Impact of Dissemination of Strategic Plan on Performance: Difference of Means and Correlations*

### **Performance Measurement**

Departments that integrate performance measurement with their strategic planning practices also have better mean performance than those that do so to a lesser extent, in all but one dimension. The group that does less integration has better than average performance and the one that does more has a mean below average. And, in contrast to the previous indexes, the difference in effectiveness means is quite large. The effect size of this difference is also quite large at .831 and the difference is statistically significant at the .05 level. This index and effectiveness are also moderately correlated (-.279). However, departments with more integration do better on the other three dimensions with moderate effect sizes. Therefore, the pattern still suggests that the payoff for doing more integration is moderately significant and worthwhile.

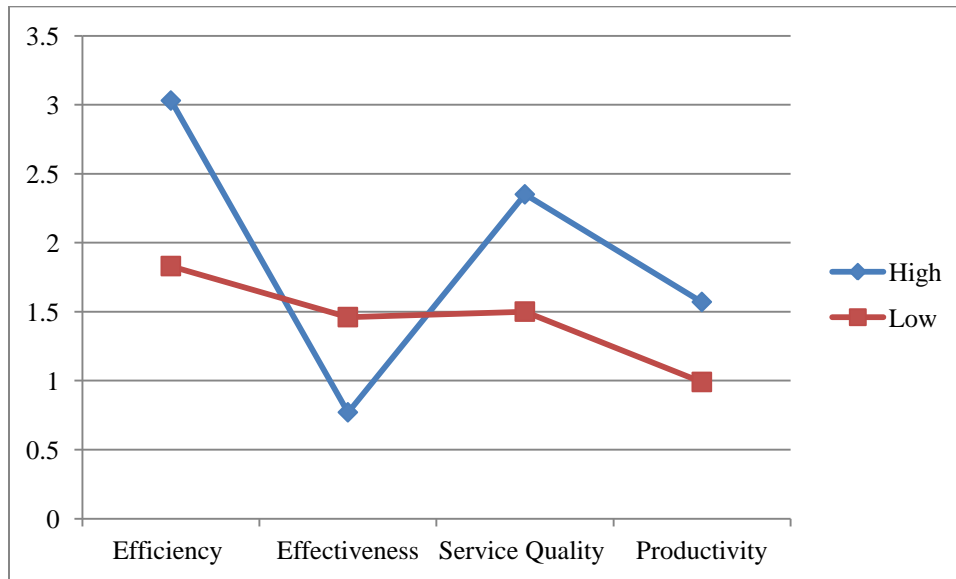


*Table 4.24. Impact of Integration with Performance Measurement on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	10	3.03	1.20	2.81	0.427	0.068
	Lower SP	7	1.83				
Effectiveness	Higher SP	16	.77	0.69**	0.83	0.831	-0.196
	Lower SP	11	1.46				
Service Quality	Higher SP	7	2.35	0.85	1.98	0.439	0.124
	Lower SP	7	1.50				
Productivity	Higher SP	9	1.57	0.58	1.73	0.335	0.083
	Lower SP	3	0.99				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.7. Impact of Integration with Performance Measurement on Performance: Comparison of Means*

## Financial Management

The relationship between integrating financial management and performance is less clear than the preceding indexes. Departments that link their budgeting and strategic planning processes to a large extent have better mean performance than those that do so to a lesser extent in terms of both effectiveness and productivity. For both dimensions of

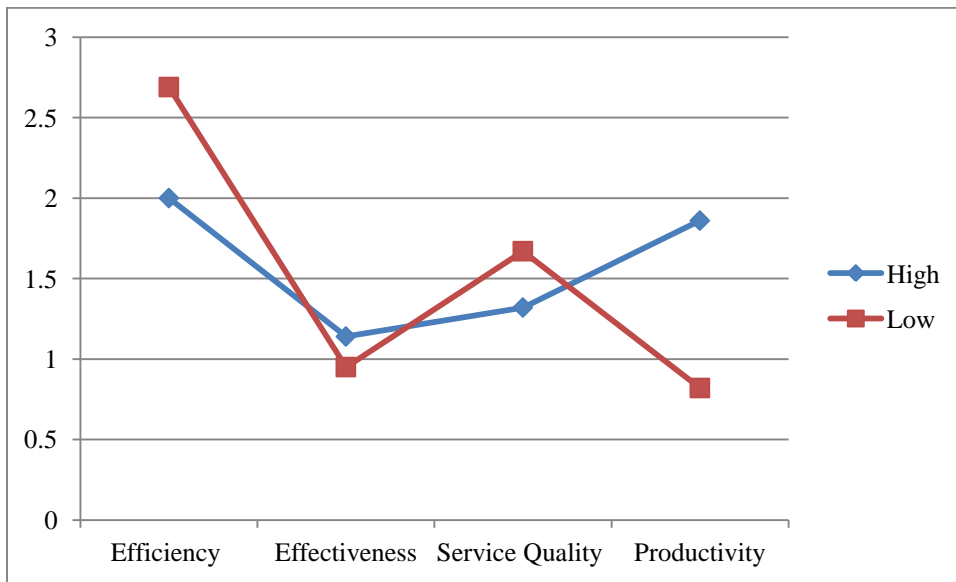
performance, the group that did so to a greater extent had mean effectiveness and productivity that was above average and the means for those that did so to a lesser extent were below average. The effect sizes are small, as they are for all dimensions of performance with this index, with the effect size for productivity nearly being nonexistent. The group that did less integration of their budgeting and strategic planning processes did slightly better on efficiency and service quality but these differences are very small.

*Table 4.25. Impact of Integration with Financial Management on Performance: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	8	2.00	0.69	2.78	0.248	-0.140
	Lower SP	8	2.69				
Effectiveness	Higher SP	15	1.14	0.19	0.83	0.229	0.195
	Lower SP	12	0.95				
Service Quality	Higher SP	5	1.32	0.32	2.06	0.155	0.143
	Lower SP	8	1.67				
Productivity	Higher SP	7	1.86	0.04	1.73	0.023	0.144
	Lower SP	5	0.82				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.8. Impact of Integration with Financial Management on Performance: Comparison of Means*

## HR Management

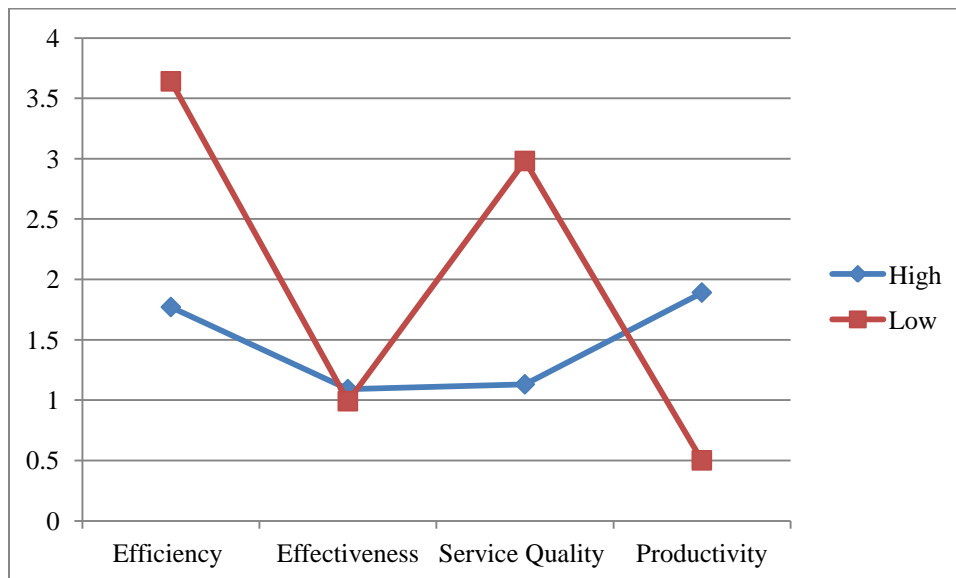
Like integration of the budgeting and strategic planning processes, the impact of integrating human resources management and strategic planning on performance is also mixed. Departments that linked human resource practice with strategic planning to a greater extent had higher means for effectiveness and productivity, similar to the analysis for the budgeting index. The effect size for effectiveness is very small. The effect size of productivity is much larger at .803 and is statistically significant at the .1 level. This index and productivity is also moderately correlated (.284). However, the effect sizes for efficiency and service quality are also quite large and demonstrate that departments with less integration of human resource management and strategic planning perform better than those with higher integration. Thus, the impact on integrating human resource management and strategic planning on performance is also unclear.

*Table 4.26. Impact of Integration with HR Management on Performanc: Difference of Means and Correlations*

<i>Dimension of Performance</i>	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Difference of Means</i>	<i>Standard Deviation</i>	<i>Effect Size</i>	<i>Correlation</i>
Efficiency	Higher SP	10	1.77	1.87	2.81	0.665	-0.135
	Lower SP	7	3.64				
Effectiveness	Higher SP	17	1.09	0.10	0.83	0.120	-0.002
	Lower SP	10	0.99				
Service Quality	Higher SP	8	1.13	1.85	1.98	0.934	-0.417
	Lower SP	6	2.98				
Productivity	Higher SP	8	1.89	1.39*	1.73	0.803	0.305
	Lower SP	4	0.50				

*\*Significant at the .1 level*

*\*Significant at the .05 level*



*Figure 4.9. Impact of Integration with HR Management on Performanc: Difference of Means and Correlations*

### Impact by Dimension of Performance

The findings for Hypothesis 4 demonstrates the opposite of the stated hypothesis that strategic planning would have a greater impact on effectiveness and service quality than efficiency and productivity. Figure 4.10 demonstrates the mean of both groups across each dimension of performance. A quick glance is all one needs to determine that strategic planning has a consistently positive impact on efficiency and productivity, not effectiveness and service quality. The most consistent findings across all indexes pertain to productivity. For each index, the group with more comprehensive processes had a better mean productivity than the group with less comprehensive processes. The finding is also consistent across seven of the nine indexes for efficiency. The results are mixed for effectiveness and service quality, though the majority of indexes have higher mean performance for the more comprehensive group.

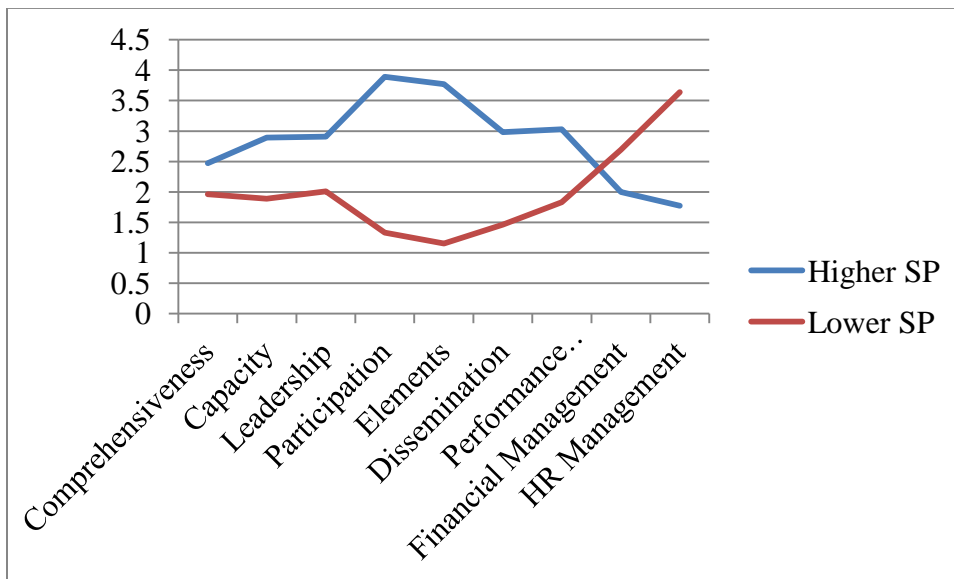


Figure 4.10: Efficiency Means of Planning Indexes

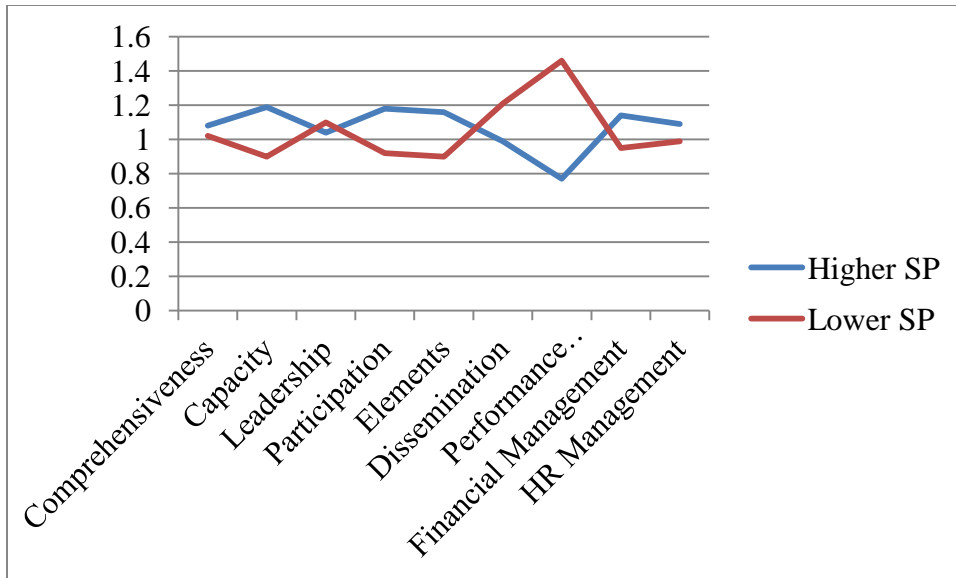


Figure 4.11: Effectiveness Means of Planning Indexes

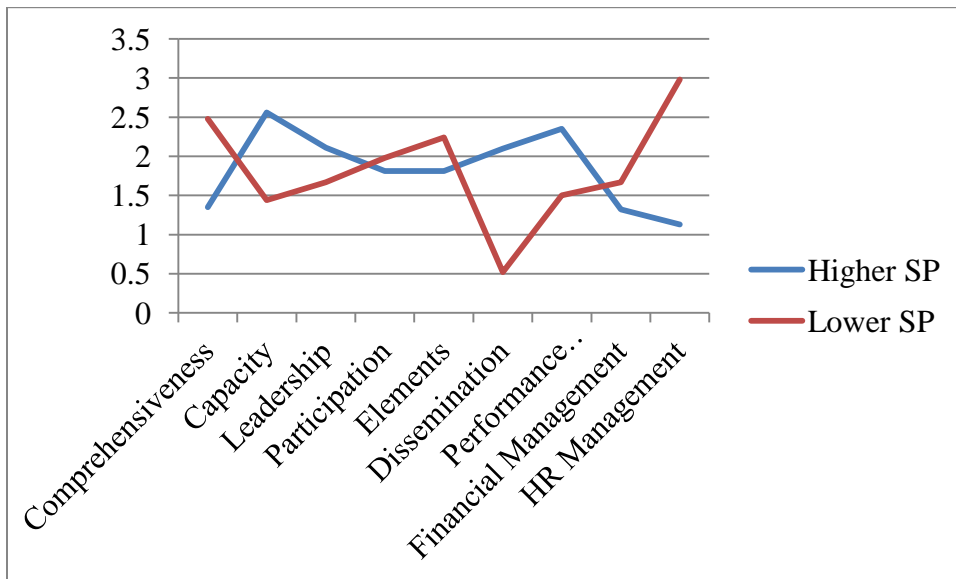


Figure 4.12: Service Quality Means of Planning Indexes

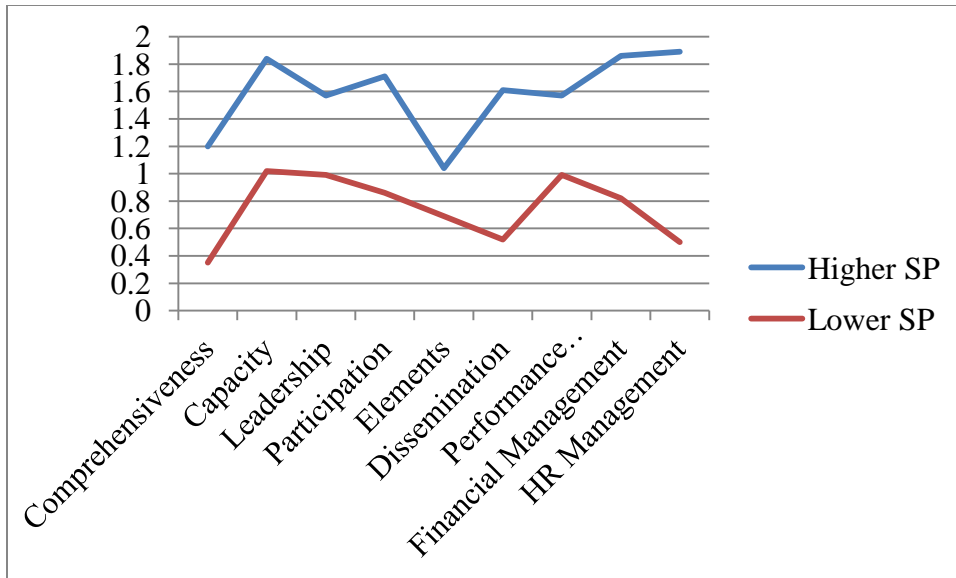


Figure 4.13: Productivity Means of Planning Indexes

### Discussion of Findings

The results demonstrate that a high quality process is associated with better performance in a majority of the analyses, albeit a small majority, as summarized in Table 4.27. The glaring exceptions of integration of other management processes and strategic planning process are the most surprising, particularly given the strong practical significance of three of these relationships. These results are particularly interesting given that integration of these processes would appear to streamline all strategic management processes.

On the surface, this would lead one to logically conclude that this streamlined approach would lead to better performance. While agreement with the statements about integration were all above a majority, a closer look at these items reveal that most departments were doing basic integration activities but less were doing activities that would represent a high level of integration. For example, eighty-seven percent of departments were tracking outcomes targeted by their strategic plan but only sixty-five

percent were benchmarking their performance against departments in other jurisdictions for the same reason. There is the possibility that more integration would produce better results. There is also the possibility that that integration requires so much time that it takes away from activities that would directly contribute to better performance.

The findings demonstrate consistent results for efficiency and productivity but mixed results for the other dimensions. However, not including the integration measures, where the differences favor doing less in terms of strategic planning, the effect sizes are small and the relationships between the measures of strategic planning and performance are weak.

*Table 4.27: Summary of Findings*

	Efficiency	Effectiveness	Service Quality	Productivity
Comprehensiveness	Small, positive effect	No effect	Moderate, positive effect	Large, positive effect
Capacity	Moderate, positive effect	Moderate, positive effect	Moderate, positive effect	Moderate, positive effect
Leadership	Moderate, positive effect	No effect	Moderate, negative effect	Moderate, positive effect
Participation	Large, positive effect	Moderate, positive effect	No effect	Moderate, positive effect
Elements	Large, positive effect	Moderate, positive effect	Small, negative effect	Moderate, positive effect
Dissemination	Moderate, positive effect	Small, negative effect	Small, positive effect	Moderate, positive effect
Performance Measurement	Moderate, positive effect	Large, negative effect	Moderate, positive effect	Moderate, positive effect
Financial Management	Small, negative effect	Small, positive effect	Small, positive effect	No effect
HR Management	Moderate, negative effect	Small, negative effect	Large, negative effect	Large, positive effect



This is an interesting finding because it demonstrates that a comprehensive strategic planning process has a larger, positive impact on the efficiency and productivity measures than measures of effectiveness and service quality, which are tied to the goals and missions of the departments. Even though the purpose of strategic planning is to be forward-looking, this exploratory study demonstrates that the strongest and most consistently positive impact of strategic planning was on measures that represent performance on daily operations.

One of the most common complaints of survey respondents about strategic planning is that it takes too much time away from daily operations. It is possible that longer-term strategic planning moves beyond the initial time investment that takes away from daily operations to actually strengthening the day-to-day performance of organizations. Indeed, the first hypothesis found that that more experience with strategic planning led to more comprehensive processes. There is not enough data here to support or even explore this prediction. However, it is definitely a finding that should be explored more fully in the future.

The limitations of the study notwithstanding, I believe that these results support further studying the relationship between strategic planning and organizational performance. In the next chapter, I will outline how I believe the findings of the study can inform the strategic planning practice of local governments and public organizations more generally. Furthermore, I will explore how this research can inform my research agenda for the future as well as the implications for other public management researchers.

## **CHAPTER 5**

### **DISCUSSION AND CONCLUSIONS**

#### **Summary of Findings**

As demonstrated in Chapter 4, this exploratory study gives cause for continuing to study the comprehensiveness of the strategic planning process and its potential impact on performance. The results demonstrate that the local government departments in this study with more strategic planning experience had more comprehensive processes than those with less experience. The results also suggest that this group of departments got some benefit from applying more comprehensive processes, at least in terms of performance and most strongly for efficiency and productivity measures.

The findings of this exploratory study help researchers and practitioners alike to better understand strategic planning processes in the public sector and the impact strategic planning might have on organizational outcomes. This dissertation can help inform future research by providing a framework of comprehensive strategic planning process and preliminary findings that strategic planning can impact organizational outcomes. This study also helps public managers understand how to apply strategic planning in their own organizations or departments and lays the groundwork for demonstrating that those efforts might pay off in terms of performance. This chapter lays out how the framework and the findings inform both future research and the continuing practice of strategic planning.

## **Limitations of Study**

As noted, this study is exploratory in nature any generalizations drawn from these findings should be done so with some caution. As discussed in Chapter 3, the purposive sample likely results bias in the findings. To use objective performance data, the sample was drawn from participants in a performance gathering effort by the ICMA. These departments pay to participate in this effort, which demonstrates that their awareness of performance and performance measurement is likely more developed than in similar departments that do not participate in the ICMA.

Also, the nature of the data and lower response rate deems multivariate regression analysis inappropriate for this study. This is a limitation because I am unable to control for important variables that likely also explain performance most likely resulting in omitted variable bias in the study. However, the exploratory findings in this study provides guidance for future research.

## **Implications of Findings and Study**

### **Implications for Theory**

Much has been written about strategic planning in the public sector. These works include many books and articles that are a mix of academic research (see Poister and Streib 2005), case studies (see Wheeland 2004), and advice on how to do strategic planning (see Bryson 2004). Strategic planning is in a stage where it is a well-accepted management practice. Furthermore, public organizations are improving their ability to do strategic planning (Bryson 2004). As researchers, we are in a period where some reflection on past research can be extremely helpful in moving future research forward. For that reason, this thesis has brought together public sector research to develop a

framework of strategic planning comprehensiveness. The framework elaborates the current theory on the strategic planning process and adds to the current stream of literature by bringing a diverse set of research together in a comprehensive manner.

Few public sector studies focus on how management innovations become mainstream approaches in public organizations. This study demonstrates that more experience with strategic planning results in more comprehensive processes. This is likely a function of organizational learning and routinization (Yin 1981). This study gives cause to understand further the function of learning and routinization in the public sector with the introduction of new management innovations, which can help researchers further understand the use of management strategies.

### **Implications for Methodology**

The framework also helps the current research stream exploring the possible impact of strategic planning on organizational performance (Hendrick 2003, Boyne and Gould-Williams 2003, Andrews et al. 2009, Walker et al. 2010, Ugboro et al. 2010, and Poister et al. 2011) move forward by demonstrating that it is important to consider how strategic planning is operationalized for large-n quantitative studies. We need to keep in mind that simply going through the motions of doing strategic planning is not enough to have an impact on organizational outcomes, as pointed out by Bryson (2004). The way strategic planning is modeled in a study matters. To date, most of the research on strategic planning and performance has used a single latent variable to represent the entire process (Andrews et al. 2009, Boyne et al. 2010, and Poister et al. 2010). This research explores eight dimensions of comprehensive strategic planning processes and

demonstrates that there are many factors about the process that should be considered in large-n studies.

The study findings also have implications for the continuation of research not only with strategic planning but with other management strategies, as well. First, as a field we need to think seriously about how we model performance. In some of the studies that link strategic planning to performance, the performance variable was not only perceptual but linked some way back to strategic planning (Boyne and Gould-Williams 2003, Hendrick 2003, and Korosec 2006). For example, Boyne and Gould-Williams (2003) specifically ask whether the planning program they were studying improves certain dimensions of performance. When data are available, it is important to use objective performance measures in studies where performance is modeled as the dependent variable. When data are unavailable, perceived performance should be separated from the management strategy that is being analyzed.

Also, it is important to test the potential impact on different dimensions of performance. As demonstrated here, the impact of overall comprehensiveness in strategic planning had a different impact on each dimension of performance. Certain measures may be more affected by management strategies than others. This suggestion comes with the same caveat as above, though. Secondary data for most types of public organizations across several dimensions of performance are difficult to come by and even more difficult to collect first-hand.

However, this does not mean that such endeavors in data collection should not be attempted. The biggest drawback to building the data set for this study was the potential analysis that I was not able to do based on the number of observations. The incomplete

nature of my secondary data source cut down the number of observations substantially and would likely be a problem for any type of performance data gathered on a voluntary basis. In these cases, the small number of observations should not be a deterrent but rather result in an adjustment in how to approach the analyses. This type of research is evaluative and it makes sense to think like an evaluator. Studying the differences between organizations is a common approach for evaluating the potential impact of an intervention. Management strategies, or interventions, can be studied in the same manner. Difference of means tests and effect sizes in addition to correlations can help us understand the significant and practical impact of investing in certain management strategies. This approach does have its drawbacks but the payoff is being able to use performance data already gathered.

### **Implications for Public Managers**

This framework can also help guide public managers in their strategic planning efforts. As stated, there are already many resources to help guide them through the process but not all are available to the practitioner. By bringing together these many works, the framework becomes a tool for public managers considering strategic planning or how to improve their current practice. The framework is by no means a simple checklist of what to do if organizations want to improve performance. Rather, the framework can help organizations think through what has been meaningful in other contexts and potentially make sense for their own organizations.

The public managers that responded are doing strategic planning in a fairly comprehensive manner and are getting better at strategic planning the longer they use it in their departments. This should give public managers either at the beginning of the

process or disappointed in their primary attempt at strategic planning encouragement to continue the process and learn from their early mistakes. Strategic planning should be a flexible process that is continually updated with new information (Bryson 2004). That does not end with just the content of the plan but also the process of planning.

The findings also give reasons to believe that strategic planning can have a positive impact on organizations beyond the benefit gained from simply doing planning, particularly for organizational performance. Though the generalizability of this study is debatable, the evidence, nonetheless, shows that for the responding departments more comprehensive strategic planning processes were associated with better performance. The respondents were asked what they believed the biggest drawbacks to strategic planning to be and the most common answer by far was the time and effort it took away from other projects more central to their departmental mission. This should give public managers cause to consider that the time and effort spent on strategic planning might have a performance payoff that will make planning worthwhile in the end.

### **Future Research**

This study has given me many reasons to continue my research into strategic planning and whether or not strategic planning, when done well, can improve organizational performance. In the future, one of the first areas that needs attention is more exploratory work to develop the reasons why strategic planning can potentially improve performance. The mechanisms that explain this link have yet to be fully developed. This study provides evidence that the link is more likely to be present when strategic planning is done well but there may also be other mediating factors, such as the clarity in goals set by the strategic plan and the ease in measuring whether those goals are

being met. At a recent public management conference, other researchers are becoming interested in not only describing potential impacts of management strategies on performance but also the mechanisms that explain why there would be an impact.

I would also like to apply the methods of organizational research (Yin 1981) to study the life cycle of strategic planning in local governments. By doing qualitative research at the local level, the impact of learning and experience on the comprehensiveness of strategic planning can be further explored. This type of research could help illuminate how organizations learn in the midst of strategic planning and how they apply what they have learned to improve their processes.

There is also great potential in studying one department rather than six departments. The CPM data on police departments was far more complete than the other departments in this study. Police departments are required to gather data for the Federal Bureau of Investigation's Uniform Crime Report (UCR), so they had the data requested for the CPM readily available. These data are available to the public upon request and would provide more data for analysis than the CPM. Also by focusing on one type of department, the performance measures can be used in their raw form and make it easier to account for other factors that might impact performance specifically in that particular department.



## APPENDIX A: SURVEY ITEMS

### Tenure

1. What is your current position in your jurisdiction? \_\_\_\_\_
2. How long have you been in your current position? \_\_\_\_ (in years)
3. How long have you been with your current jurisdiction? \_\_\_\_ (in years)

### Perceived Performance

1. Has the overall performance of your department improved, worsened or stayed the same over the past three years?
  - a. Improved
  - b. Worsened
  - c. Stayed the same

### Strategic Planning

1. Please indicate which statement most accurately reflects your department:
  - a. My department initiated a formal, *departmental* strategic planning process before 2008.
  - b. My department initiated a formal, *departmental* strategic planning process after 2008.
  - c. My department has not initiated a formal, *departmental* strategic planning process.

*(If answer is B or C, respondent was thanked for participation and survey will end)*

2. Please indicate which of the following statements best describes strategic planning efforts in your department?
  1. My department has initiated strategic planning but have not completed it at this point
    - a. When will the first plan be completed? *(prompted when answering)*
  2. My department has completed on strategic planning effort
    - a. When was this plan completed? *(prompted when answering)*
  3. My department has completed multiple strategic planning efforts in a continuing cycle of monitoring and updating.
    - a. When was your last plan completed? *(prompted when answering)*

3. Why did your department decide to undergo strategic planning?

	Select all that apply
a. Part of a broader, jurisdiction-wide strategic planning effort	
b. Budgetary crisis	
c. Extra financial resources available	
d. Political uncertainty	
e. Uncertainty of external environment	
f. Mandate from jurisdiction's chief administrative officer (ex. city manager or mayor)	
g. Recommendation of planning staff	
h. Mandate from city council	
i. Recommendation of outside consultant	
j. Positive experiences in other jurisdictions	
k. Recommendation of national professional association (for example ICMA or ASPA)	
l. Past experience of executive management	

4. Rank up to three of the most important factors from above, with number one representing the most important factor (answer with corresponding letter):

1. \_\_\_
2. \_\_\_
3. \_\_\_

### Strategic Capacity

Thinking about your strategic planning practices in your department between 2004 and 2008, to what extent do you agree or disagree that the following statements represent the capability of your department to complete strategic planning?

SA=Strongly Agree    A=Agree    N=Not Sure    D=Disagree    SD=Strongly Disagree

	SA	A	N	D	SD
1. My department invested the necessary financial resources in the strategic planning process					
2. Our staff, at all levels, was highly knowledgeable about strategic planning					
3. Generally, managers at the program level had good management skills					
4. My department had the capability to gather and analyze data concerning performance in our department					
5. My department had the capability to gather and analyze data concerning our external environment					
6. My department had staff with analytical functions dedicated to the strategic planning process					

### Leadership

Thinking about your department's strategic planning practices between 2004 and 2008, to what extent do you agree or disagree that the following statements describe the leadership in your department?

SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
1. The political leadership of my jurisdiction (city council and mayor) was highly committed to the strategic planning process in our department					
2. The administrative leadership of my jurisdiction (city manager and other department heads) was highly committed to the strategic planning process in my department					
3. The administrative leadership of my jurisdiction holds me responsible for implementing my department's strategic plan					
4. My department had an individual, or team of individuals, that made it their focus to ensure that the process of strategic planning stays high on the agenda					
5. I was able to get the necessary financial resources to complete strategic planning					
6. I was able to keep staff members focused on the strategic goals and objectives under their responsibility					

### Participation

To what extent do you agree or disagree that the following statements represent your department's efforts to include various stakeholders in strategic planning efforts between 2004 and 2008?

SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
1. Citizens from my jurisdiction were recruited to participate in the strategic planning process					
2. Business leaders were invited to participate in the strategic planning process					
3. Mid-level managers were centrally involved in the development of our strategic plan					
4. Lower-level employees were centrally involved in the development of our strategic plan					
5. My department utilized the information we gathered from stakeholders (citizens, business leaders, and employees) to make decisions during the strategic planning process					

### Process Elements

Thinking about the time between 2004-2008, how much do you agree or disagree that the following elements were included in your department's strategic planning process?

**SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree**

	<u><b>SA</b></u>	<u><b>A</b></u>	<u><b>N</b></u>	<u><b>D</b></u>	<u><b>SD</b></u>
a. Review of organizational mission					
b. Clarification of departmental mandates					
c. Evaluation of external threats and opportunities					
d. Assessment of internal strengths and weaknesses					
e. Development of vision statement					
f. Development of strategic goals and objectives					
g. Feasibility assessment of proposed strategies					
h. Development of action plans					
i. Identification of needs and concerns of various stakeholders (citizens, business leaders, and employees)					
j. Continuous evaluation of strategic planning process					

### Dissemination

To what extent do you agree or disagree that the following statements represent the implementation of your department's strategic plan between 2004 and 2008?

**SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree**

	<u><b>SA</b></u>	<u><b>A</b></u>	<u><b>N</b></u>	<u><b>D</b></u>	<u><b>SD</b></u>
1. We produced a strategic planning document					
2. We disseminated the plan to employees at all levels of our department					
3. We disseminated the plan externally to citizens and business leaders in our community					
4. We uploaded a summary of the plan to our jurisdiction's website for public viewing					

### Integration with Performance Measurement

Thinking about the time between 2004 and 2008, to what extent do you agree or disagree that the following statements represent how your department integrated strategic planning with performance measurement efforts?

SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
1. We used performance measures to track the implementation of project or other initiatives called for by the strategic plan					
2. We used performance measures to track the accomplishment of goals and objectives found in the strategic plan					
3. We used performance measures to track outcome conditions targeted by the strategic plan					
4. We reported performance measures associated with the strategic plan to the city council on a regular basis					
5. We reported performance measures associated with the strategic plan to public on a regular basis					
6. We used performance measures to benchmark our performance against similar departments in other jurisdictions to gauge the effectiveness of strategic initiatives					
7. We tracked performance data over time to determine whether performance in strategic results areas has improved over previous levels					

### Integration with Financial Management

To what extent do you agree or disagree that the following statements describe your department's efforts to link strategic planning with financial management between 2004 and 2008?

SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
1. The annual budget strongly supported the goals, objectives, and priorities established in our strategic plan					
2. The city council considered strategic goals and objectives when reviewing my department's annual budget					
3. The capital budget for our department reflected the goals, objectives, and priorities established in our strategic plan					
4. Whenever possible, the budget of my department targeted achievement of strategic goals and objectives					
5. The strategic plan had strong influence on the budget requests of my department					

### Integration with HR Management

Thinking about the time between 2004 and 2008, to what extent do you agree or disagree that the following statements represent your department's efforts to integrate strategic planning with human resource management?

SA = Strongly Agree    A = Agree    N = Neutral    D = Disagree    SD = Strongly Disagree

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
1. My yearly evaluation was based on accomplishment of the strategic goals and objectives					
2. Annual evaluations of other employees were based in part on their accomplishment of strategic goals and objectives					
3. Annual salary adjustments in my department were based on contributions to advancing our strategic plan					

### Page 12: Strategic Planning Outcomes

1. To what extent are you satisfied with the achievement of your strategic goals and objectives between 2004 and 2008?

- Very satisfied
- Satisfied
- Not sure
- Dissatisfied
- Very dissatisfied

2. Overall, how would you rate the benefits of strategic planning as compared to the costs?

- The benefits of strategic planning are greater than the costs
- The costs of strategic planning are greater than the benefits
- The benefits and costs of strategic planning are about equal

### Comments

- In your opinion, what was the greatest benefit of doing strategic planning? (*open-ended*)
- In your opinion, what was the greatest drawback of doing strategic planning? (*open-ended*)

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## Research and Teaching Areas of Interest

Public and Nonprofit Management  
Public Policy Analysis  
Public Participation  
Evaluation  
Research Methods  
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Explaining Gender Pay Disparities in Nonprofit Industries: A Multilevel Model. *Nonprofit and Voluntary Sector Quarterly* (revise and resubmit). With Lewis Faulk, Gregory B. Lewis, and Jasmine McGinnis.

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### **Papers in Progress**

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"Linking Public Participation Input to Content: A Case Study." With Sarah Arnett.

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### **Presentations**

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"The Impact of Strategic Planning on Organizational Outcomes." Association for Public Policy Analysis and Management, Boston, MA, November, 2010. With Theodore H. Poister and Obed Pasha.

"The Impact of Strategic Stance on Program Outcomes in Local Transportation Agencies." Midwest Political Science Association, Chicago, IL, April, 2010. With Theodore H. Poister, Jason Edwards, Sarah Arnett, and Anita Berryman.

"Explaining Gender Pay Disparities in Nonprofit Industries: A Multilevel Model." Association for Research on Nonprofit Organization and Voluntary Action, Cleveland, OH, November, 2009. With Lewis Faulk, Gregory B. Lewis, and Jasmine McGinnis.

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“Diversity in Local Responses to Hurricane Katrina.” Managing Diverse Societies: A Panel Discussion, Turkish Institute of Police Studies and Public Administration Student Association, University of North Texas, October, 2006. With Lisa Dicke.

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