

**A STUDY OF STRATEGIC PLANNING
IN FEDERAL ORGANIZATIONS**

by

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Dissertation submitted to the Faculty of the
Virginia Polytechnic Institute and State University
in partial fulfillment of the requirements for the degree of

Doctor of Philosophy

in

Public Administration and Policy

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April 27, 1998

Falls Church, Virginia

Key Words: Public Organizations, Strategic Planning, Federal Agencies

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(ABSTRACT)

This dissertation explores strategic planning in federal agencies. The research seeks to uncover difficulties federal agencies experience when making strategic plans, to explore the relationship between these difficulties and the degree of publicness of the agencies, and to uncover and describe techniques used by federal agencies to overcome difficulties. The research is important because strategic planning has gained renewed interest in federal government organizations stimulated by the Government Performance and Results Act of 1993 and there are few empirical studies on strategic planning based on the public character of these organizations. The results present the difficulties and techniques reported by planners in eighteen separate federal agencies and show a relationship between the degree of publicness of the agency and the difficulties encountered in strategic planning.

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GLOSSARY

ACF	Administration for Children and Families
ARL	Army Research Laboratory
CFO	Chief Financial Officer
DoD	Department of Defense
EPA	Environmental Protection Agency
FDA	Food and Drug Administration
GAO	Government Accounting Office
GPRA	Government Performance and Review Act
HHS	Health and Human Services
MBO	Management by Objective
NAVAIR	Naval Air Systems Command
NHTSA	National Highway Traffic Safety Administration
NIMA	National Imagery and Mapping Agency
NSWC	Naval Surface Warfare Center
NSWCDD	Naval Surface Warfare Center, Dahlgren Division
NOAA	National Oceanographic and Atmospheric Administration
NOC	Naval Ordnance Center
OMB	Office of Management and Budget
OSM	Office of Surface Mining
POM	Program Objective Memorandum
PPBS	Planning, Programming, and Budgeting System
ZBB	Zero Based Budgeting

CHAPTER 1

THE PROBLEM AND ITS SETTING

Introduction

The grand promise of strategic planning has been to increase the efficiency and effectiveness of organizations by improving both current and future operations. Strategic planning provides a framework for management's vision of the future. The process determines how the organization will change to take advantage of new opportunities that help meet the needs of customers and clients. The strategic planning process is used by management to establish objectives, set goals, and schedule activities for achieving those goals and includes a method for measuring progress.

The idea of strategic planning has historical roots in the military concept of strategy. The literature of formal strategic planning for organizations emerged in the 1960s. However, most theory and practice have been focused on the private sector, specifically in businesses and for the purpose of improving competitive position in the market. Strategic planning for public organizations is a more recent innovation—first introduced in the 1980s. It has steadily grown as an academic endeavor and tool for public managers, but is not nearly as robust as its private sector predecessor.

This dissertation focuses on a particular component of public organizations, federal agencies. Recently, increased emphasis has been placed on strategic planning in federal organizations with the passage of the Government Performance and Review Act (GPRA) in 1993. This Act requires certain federal agencies to develop and submit to Congress and the Office of Management and Budget (OMB) strategic plans, annual plans, and associated performance measures. Consequently, many federal organizations—beyond those called for in the GPRA—are undertaking strategic planning efforts often based on the theories and techniques supplied in the planning literature for the private sector. Congress and OMB expect that GPRA will lead to increased efficiency and effectiveness based on government that is managed more like a business. But a history of previous managerial innovations or “reforms” in the federal government shows results falling short of expectations.

This dissertation focuses on what difficulties planners and managers in federal organizations experience when they undertake strategic planning and what techniques they employ to overcome these difficulties. The research is set in the context of the differences between public and private organizations and anticipates that these differences are the source of the difficulties in federal organizations undertaking strategic planning.

Organization of the Study

The research has three objectives: (1) to uncover difficulties and compare them to those suggested in the literature; (2) to uncover techniques used to overcome difficulties and relate them to those suggested in the literature; and (3) to explore the relationship between degree of publicness (mix of economic and political authority) and difficulties experienced by federal agencies.

Figure 1-1 shows the overall plan for the research. Elements constituting *publicness*, *difficulties*, and *techniques* will be obtained from the literature about public organizations and public management. This information from the literature will be compared to information from a sample of federal agencies obtained by two main data collection components: (1) a survey by questionnaire of planners to determine the degree of publicness of their organizations, and (2) interviews with these same planners to explore, first, what difficulties they experience when undertaking strategic planning and, second, what techniques they use to overcome these difficulties.

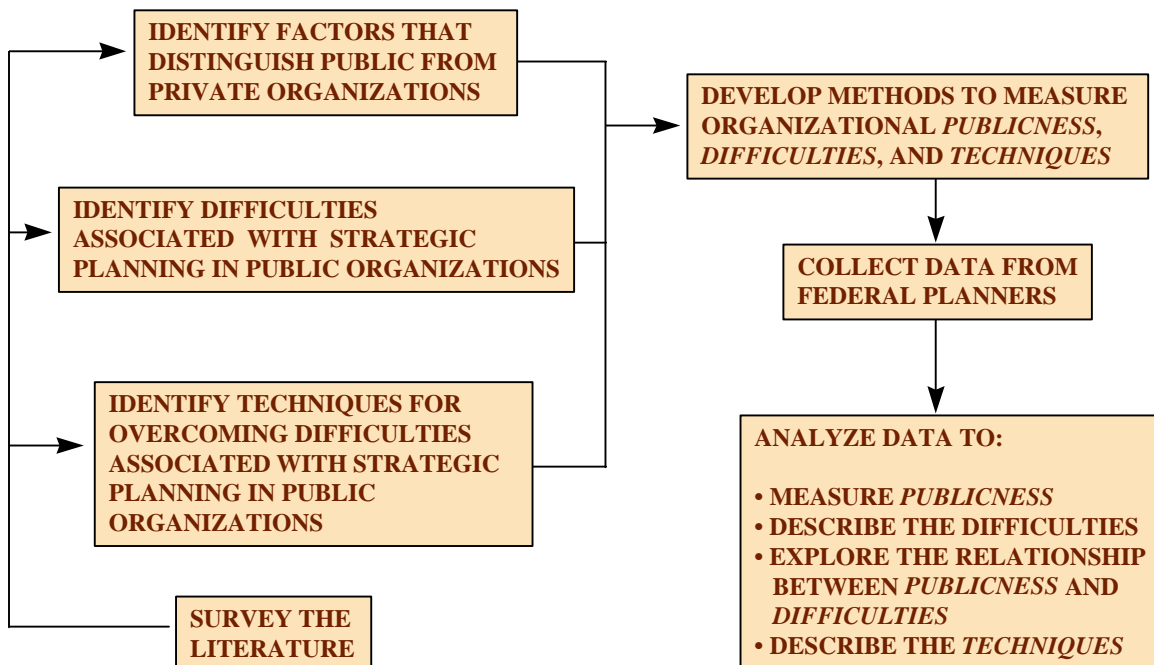


Figure 1-1. The Main Elements of the Research

This dissertation is organized into six chapters. Chapter 1 is a discussion of the research problem and its setting. Chapter 1 seeks to establish why the research is important and what contribution will be made to the field. Chapter 2 contains a review of the relevant literature and addresses how public and private organizations differ. This

chapter also includes the literature from which the constituent elements of the variables *publicness*, *difficulties*, and *techniques* are derived. Chapter 3 describes the methodology for conducting the research, including the overall approach, the research design, the data collection and analysis procedures, and limitations and assumptions. Chapter 4 reports the analysis of the data collected and presents charts depicting information about the variables *publicness*, *difficulties*, and *techniques*. Chapter 5 is a summary of the research along with conclusions from the study and recommendations for further study.

Purpose of the Study

Businesses first used strategic planning as a way to maintain or improve their competitive advantage. Public managers adopted these business practices expecting to improve the effectiveness and efficiency of their organizations and accrue benefits similar to those produced, or advertised, in the private sector. Public organizations may have difficulty realizing these benefits because public managers do not always account for differences in public and private organizations when adopting strategic planning and management processes that were designed for businesses.

With the passage of the GPRA in 1993, strategic planning in federal departments has become a major management reform initiative supported by both the President and Congress. This research seeks to explore how federal agencies are coping with the mandate to develop and implement strategic plans and related performance measures. Federal agencies are a class of public organizations, and this research is based on the premise that their public character is the source of difficulties for managers in these organizations when they undertake strategic planning.

The differences in public and private organizations include political and economic factors that define the degree of publicness of the organizations and that could be the source of difficulties for public managers dealing with strategic change. The aim of this research is to uncover difficulties in a selected group of federal agencies. The degree of publicness of the sample of federal agencies will be established. The research will further show the techniques that planners and managers in these agencies have adopted to overcome the difficulties.

Statement of the Problem and Subproblems

The problem addressed by this research is, “How have federal agencies dealt with the introduction of strategic planning?” In particular, “What difficulties were faced when strategic plans were developed and implemented, and What techniques were employed to overcome these difficulties?”

The study can be broken down into the following subproblems:

1. The first subproblem is to describe strategic planning.

2. The second subproblem is to determine what constitutes a public organization.
3. The third subproblem is to determine what difficulties have occurred during strategic planning in federal organizations.
4. The fourth subproblem is to determine what techniques might be used to overcome difficulties encountered during strategic planning in federal agencies.
5. The fifth subproblem is to analyze and interpret the data so as to evaluate the discovered difficulties and techniques in terms of their impact on successfully implementing strategic plans in federal organizations.

Scope and Delimitations

The study will be limited to federal agencies and will be concerned with formal-deliberate strategic planning processes at the total organizational level. Organizations that employ formal-deliberate planning processes undertake a series of discrete activities in a prescribed sequence. Most organizations employ such a process, and GPRA calls for this type of planning.

The organization is the focus of the study. Strategic planning for the organization addresses the establishment of long term goals, action programs, and resource allocation priorities that encompass the entire mission of the agency. The primary source of information for this study will be individuals involved in developing and implementing the planning process in federal agencies. These *planners* have a perspective of the planning process as it applies to the entire organization and are able to relate the composite experience of individuals throughout the organization. The research is dependent upon how well these planners relate this composite experience. Eighteen federal agencies are subjects of the study.

Definition of Terms

Strategic Planning

There are numerous definitions of strategic planning, and there are many different approaches that can be used to undertake strategic planning. Most definitions focus on aligning the organization with its environment in the future and are based on ideal constructs that yield planning methods that are primary rational, sequential, and comprehensive. Olsen and Eadie define strategic planning as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it acts as it does. Strategic planning usually requires broad-scale information gathering, generation and exploration of alternative courses of action, and an emphasis on the future implications of near-term decisions (Olsen & Eadie, 1982). Typically, strategic planning includes the following components: setting a vision for the

organization; scanning the external environment; assessing internal capabilities; and establishing goals, performance measures, and implementation plans. Implementation addresses specifics about how the organization's financial resources, human resources, information, and reward systems, along with structure and culture, will be changed in the near term to achieve long-term, strategic goals (Bourgeois, 1984; Campbell & Garnett, 1989; Galbraith & Kazanjian, 1986; Hill & Jones, 1995; Roush & Ball, 1980).

The diagram in Figure 1-2 depicts a strategic planning process developed for public sector organizations by Bryson (1995). This model shows a set of integrated planning activities designed to identify and resolve strategic issues facing the organization. A management phase of the process addresses specific implementation actions and assessment of progress. The model emphasizes a set of discrete activities, first aimed at gathering and assessing information, and then integrated in a decision-making process to formulate strategies and implementation actions.

Publicness

Public organizations are characterized by their degree of “publicness”—the amount and mix of economic and political authority. The more political authority dominates, the more public the organization. The more economic authority dominates, the more private the organization (Bozeman, 1984; Bozeman, 1987; Wamsley & Zald, 1973). Bozeman (1987) relates the degree of publicness to organizational characteristics. He locates organizations along a public-private continuum. The public side of this continuum includes the administrative elements of federal, state, and local governments. How management techniques and innovations are introduced into these organizations depends on their degree of publicness. Several writers in the public management area have identified the organizational characteristics that can be used to determine degree of publicness, and these are discussed in Chapter 2, Review of the Related Literature.

Federal Agency

A federal agency is an organizational unit of the Executive Branch.

Difficulties

Difficulties are obstacles encountered by planners and managers in federal agencies engaged in strategic planning activities.

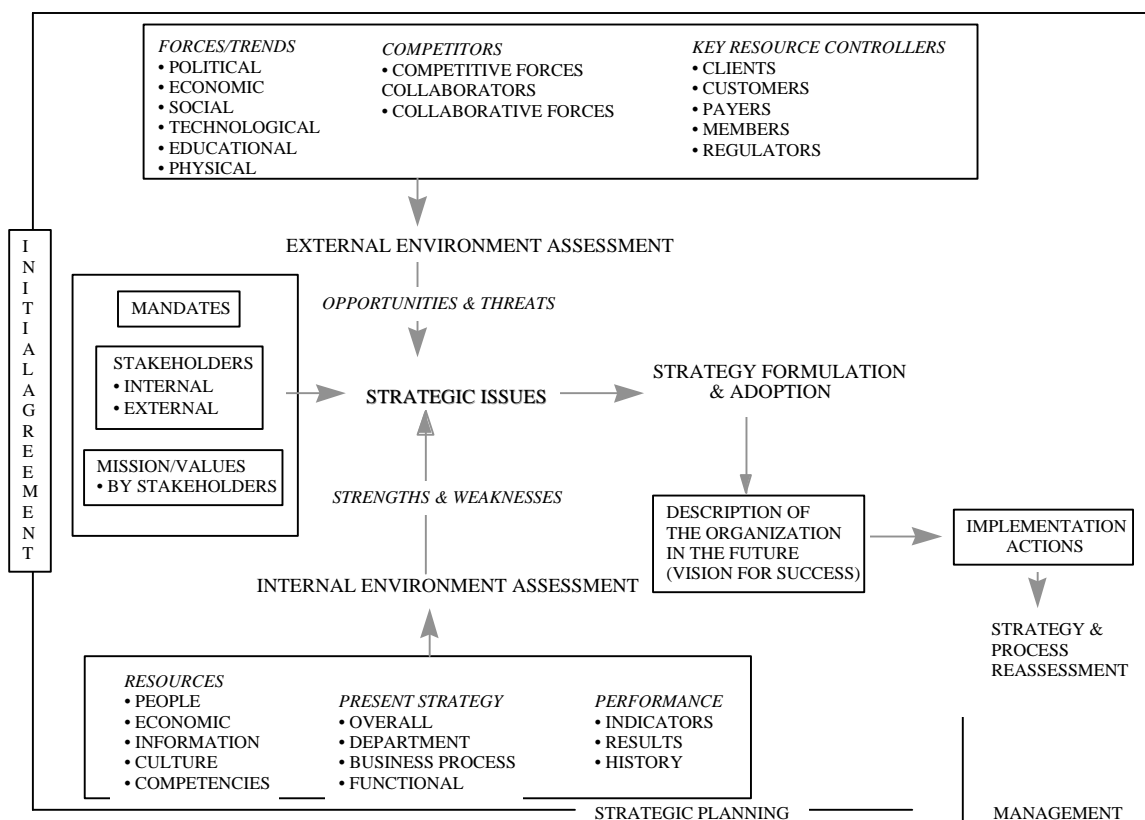


Figure 1-2. Diagram of Strategic Planning Process

Techniques

Techniques are actions taken by planners and managers in federal agencies to overcome obstacles encountered when engaged in strategic planning activities.

Stakeholders

Stakeholders are organizations, groups, and individuals having a legitimate claim on the agency in terms of the products and services it delivers and how it delivers them.

The Importance of the Research

Strategic planning for public organizations is a relatively new phenomenon compared to the extensive experience in the private sector. Some state governments have considerable experience in related fields such as urban planning, but in general, and especially at the federal government level, there is little history of strategic planning. The earliest instance of strategic planning in federal agencies can be traced to the 1980s, compared to the 1960s for businesses.

Strategic planning in private organizations is often considered a crucial managerial activity to ensure competitive advantage for the firm. Here a firm seeks to align itself with anticipated changes in its environment, and the overall goal is economic, related to increasing market share. Strategic planning concepts and methods were not readily adapted to public organizations because they failed to account for political factors and organizational constraints. Accruing benefits from strategic planning in public organizations involves changing business-based expectations for improving the bottom line to helping agencies be more relevant, responsive, and efficient. How best to account for factors associated with the publicness of organizations is a key question in adapting private practices to public organizations. Halachmi (1993) points out that although strategic planning for public organizations has received much attention and has widespread advocacy, it does not have an impressive record of success and there are few accounts of what went wrong and why. Nutt and Backoff contend that public organizations continue to import private sector, strategic management approaches that make assumptions that are not valid for organizations with significant amounts of publicness. These assumptions in private firms include: clear goals; profit or economic purpose; unlimited authority to act; secret development; limited responsibility for actions; and oversight through market mechanisms (Nutt & Backoff, 1993). Similarly, Perry and Rainey (1988) emphasize that differences in environments, constraints, incentives, and cultures limit the applicability of private sector ideas about mission and strategic direction to public organizations. Similarly, Kovach and Mandell (1990) argue that implementation is a more critical element for public organizations mainly because, unlike businesses, public organizations must implement their plans within a multi-dimensional system of actors. They suggest the problems encountered during implementation stem from:

- The absence of a market-like mechanism that stimulates improvements and provides feedback on the effect of organizational changes.
- The lack of autonomy among public sector managers to acquire funding, and to hire, fire, reassign, and develop people.
- A complex network of constituencies that often have competing interests and carefully scrutinize how the organization operates, carries out its mission, and allocates resources.

It is important to emphasize that there is not a clear distinction between public and private organizations—in many organizations, public and private, there is a mix of political and economic authority. Therefore, some problems encountered during strategic planning are ubiquitous. However, this dissertation research hypothesizes that these problems are more acute for organizations that, when compared to others, are subject to more political authority and less economic authority. If, as Lindblom argues, two major alternatives for societal organization and decision making are polyarchies and markets, it is important to determine if organizations most heavily subject to political and hierarchical control show

differences for strategic planning from those more heavily subject to markets (Lindblom, 1965).

Some assume that strategic planning, like other management initiatives developed for business, can be adapted for the public sector in spite of the differences between public and private organizations cited above (Baldwin, 1987). Bryson's issue-management approach is a good example of how the business-based strategic management process can be adapted to agencies (Bryson, 1993). The argument here is that, at its core, management is a generic process, and although the ends may be different, the means for achieving the ends are similar no matter where the organization falls along the private-public continuum—the challenge is how to adapt the process. In fact, according to Bozeman, all organizations are private to the extent that markets affect their behavior and processes (Bozeman, 1988). It is clear that strategic planning can be adapted to some public organizations and that special care must be taken to understand the publicness of the organization and how it should drive modifications to the planning process. Ideal models such as Bryson's are useful for pointing the way for these modifications (Bryson, 1995). But fundamentally, as Roberts argues, there are difficulties in transferring strategic management to government agencies, because decision making in government agencies is much more complex and uncertain compared to decision-making in business enterprises (Roberts, 1993). Berry and Wechsler, in a recent article on strategic planning in state agencies, suggest that there is much to learn about how strategic planning is conducted in public organizations, particularly about the relationship between processes and outcomes in public organizations. These authors suggest that it is important to study the moderating effects of political and corporate culture, administrative capacity, fiscal stress, and other variables (Berry & Wechsler, 1995).

Despite the limited experience and perceived difficulties, strategic planning will acquire additional significance in federal organizations as the provisions of the GPRA of 1993 are implemented. This Act mandates strategic planning and the development of performance plans and performance measures for every federal department. These strategic plans are to be submitted to the Director of the OMB no later than September 30, 1997. The Act has widespread interest in Congress. Representative Richard Arney, House of Representatives Majority Leader, in testimony on the GPRA to the House Government Reform and Oversight Committees, said:

In conclusion, the Results Act provides this Congress, the public and the President a management tool that has been widely used in making private business more effective. The American people, and our children's children, deserve a government that is accountable for results, a government that is a wise steward of their hard-earned money and a government that directs resources to key priority areas and ensures the maximum impact for each and every federal dollar spent. With your help, we just might give our children a better government. (Arney 1997a, p.3)

A study of management processes in federal organizations needs to address the factors in these processes that distinguish them from general management and organizational theory. In order to study federal agencies, the concepts and variables involved should deal with the reality that the assumptions of the general management and organizational theory do not necessarily apply to these organizations. For example, it is common to impart private sector strategic planning approaches that assume clear goals, unlimited authority to act, market-based decisions, secret deliberations, and limited responsibility for actions. In organizations with significant amounts of publicness, these assumptions do not hold (Nutt & Backoff, 1993). Therefore, approaches that identify factors related to the *publicness* aspects of the organizations studied are necessary.

This dissertation research is directed at investigating how the public character of organizations affects strategic planning processes, what difficulties are encountered, and what techniques are used to overcome the difficulties. It assumes that a deliberate strategic planning process has been used in public organizations—that is, a planning process that has discrete elements which include the establishment of a vision for the organization, the examination of external and internal environments, the establishment of goals, and the development of action plans to achieve these goals. There is considerable variability in the specific methods used to accomplish these tasks, but most strategic planning includes these components.

CHAPTER 2

THE REVIEW OF THE RELATED LITERATURE

The literature relevant to the topic under discussion includes works about strategic planning and public management and works related to the distinction between public and private organizations. From this literature, an overview is presented tracing the development of strategic planning from its beginnings in the business world to its application in government. Also presented are the assumptions associated with the various approaches to strategic planning. Particularly significant is the information related to the public-private distinction because this distinction is key to uncovering contextual factors that are important when business-based managerial innovations such as strategic planning are applied to government organizations.

Figure 2-1 below is a diagram showing the relevant literature for this research. The main elements of this literature are the nature of public organizations, public management, strategic planning for private organizations, and strategic planning for public organizations.

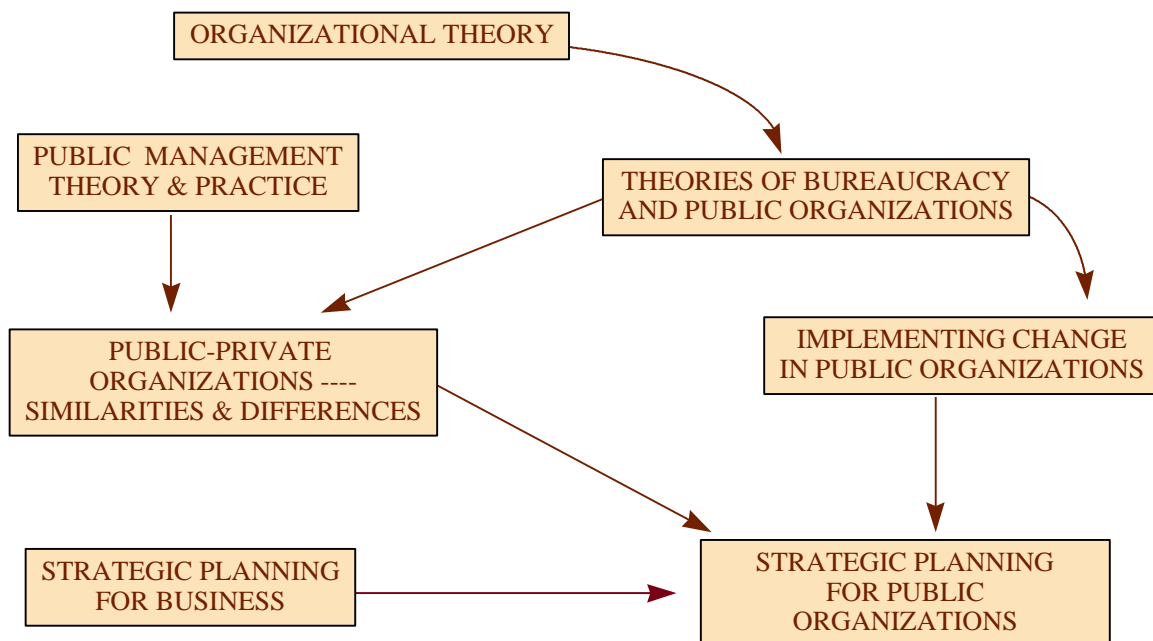


Figure 2-1. A Diagram of the Literature for Strategic Planning Dissertation

The study will draw from the literature of organizations, particularly public organizations, and theories regarding introducing change in these organizations—particularly the organizational-wide change called for in strategic planning. A key part of the study depends upon the relatively recent literature regarding differences between public and private organizations; much of this literature comes from fields of public organization and management. The research will draw extensively from the writings in strategic planning for public and private organizations—the bulk of the contribution here being from the private sector. A key question is: How can strategic planning processes developed for businesses be adapted for public organizations? The research will contribute to the literature on public sector strategic planning and public management by addressing problems and solutions associated with strategic planning.

To provide a broad, literature-based context for the research, Appendix A describes the literature related to strategic planning as it emerged as a management technique in the business community. The discussion includes the various conceptualizations of strategic planning as forms of organizational theory. This chapter begins with a discussion of strategic planning as a management reform and technique in public organizations, followed by a discussion of the distinction between public and private organizations. These latter two topics elaborate on the research problem presented in Chapter 1—how federal agencies might deal with strategic planning in terms of the difficulties they face and the techniques they use to overcome these difficulties. These topics form the basis for the methodology designed to collect and analyze data to explore that research problem.

Strategic Planning in Public Organizations

Starting in the 1980s, public organizations adopted the ideas of corporate-style strategic planning and applied these to communities and government agencies. Most approaches were based on previous corporate strategic planning models and include variations that account for unique public sector aspects. Many writers in the area hold that to be successful, the planning and implementation process should have specific elements that reflect the unique nature of the organization and its environment (Eadie, 1989; Koteen, 1991). Bryson contends that for the public sector, a strategic planning process can provide qualitative improvements to the design process over conventional long-range planning. Bryson's reasoning is that strategic planning is more issue-oriented in public organizations and therefore more suitable for politicized circumstances. The issue approach to public sector strategic planning is particularly appropriate because political decision-making starts with issues, and strategic planning is useful for forming and addressing these issues (Bryson, 1993). Others argue that the unique characteristics of public organizations demand an approach to strategic planning that allows for bargaining, opportunism, and response to the dynamic forces in the political environment (Isenberg, 1987; Lindblom, 1965; Miller, 1989; Mintzberg, 1987; Mintzberg, 1994b).

The lag in adopting strategic planning, at least in federal agencies, is due to the perception that strategic planning is more suitable for business. This reluctance to embrace strategic planning is based on concerns such as the following:

- Planning is driven, usually, by the yearly appropriations cycle.
- There is less control over administrative systems in bureaucracies as compared to businesses.
- A “bottom line” does not exist for most public organizations.
- Measuring progress on many social problems is difficult.
- Laws and policy established by political authority determine what the public organization does.

Although strategic planning was introduced in federal agencies much later than in private sector organizations, the federal government pioneered a particular version of formalized strategic planning with the inception of the Planning, Programming, and Budgeting System (PPBS) in the Department of Defense (DoD) in the early 1960s. The DoD has continued this tradition; and today, considerable resources and energy are devoted to strategic planning for military force-levels and weapon system acquisition. Conceptually, these efforts are similar to corporate strategic planning. PPBS systems can be viewed as a process for developing an investment portfolio of military manpower and materiel along with the strategies for their acquisition and life-cycle support. In this sense, the DoD develops a portfolio, or mix of military resources, necessary to meet national objectives, allocates its present and future budgets among the resource elements of that mix, and formulates strategies for the acquisition and management of that mix of resources. PPBS was aimed at effective and efficient use of financial resources based on needs, priorities, and projected available resources. Although not strategic planning in the traditional sense, PPBS was an early antecedent in the public sector (Ott & Ott, 1972).

Managers in public organizations operate in a more complex environment compared to those in the private sector. They must deal more directly with questions of value, and democratic principles must underlie the process (Ring & Perry, 1985). These principles have implications for both the planning content and its process. For example, the process should be inclusive and open, embracing the organization’s stakeholders and constituencies; the goals and objectives defined in the formulation of plans should conform to legal mandates and direction and be based on values such as equity and fairness. Political influences have a profound effect on the process and feasibility of achieving specific objectives (Downs, 1966). Even though these concerns represent formidable obstacles to planning in public organizations, authors have proposed models and techniques to deal with them. Bryson, for example, proposes a model that centers on issue management (Bryson, 1988). Issues are generated from a number of factors, but

explicit attention is given the political influences of the agency as a major driver of strategy. Koteen also advocates a focus on the management of strategic issues as a core concern for public and nonprofit organizations (Koteen, 1991). Nutt and Backoff (1992a) offer a choice of “high action” type strategies for public organizations that are matched to the public sector environment.

Importing private-sector strategic planning into public organizations requires attention to the differences in the context in which planning takes place. These differences not only affect the design and completion of the planning process, but also affect the difficulty of implementation and the ultimate success of the planning enterprise. Although there are many differences to consider, Campbell suggests two that stand out as most important. First, in private business, strategies tend to be more clearly defined and relate to products, market share, return on investment, and profitability. Policies or strategies in public organizations are more ambiguous and more difficult to measure and frequently address broad social issues. Second, in private business, strategy development and implementation are primarily confined to participants within the organization and the strategy is for internal use. Strategies in public organizations have significant external input, and implementation depends on the cooperation of administrative and political oversight bodies and constituent groups (Campbell & Garnett, 1989). For some, the pluralist nature of democratic governance casts doubt on the prospect of successfully undertaking strategic planning in public agencies. William Morrow (1987 p. 163) described the effect of pluralism as follows:

Pluralism forces public administration to forfeit its ability to do rational, comprehensive planning because planning and pluralism are rooted in different assumptions about government. Planning is substantive in nature and focuses on the ends of governmental activity. Pluralism is procedural in character and focuses on providing interest groups access to centers of decision. As long as pluralism is the major operating norm of American public administration, planning, efficiency, and cooperation must yield to the requirements of representation.

William Eldridge, who examined the underlying concepts that affect the success of strategic management in government, was more extensive than Campbell in contrasting public and private organizations. He adopted a practitioner’s view, arguing that cultural distinctions dictate different approaches to strategic planning in business and government and create different expectations for successful implementation of strategic plans. He suggests that these distinctions can be organized in seven main propositions, as follows (Eldridge, 1989).

- Governments have less competition than business. Governments do compete with each other for resources and, in some cases, with the private sector (such as in privatization studies). However, in many cases, governments are a monopoly for services, and there are not the same powerful incentives to

maintain a competitive edge. Therefore, one of the main reasons for strategic planning in business—to be competitive—is not felt as strongly in government organizations.

- Customer influence is likely to be weaker in government. Governments do not depend on customers for resources. Their revenues are derived from appropriations, and they are not dependent on how the customer feels about their products or services. Even if there is a customer demand imposed on an agency, governments are reactive, responding to this demand rather than seeking out customer needs, as private sector companies do. Strategic planning is highly dependent on determining future market requirements, and a substantial effort is devoted to scanning the environment for this purpose. It is not impossible for governments to have a customer base, but identifying this base and tapping into it for strategic planning purposes is difficult in government.
- Measuring governmental work performance is more difficult. In a further breakdown of the measurement difficulty category, Eldridge adds that there are greater restraints on rewards and punishment in government systems; a government unit is subject to greater influence from changes in its leadership. Businesses normally use financial measures to measure performance, and the data for these measurements are readily available. Few government agencies are in a similar position. Governments find it difficult to establish yardsticks to measure performance on many programs that provide services, especially in the area of social programs. Measurement is a fundamental part of strategic control. Without measurement, there is no means for feedback and evaluation, and therefore strategies can become stagnant, decoupled from their intended effect.
- The rapid turnover of governmental leaders causes instabilities that inhibit the developing and sustaining of a long-term strategic direction for the organization. For example, politically elected officials and appointees change at a more frequent interval compared to leaders in the private sector. The time perspective of political leaders is short; they want to introduce their ideas quickly and see results. This short-term perspective is not particularly suitable for strategic planning.
- Governments have more stakeholders and are subject to greater outside influence than are private companies. There are often political forces imposed on a government organization from constituencies, legislative oversight bodies, and other stakeholders that can overwhelm any attempt to set goals using classical strategic planning processes. Most often, strategic planning in business is based on a high degree of rationality, and plans are developed using analytical models and techniques. Politics addresses questions of allocation of

scarce resources, and decisions are more subjective and based on nonrational logic. Government business is not conducted in the same orderly manner as private business.

- Governments normally have far more purposes than do private companies. Eliminating or reducing the scope of programs in government is a difficult proposition mainly because these programs have societal purposes, such as improving the education system or helping the disenfranchised to obtain meaningful work. Strategic managers in business must adjust the mix of products and services in rapid response to the market, independent of considerations about societal value.
- Government supervisors are more likely to view themselves as specialists rather than managers. Managers are concerned with directing the organizational unit to produce a profit; specialists have allegiance to their occupational discipline. The idea of a specialist is enhanced by the protective nature of civil service rules and procedures that protect government workers from being fired without reduction-in-force due process. All this contributes to a sense of stability and aversion to risk, which are not conducive to the innovative spirit of strategic planning.

In spite of Eldridge's logical argument as to why strategic planning for government should be different than for business, GPRA, or the Results Act, the most current, legally mandated, management reform initiative in the federal sector, suggests otherwise. GPRA challenges federal agencies to focus on results—the equivalent public “bottom line.” The Government Accounting Office (GAO) states in the preface to the report “Executive Guide—Effectively Implementing the Government Performance and Results Act”: “In recent years, an understanding has emerged that the federal government needs to be run in a more businesslike manner than in the past. As companies are accountable to shareholders, the federal government is accountable to taxpayers and taxpayers are demanding as never before that the dollars they invest in their government be managed and spent responsibly” (GAO, 1996 p. 2).

As the most recent application of strategic planning in the public sector—at least at the federal level—GPRA requires that federal agencies develop strategic plans covering at least five years and submit them to Congress and the OMB. Under the Results Act, agencies are required to develop results-oriented, realistic, measurable goals that are stated in definitive terms. The key planning steps for GPRA are: develop strategic plans that contain mission statements and outcome-related strategic goals; develop annual performance plans with annual performance goals and indicators to measure performance; and prepare annual performance reports with information on the extent to which the agency has met its annual performance goals. Three organizational practices have been identified as critical to successful implementation of the Results Act: organizations must (1) involve their stakeholders, (2) assess their internal and external environments, and (3)

align their activities, core processes, and resources to support mission-related outcomes. There are high expectations for managerial innovations that will be introduced by the GPRA: “If done well, strategic planning is continuous and provides the basis for everything the organization does each day” (GAO, 1996 p. 7). Representative Armev in testimony before the House Government Reform and Oversight Committee on October 30, 1997 stated: “If Washington is to regain the public’s trust and confidence, we must reform bloated, unresponsive and inefficient programs and agencies, and achieve a smaller, smarter, common sense government. ... We must demand tangible, measurable goals, and then follow up to ensure that those targets are reached. ... We can no longer afford to give federal agencies carte blanche. The purpose of the Results Act is to make the federal government more accountable. We finally have a tool that allows us to discover what the federal government is doing, and how it is getting done” (Armev 1997b p. 1). Appendix C provides additional information about GPRA. GPRA is part of an extensive statutory framework directed at achieving “performance-based management and accountability” in federal agencies. Along with GPRA, this framework includes financial management statutes, such as the Chief Financial Officers Act, and information resource management statutes, such as the Clinger-Cohen Act, Federal Manager’s Financial Integrity Act, debt collection and credit reform legislation, and the Inspector General Act (GAO, 1998).

In order to accomplish all that the GPRA requires, the GAO suggests that federal agencies need to introduce new managerial practices. In the leadership area, these new practices include:

- Devolving decision-making authority, within a framework of a mission-oriented process, in exchange for accountability for results.
- Creating incentives to encourage a focus on outcomes.
- Building expertise in the necessary skills.
- Integrating management reforms (GAO, 1996).

GPRA calls for building a new organizational culture based on results and using management reforms that were proven successful in the private sector. GPRA requires specific planning documents, performance plans, and reports, as well as new behaviors for the leaders and managers of federal agencies. The GPRA requires that federal agencies produce specific products by well-defined dates. This makes GPRA different from previous reforms because federal agencies are bound by law to follow the mandates of the Act, and Congress is actively involved in the process. Congress requires agencies to explain how their strategic plans implement their statutory responsibilities. Political influence on any agency’s planning process is imposed not only by Congress, but also by stakeholders and others with an interest in the products and services the agency plans to deliver. Executive departments are required to submit strategic plans to Congress for

approval and consult with appropriate congressional committees during the planning process.

Bozeman and Strausmann (1990) argue that it is crucial for public managers to understand the nature of the political influence on the organization and how the political influence affects the practice of managing, particularly setting the organization's strategic agenda. This political influence is pervasive throughout the strategic planning process in federal agencies, and it is the most significant element that distinguishes the strategic planning literature for public and private organizations. Political influence is manifested by the agency's stakeholders and their legitimate, but often conflicting, demands on what the agency does and how the agency does it. Political influence is also manifested by the authority networks in Congress and the Executive Branch that have direct influence on both the process and content of plans. In the private sector, concerns about the successful implementation of strategic plans involve other than political parameters. An article entitled "Implementing Strategy" by Lawrence Hrebiniak of the Wharton School, speaking generally of private business, identifies the key implementation issues as: choosing an appropriate structure, achieving coordination among the organization's subelements, providing for management incentives, instituting control systems, and maintaining organizational culture (Hrebiniak, 1990). For Hrebiniak and others, implementation of strategic plans is a matter of fashioning the internal organization to match the strategy—suggesting that this fashioning is within the control of the Chief Executive Officer. In contrast, control in public organizations is dispersed to a large extent to oversight bodies and constituencies that are outside the boundaries of the organization.

Strategic planning in the public sector deals with conflicting values generated by the competing interests that have a stake in the agency's direction and how it allocates resources. Public agencies are also subject to legislative and administrative constraints that limit management discretion. These factors introduce additional requirements and complexities to planning and imply that the process and results have more normative aspects compared to the private sector. Ring and Perry suggest that the following propositions describe the distinction between public and private sector strategic management processes (Ring & Perry, 1985).

- Policy directives tend to be more ill-defined for public than for private organizations.
- The relative openness of decision-making creates greater constraints for public executives and managers than for their private sector counterparts.
- Public sector policy makers are generally subject to more direct and sustained influence from a greater number of interest groups than are executives and managers in the private sector.

- Public sector management must cope with time constraints that are more artificial than those that confront private sector management.
- Policy-legitimizing coalitions are less stable in the public sector and are more prone to disintegrate during policy implementation.

In the public sector, the planning systems must emphasize openness and cooperation with stakeholders and oversight bodies rather the competitive posture normally adopted by businesses. Graham Toft (1989) suggested that there are constraints on the adaptation of strategic management approaches to the public sector. These constraints are:

- Government is near-term, action oriented. The long-term horizon does not fit the normal political/budget cycle.
- Public strategy is often set by the legislature, which limits an agency's flexibility to develop and adjust strategy.
- Public planning is subject to significant public scrutiny and demands for participation that can dilute the focus of strategy.
- Reliable analyses are often difficult and expensive.
- The bureaucratic nature of public agencies inhibit creativity and innovation and group problem solving—important ingredients for successful strategic planning.
- Funding limitations and the near-term perspective make it difficult to justify jobs for strategic planners in public organizations.
- Because most public organizations are labor-intensive, they depend on personnel systems and policies that often lack the flexibility necessary to support strategic plans.

Similarly, Weschler and Backoff (1986) examined approaches to strategic planning in Ohio's state agencies and identified eight variables that can be used to distinguish and categorize the type of strategy employed by the agency. These variables are:

- The strength of external influence.
- The locus of strategic control.
- The impetus for strategic action.

- The political, organizational, or policy objectives of an agency's strategy.
- The orientation toward change.
- The scope of strategic management.
- The level of strategic management activity.
- The direction of strategic movement (Wechsler & Backoff, 1986).

These authors also uncovered four distinctive forms of strategy in public organizations: developmental, transformational, protective, and political. The choice of form was found to be dependent on internal and external factors that managers must assess in choosing the best planning approach.

A recent article summarizing the state of strategic planning and management in public organizations assesses the state-of-the-literature this way: "In short, the literature on strategic management in the public sector is limited and inconclusive. Because strategic planning is so critical to strategic management, research on its effectiveness would provide the next best source of guidance. Unfortunately, there are no definitive answers with regard to strategic planning either" (Vinzant & Vinzant, 1996).

Lack of a well-tested model for public sector strategic planning causes some managers and planners to be skeptical that the promise of this management reform can be realized. Some of those managers and planners lump strategic planning and GPRA along with other failed management reforms. Paul Light in his recent book *The Tides of Reform* used a metaphor of the ocean tides to describe the continuing pounding of administrative reform on the bureaucracy. He identified four "tidal patterns" that have been present since 1945 and that continually "wash ashore" as reform movements. He argued that GPRA falls into these patterns: It is "liberation management" because of its link to deregulation of the federal government; it is "scientific management" because it is based on tools for achieving effectiveness and efficiency; it is part "war on waste" because it aims to reduce overlap in programs and channel program products and services to strategic goals; and finally, GPRA is part "watchful eye" because of the requirements for stakeholder involvement and congressional consultations. Strategic planning is, then, one more element (or wave, using Light's metaphor) in a series of reforms that ebb and flow, centered around the prevailing view by Congress and the President of whether the government can be trusted to perform well (Light, 1997).

David Rosenbloom, in discussing GPRA, addressed the management reform aspects of GPRA by placing the legislation in a historical context. He classified GPRA as a "hybrid reform." In other words, GPRA may be a reform that falls within the existing administrative framework and that is connected to a specific problem (such as lack of

adequate planning). Or it may have broader implications involving the shift of administrative control toward Congress. In the former scenario, GPRA will be associated with reforms such as Total Quality Management and Management by Objective (MBO). In the latter scenario, GPRA would affect the separation of powers and have Constitutional implications. In this regard, GPRA would have an impact like the Administrative Procedures Act (Rosenbloom, 1995).

The GAO contended that GPRA is vulnerable to issues and problems encountered in past reform initiatives; the GAO also argued that the legislation incorporates lessons learned from these previous efforts. GPRA builds on PPBS, MBO, and Zero Based Budgeting (ZBB), particularly the focus on results and performance. In this sense, GPRA is one of several pieces of legislation, including the Chief Financial Officers Act, that seek to achieve better management and accountability for results. The key to success for GPRA is the provision for frequent consultations and exchange of views between administrative agencies and Congress. The expectation is that these consultations will serve to reconcile the competing views of the executive and legislative branches. These frequent consultations will, hopefully, build agreement about what strategic direction should be set for the department or agency; what outcome and performance measures are appropriate; and how planning, budgeting, and performance measures will be integrated and presented. The motivating force that will make the scenario work is the restrictive budgetary climate. According to GAO, scarcity of funds is an imperative for explicitly linking performance information into budgetary deliberations (GAO, 1997c).

As mentioned previously, concerns about the differences between public and private organizations has not inhibited the introduction of strategic planning in government, and many writers in the field advocate strategic planning as a sound approach to effectively managing public organizations (Bryson & Roering, 1987; Eadie, 1989; Koteen, 1991; Nutt & Backoff, 1992b; Vinzant, 1996). However, the soundness of the approach is dependent upon whether the publicness of the organization is considered when strategic planning systems are designed and implemented.

The Public-Private Distinction In Organizations

Much of the writing that addresses the public-private dimensions of organizations is found in the literature on public management. Some of the literature draws a clear distinction between public and private organizations, focusing on differences between the public and private sector (Allison, 1983; Moe, 1987; Perry & Kraemer, 1983). Most of these differences between public and private organizations are attributed to economic and political conditions and the effect these conditions have on the organization's external relations and internal processes (Rainey, 1983). Wamsley and Zald (1973) draw the distinction based on who owns the organization and how it is funded. These authors contend that public organizations are owned and funded by the government, while private organizations obtain funding from private sources, such as market transactions. Others have argued that public and private organizations are very similar and that management

roles and processes can be transported between the organizations (Allison, 1983; Lau, Newman, & Broedling, 1980; McCurdy, 1978; Meyer, 1979).

In a nutshell, private organizations are subject to “authority of the market” and provide goods based on consumer demand. Public organizations are significantly less market-driven and acquire their resources from political processes. In the public sector, clients of an agency are often provided a service that is legislated—both the service itself as well as the amount delivered. Decision-making about what goods and how many to produce in the public sector is a complicated process that includes a quasi-market element through constituent and special-interest feedback and the election process. The result of research in this area is a dichotomous classification of public and private organizations that implies that public organizations are clearly different and warrant their own treatment in organizational theory.

Others argue that a simple public-private dichotomy is not realistic as a classification scheme, and there is instead a blurring between the two sectors that allows for mixed public-private organizations (Bozeman, 1984; Bozeman, 1988; Emmert & Crow, 1988; Muslof & Seidman, 1980). Bozeman (1987) has advanced a conceptual framework that addresses an organization’s degree of publicness as a general measure of governmental influence. Different levels of publicness can be associated with different kinds of organizational behavior. Publicness depends on the relative mixture of political authority and economic authority. Less public organizations are subject to constraints of economic authority embedded in the market and are subject to less political authority. More public organizations face greater constraints of political authority and less of economic authority. For Bozeman, the most significant factor driving the degree of publicness is the external political influence on the organization. His theory of public organizations has a fundamental assumption that publicness is multi-dimensional: “Axiom 1: Publicness is not a discrete quality but a multi-dimensional property. An organization is public to the extent that it exerts or is constrained by political authority” (Bozeman, 1987 p. 84).

The dominant assumptions of Bozeman’s dimensional approach are based on political economy and resource dependency theories of organizations. According to Bozeman: “(1) the publicness of organizations is not an absolute quality but a matter of degree; (2) much of the organization’s behavior is poorly explained by the rational choice models and is better accounted for in terms of constraints imposed by external actors; (3) while a variety of external influences constrain the organization, those influences flowing from government entities account for the public character of organizations; (4) the publicness of organizations requires a redefinition of organizational effectiveness, a definition that views the organization less as an agent for achievement of internally devised rational goals than as an entity serving multiple constituencies (both internal and external)” (Bozeman, 1984 p. 49). Writers who agree with Bozeman’s thesis advocating less of a distinction between public and private organizations often refer to the boundary between

them as blurred (Emmert & Crow, 1988; Muslof & Seidman, 1980). Examples such as government-sponsored enterprises are manifestations of this blurring.

Bozeman (1984) characterizes public and private organizations along three dimensions that he contends define the key processes in organizations. These three dimensions are: establishing and maintaining the organization, structuring the organization, and setting and seeking goals. The following chart (Figure 2-2) is offered by Bozeman as a way of showing how these processes can help identify where a particular organization falls on the public-private continuum.

PUBLIC POLE	PROCESS	PRIVATE POLE
Discretionary legislative appropriations	--Resources--	Profits from sales to private markets
Creation (death) by government mandate	-- Life cycle--	Creation (death) subject only to market
Structures set by government mandate	-- Structure--	Structure independent of government constraint
Goals set by government mandate	-- Goals--	Goals independent of government constraint

Figure 2-2. Bozeman’s Public-Private Continuum

Recently, Hal Rainey and James Perry addressed the nature of management and organizations in the public sector in regard to the distinctive characteristics of public organizations and management. The focus was on management in the federal government (Rainey & Perry, 1992). These authors reviewed the record of research on the public-private distinction topic and concluded that:

- (a) The most general management and organization theory does not recognize the theoretical significance of the distinction issue.
- (b) There are two divergent views of the distinction—economic and political.
- (c) Until recently, both economists and political scientists have paid little attention to the managerial characteristics of public bureaucracies.

In calling for additional empirical research on the significance of publicness as a determinant of organizational behavior, Bozeman argues that publicness should be viewed as an external governmental constraint on the organization’s activities, and comparative research should investigate the relationship between publicness and organizational

effectiveness, especially goal-related effectiveness. He also suggests that the dimensional approach would be suitable to investigate the transferability of management innovations between sectors. Are organizations that are more public less likely to adopt business management techniques than organizations that are more private? According to Bozeman, this question is unresolved and there is little empirical evidence to help guide theory and practice (Bozeman, 1984). Two notable projects to empirically investigate public-private distinguishing characteristics are described by Rainey (1983), who examined the internal structure of organizations, and Emmert and Crow (1988), who focused on the external environment of organizations and related internal processes and characteristics. In the latter study, Emmert and Crow concluded that the dimensions of publicness can be empirically identified and that “[T]he most striking differences among organizational groups may be the degree to which government actors influence goals and the organization’s strategies for satisfying the interests of external constituencies” (Emmert & Crow, 1988 p. 237). Rainey (1989; 1991) also classified public-private differences into three categories: environmental factors; organizational-environmental transactions; and organizational roles, structures, and processes.

Factors Distinguishing Private and Public Organizations

Hal Rainey and James Perry (1992) summarized the literature addressing the distinctive characteristics of public management and public organizations. They presented theoretical postulates, that is, expert observations and findings, from empirical research in the course of developing a summary of factors that describe the public-private distinction in organizations. Their review found that the unique needs of public sector organizations limit the portability of many ideas derived from the private sector, particularly approaches that deal with mission and strategic direction. They built their work on previous efforts to articulate these distinctive characteristics: efforts such as those by Rainey, Backoff and Levine (1976), who provided a summary of the literature on differences between public and private organizations; Ring and Perry (1985), who described the distinctive contexts and constraints imposed on public sector strategic managers; Bozeman (1987), who elaborated on the public-private distinction in his book *All Organizations are Public*; and Rainey (1989), who expanded the 1976 work cited previously. This 1989 version of the distinctive characteristics of public management and public organizations is shown in Table B-1 in Appendix B. The following list is drawn from Rainey and Perry’s work and refers to public organizations in the sense that “public organizations are characterized by ...”

Environmental Factors

The environment of public organizations has frequently been used to explain the public-private distinction. Typically, these explanations involve comparisons of differences between public and private ownership and the legal basis of the organizations. Some of the specific differences relating to the organization’s environment are as follows.

- Elaborate and intensive formal legal constraints, due to oversight by legislative branch, executive branch hierarchy, oversight agencies, and courts.
 - Constraints on domains of operations and on procedures (less autonomy for managers in making such choices).
 - Proliferation of formal administrative controls.
 - Large number of external sources of formal authority and influence, with greater fragmentation among them.
- Intensive external political influences.
 - Diversity and intensity of external informal, political influences on decisions (political bargaining and lobbying, public opinion, interest group, and client constituent pressures).
 - Need for political support from client groups, constituencies, and formal authorities, in order to attain appropriations and authorization for actions.

Organization-Environment Transactions

Public organizations do not rely on market mechanisms to interact with their environment; their decisions are subject to public debate and they are often concerned with broad societal issues. The following elements are features that distinguish public from private organizations in the area of organization-environment transactions.

- Mandatory financing of some activities and programs.
- Level of scrutiny of public managers.
- Scope of concern, such as for the general public interest.

Organizational Roles, Structures, and Processes

Differences in the environments of public and private organizations produce differences in managerial roles and organizational characteristics. These include the organization's goals, administrative authority, leadership practices, structure, incentives, and individual and organizational performance.

- Goal ambiguity, multiplicity and conflict.

- Vagueness, intangibility, or difficulty in measuring goals and performance criteria; the goals are more debatable and value-laden (e.g., defense readiness, public safety, clean environment, better living standards for the poor, and unemployment).
- Multiplicity of goals and criteria (e.g., efficiency, public accountability and openness, fairness and due process, social equity and distribution criteria).
- Conflicting goals involving tradeoffs (efficiency vs. openness and public scrutiny, efficiency vs. due process and social equity, conflicting demands of diverse constituencies and political authorities).
- Administrative Authority and Leadership Practices
 - Lack of decision-making autonomy and flexibility due to elaborate institutional constraints and external political influences: more external interventions, interruptions, constraints.
 - Weaker authority over subordinates and lower levels, due to institutional constraints (e.g., civil service personnel systems, purchasing and procurement systems) and external political alliances of subunits and subordinates (with interest groups, legislators).
 - Reluctance by higher level managers to delegate authority, use of formal regulations to control lower levels.
 - Frequent turnover of top leaders due to elections and political appointments: more difficulty in implementing plans and innovations.
- Organizational Structure.
 - Red tape and elaborate bureaucratic structure.
 - Extensive and complex organizational dependencies.
 - Lack of clear responsibility and authority.
- Incentives and Incentive Structures.
 - Greater administrative constraints on the administration of extrinsic incentives such as pay, promotion, and disciplinary action.
 - Weak link between extrinsic rewards and performance.

- Organizational and Individual Performance.
 - Individual and institutional aversion to change and risk.
 - Lack of meaningful performance measures for the organization, and its programs and employees.
 - Rate of turnover of personnel.

Nutt and Backoff addressed organizational publicness and its implications for strategic management in a 1993 journal article entitled “Organizational Publicness and Its Implications for Strategic Management.” They elaborated on the work of Rainey and Perry by extending the list of factors in each of the process distinction categories with additions that were of particular significance to strategic management (Nutt & Backoff, 1993). Their work suggests a set of propositions and explanatory variables linked to consequences for strategic planning in public organizations. They suggest that these propositions be tested using the factors that distinguish public from private organizations to explain or predict the outcomes of strategic planning in organizations with high degrees of publicness. They provide a framework that captures these differences in items of features of strategic planning in public, private, and third sector (private, nonprofit organizations). According to Nutt and Backoff, “[T]he framework offers a theory of publicness applied to strategic management that specifies factors for arraying organizations along a continuum of publicness and linking the degree of publicness to strategic management. The theory can be applied prescriptively, offering guidelines to build strategic management procedures for organizations with significant degrees of publicness, or descriptively, suggesting explanatory variables that qualify or predict the likelihood of a successful outcome in strategy making” (Nutt & Backoff, 1993 pp. 209-210). In building this framework, Nutt and Backoff build on the work of Perry, Rainey, Allison and others (Allison, 1983; Perry & Kraemer, 1983; Perry & Rainey, 1988; Rainey, 1983; Rainey, 1989; Rainey, 1991; Rainey et al., 1976; Rainey & Perry, 1992). They use a classification system first introduced by Rainey in 1989 that groups the public-private differences into three main categories: environmental, transactional, and process. Table 2-1 is a modified version of their classification factors (third sector factors are not included).

Difficulties Associated with Strategic Planning in Public Organizations

In reviewing the literature on public organizations, Melamid and Luck identified three areas that they believe must be addressed if these organizations are to adopt private sector management processes (Melamid & Luck, 1994). These areas are multiple and conflicting goals; constraining financial, legal, contractual, and organizational practices; and difficulties aligning actions of individual members of the organization with its goals. These areas represent constraining forces that inhibit the adoption of managerial

Table 2-1. Factors That Capture Public-Private Differences Applied to Strategic Management

	Public	Private
ENVIRONMENTAL		
Market	Oversight bodies compose market	People's buying behavior defines market
	Collaboration among organizations offering a given service	Competition among organizations offering a given service
	Financing by budget allocations (free services)	Financing by fees and charges
	Data describing market often unavailable	Market data typically available
	Market signals weak	Market signals generally clear
Constraints	Mandates and obligations limit autonomy and flexibility	Autonomy and flexibility limited only by law and internal consensus
Political Influence	Buffers needed to deal with influence attempts and help with negotiations	Political influence handled as exceptions without special arrangements
	Political influence stems from authority networks and from users	Political influence is indirect
TRANSACTIONAL		
Coerciveness	People must fund and consume the organization's services	Consumption voluntary and payment based on use
Scope of Impact	Broad set of concerns that have considerable societal impact	Narrow concerns with little societal impact
Scrutiny	Cannot keep private the development of ideas and development processes	Can keep private their ideas and developmental activities
Ownership	Citizens often act as owners and impose their expectations about the organization's activities and the conduct of these activities	Ownership vested in stockholders whose interests are interpreted using financial indicators
	Ubiquitous stakeholders	Few stakeholders beyond stakeholders
ORGANIZATIONAL PROCESS		
Goals	Goals, and thus aims, are shifting, complex, conflicting, and difficult to specify	Goals are clear and agreed upon
	Equity dominant concern	Efficiency dominant concern
Authority Limits	Implementation contingent upon stakeholders beyond the authority leader's control	Implementation vested in authority figures who have the power to act
	Agency management within a governmental umbrella	Agency management largely independent of outside influences
	Limitations posed by role of public action	No limits
Performance Expectations	Vague and in constant flux, changing with elections and political appointments	Clear and fixed for long periods of time
Incentives	Job security, power, recognition, roles and tasks	Financial

innovations such as strategic planning in public organizations. The following elaborates on these areas.

Goal Conflict and Ambiguity

Because setting goals for an agency is a highly political process, the tendency is to make the goals all things for all people. Substance gets flushed out in the process of political negotiation and agreement is achieved at the expense of goals that are ambiguous and sometimes conflicting and, hence, quite difficult to implement (Miller, 1989). Many writers have emphasized the diverse and ambiguous nature of goals in public organizations, including Banfield (1975), Rainey, Backoff et al. (1976), Dahl and Lindblom (1953), and Buchanan (1974). Although the literature emphasizes the problem with goals in the public sector, Lan and Rainey (1992) report empirical evidence to the contrary. They found that public managers perceive their goals as clear and achievable, but this result may depend on the relative publicness of the organization. Setting goals in a highly politicized environment can cause difficulties for public managers, especially those in federal agencies that have a variety of stakeholders.

Constraining Financial, Legal, Contractual, and Organizational Practices

These constraining factors manifest themselves in several ways in the course of strategic planning in public organizations. For example, resources in a public organization are subject to political forces which make obtaining funds more complicated compared to market-based approaches. There may not be political support to fund strategic initiatives even though there is a “customer” demand. In addition, implementation may face bureaucratic hurdles associated with personnel rules and regulations, and scrutiny from oversight bodies. The pervasiveness of this difficulty is demonstrated by the number of writers who have argued that these types of constraints are sources of problems for managers in public organizations (Banfield, 1975; Blumenthal, 1983; Buchanan, 1974; Meyer, 1979; Mintzberg, 1979; Rainey, 1983; Warwick, 1975). Rainey, et al. argue that the formal, legal environment of government organizations is the source of limitations on the autonomy and flexibility of the public organization and its managers. Agencies are legally authorized institutions and consequently have their “purposes, methods, and spheres of operation defined and constrained by law” (Rainey et al., 1976 p. 238). Managers of federal agencies do not have unlimited discretion to set the strategic direction of the organization and decide how strategies will be implemented. They must adhere to the legal requirements that circumscribe the agency’s mission and operations. These managers are also agents of the people and stewards of the democratic process and are morally obligated to embody the public interest and the constitutional governance process during strategic planning (Wamsley, 1987). The legal authority of the public organization can also be used as a coercive measure to achieve the aims of the organization or as a basis for adjudicating differences among stakeholders (Bozeman, 1987). Making strategic changes may also be hampered by a bureaucratic culture derived from the rule-based environment of public organizations, which tends to support behaviors that maintain the

status quo by relying on long-established, elaborate legal and procedural guidelines to guide decisions and actions (Downs, 1966). But it is not completely clear that this bureaucratic constraint leads to a rigid, rule-based organizational culture in public agencies. Foster (1990) examined the empirical evidence associated with bureaucratic rigidity and concluded little support for the thesis that mechanistic bureaucracy produces rule adherence; and Roessner (1983) concluded that there is little evidence on differences between public and private organizations in terms of innovation.

Organizational Alignment

Organizational alignment has internal and external dimensions. Internal alignment refers to matching the individual's goals with the organization's goals. This alignment is significant for strategic planning because it refers to the tension between agency leaders aligned to the political process and professional bureaucrats who are normally sympathetic with the needs of the agency's clients. External alignment involves the degree of match between the agency's strategy and the preferences of political authorities and other stakeholders. Stakeholder diversity and dispersion can be a source of conflict for the agency as it attempts to accommodate views of interest groups and the public.

Political actors weigh into the process of formulating and implementing strategic goals to make sure their objectives are met, especially if the goals are ambiguous and conflicting. The tension between political appointees and career bureaucrats is complicated by the relatively short tenure of political appointees and their perceived need to implement the administration's agenda quickly (Allison, 1983).

In addition to the above areas affecting implementation, derived from Melamid and Luck's work (1994), two other areas are important additions from other sources in the literature. These are performance measures and organizational culture.

Lack of Meaningful Performance Measures

Because public organizations do not typically have a "bottom line" as most businesses do, setting meaningful performance measures can be difficult. Measuring the results of an agency's strategic initiatives is difficult because the goals are often ambiguous and the desired outcomes are nebulous, at best. In most cases, performance in public organizations is determined by the degree to which the organization has met its legal mandates, mission responsibilities, and executive and legislative program objectives. Because of the multiple diverse sources, expectations for the organization are often unclear and competing and have a pervasive vagueness (Backoff & Nutt, 1990; Ring & Perry, 1985). Lack of clear benchmarks to measure progress affects strategic planning because it is difficult to develop incentives and control mechanisms.

Risk-/Change-Averse Organizational Culture

The bureaucratic character of public organizations can develop a culture that minimizes risk and inhibits change. There are few incentives to change, and rules and regulations often limit the discretion of managers, resulting in a conservative posture toward change. Strategic planning is inherently change-oriented and calls for managers to establish goals that call for modifications in the traditional practices carried out in the organization (Meyer, 1979; Warwick, 1975). In some cases, it is more appropriate for public managers to avoid risk and change. For example, risk-taking may violate a fiduciary role or jeopardize a legal organizational mission responsibility (Lorvich, 1981).

Table 2-2 is a summary of the sources of difficulties during the strategic planning process in public organizations.

Table 2-2. Sources of Difficulties Associated with Strategic Planning in Public Organizations

Goals	Goal conflict
	Goal ambiguity
Organizational Constraints	Constraining financial practices
	Constraining legal practices
	Constraining contractual practices
	Constraining personnel practices
Organizational Alignment	Conflict between individual and organizational goals
	Conflict between agency political leadership and agency strategic goals
	Lack of alignment among administrative branch objectives and agency goals
	Lack of alignment between legislative branch objectives and agency strategic goals
	Lack of alignment between judicial branch objectives and agency strategic goals
	Lack of alignment between constituent group objectives and agency strategic goals
Performance Measures	Inability to set meaningful measures of performance for the strategic plan
	Difficulty with assigning responsibility and accountability for the plans and goals
Organizational Culture	Unwillingness of key organizational leaders to embrace strategic change
	Risk avoidance behavior by organizational leaders

Techniques for Overcoming Difficulties Associated With Strategic Planning in Public Organizations

Nutt and Backoff (1993) proposed ideas for dealing with the difficulties of strategic planning in public organizations. These ideas will form the basis for exploring how federal agencies have overcome difficulties with strategic planning. Nutt and Backoff organize these ideas into three categories: public environments, transactional factors, and organizational processes. The following have been adapted from the work of Nutt and Backoff (1993).

Public Environments

- Understand beliefs, values, and constraints imposed by political influence and authority networks and customize the strategic planning process to account for them.
- Uncover controversy among stakeholders and frame issues as tensions to deflect powerful influences.
- Buffer outside influence by creating advisory groups, interagency coordinating groups, etc.
- Build negotiating and bargaining opportunities into the process.
- Frequently sample outside events, trends, directions, and issues and adjust implementation plans accordingly.

Transactional Factors

- Use coercive powers in the organization's mandates to fashion an implementable strategy.
- Use the organization's social mission as a force to carry out plans.
- Create a coalition of interests to overcome the inertia in implementation.
- Approach change incrementally and manage tensions inherent in strategic issues.
- Communicate strategic plans to stakeholders.

Organizational Processes

- Clarify strategic goals.

- Maintain stakeholder involvement throughout the process.
- Improve performance measures for the strategic plan.
- Improve accountability for achieving goals and implementing plans.
- Provide better incentives to achieve strategic change within the organization.
- Provide opportunities for participation within the organization to increase “buy-in” to the plan.

The literature points to the need for reflection about the publicness features of organizations in order to gain an understanding of how processes such as strategic planning might be successful. The literature also offers a framework for measuring the degree of *publicness* of an organization and suggests elements that constitute measurement variables *difficulties* encountered during strategic planning and *techniques* for overcoming these difficulties. Chapter 3, on methodology, addresses the process used for measuring these variables for a sample of federal agencies. The following figures (Figures 2-3, 2-4, and 2-5) summarize the findings from the literature that describes the variables *publicness*, *difficulties*, and *techniques*. The elements presented in this summary have all been derived from the literature—some have been modified and rearranged to facilitate their employment in the research methodology. Further discussion about these variables is presented in the following chapter, “Methodology.”

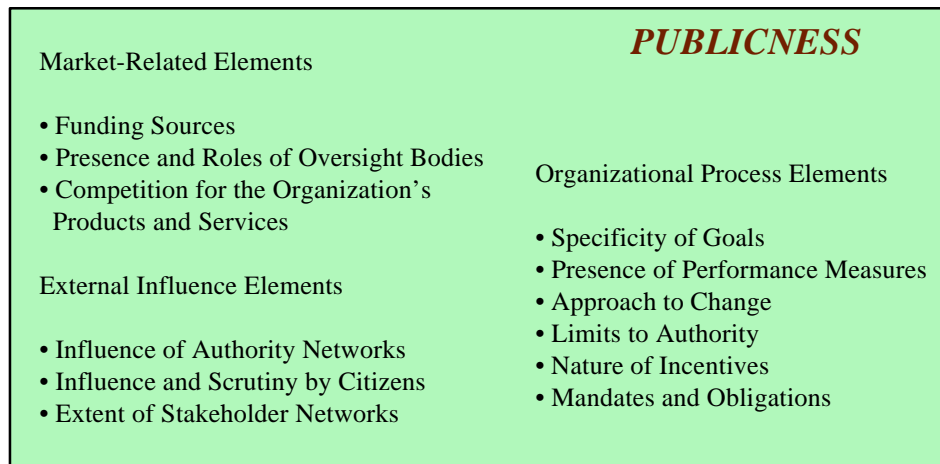


Figure 2-3. Elements of Organizational *Publicness*



Figure 2-4. Elements of *Difficulties*

TECHNIQUES

- Use Organizational Mandates and Obligations to Resolve Stakeholder Conflicts
- Maintain Stakeholder Involvement in an Open Planning Process Based on Negotiating
- Collaborate With Oversight Bodies
- Provide Incentives to Managers to Gain Support
- Frequently Sample the External Environment
- Provide Opportunities for Participation Within the Organization
- Understand and Account for Constraints Imposed by Political Influence
- Develop a Coalition of Interests to Help Keep the Process on Track
- Clarify Goals During the Formulation Phase
- Develop Buffering Mechanisms to Deflect Outside Influence
- Use Ideals As a Substitute for Goals
- Develop Realistic Performance Measures
- Assign Accountability for Achieving Goals
- Engage the Organization's Leadership
- Adopt an Incremental Approach to Change

Figure 2-5. Elements of *Techniques*

CHAPTER 3

METHODOLOGY

Introduction

This chapter describes the approach to organizing the research and the methods for gathering and analyzing data to answer the research questions proposed in Chapter 1, namely:

- What difficulties do federal agencies encounter when undertaking strategic planning?
- How does the degree of publicness of the agency relate to these difficulties?
- What techniques do federal agencies use to overcome difficulties?

Table 3-1 shows the research concepts explored and the methods for collecting data. Data was collected for three primary variables that formed the basis of the analysis: *publicness*, *difficulties*, and *techniques*. Additional data was collected to describe the organizations and the respondents participating in the study. Two collection methods were employed: (1) a questionnaire was used for obtaining data about the organization, the respondent, and the variable *publicness*; and (2) interviews were the means for obtaining data about the variables *difficulties* and *techniques*.

This chapter includes the following topics:

- Research Approach
- Research Design
- Variables
- Data Collection and Analysis Procedures
- Limitations and Assumptions

Research Approach

The approach to this research included the employment of both quantitative and qualitative methods. A combination qualitative-quantitative approach to the research was adopted based on the nature of the information that needed to be obtained and

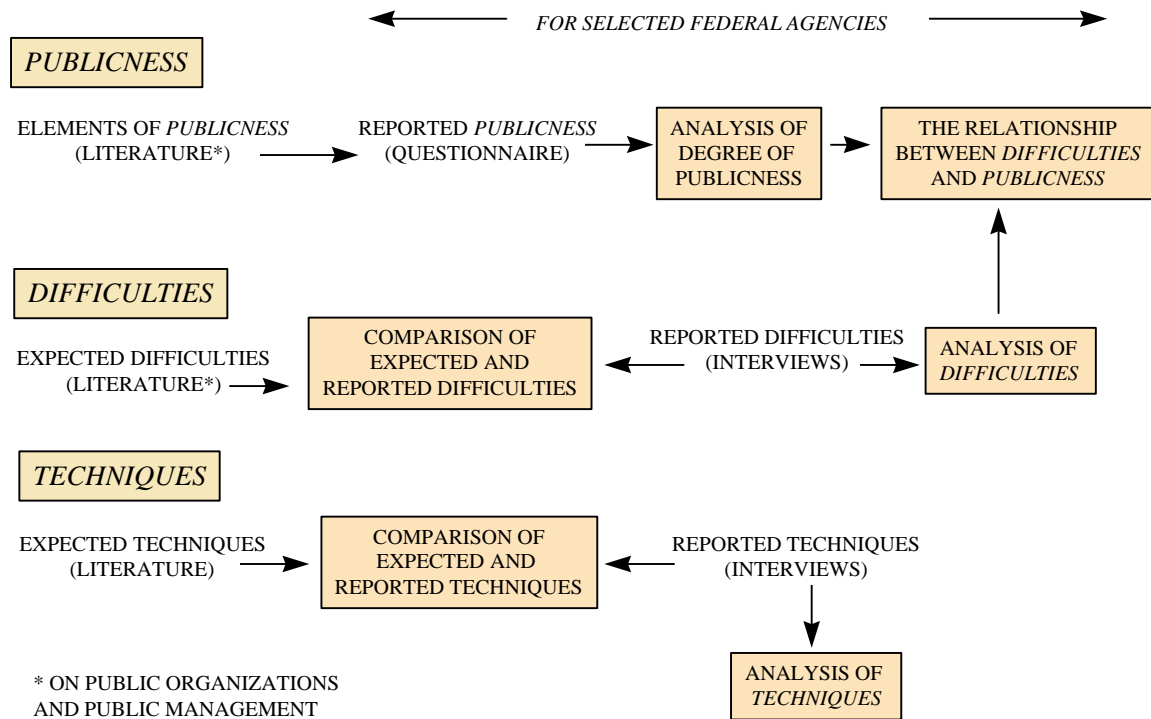


Figure 3-1. Research Concept and Methodology

expectations about the most effective methods to obtain this information from respondents. Using the combination of two methods is an acceptable methodology among social sciences researchers. For example, Westbrook suggests that combinations of positivistic, or quantitative, and naturalist, or qualitative, approaches provide the most complete or insightful understanding of the problem (Westbrook, 1994). Similarly, Margolis (1987) argues that the criterion for accepting knowledge claims is not adherence to a particular method, but evidence that the knowledge generating process

- Coheres to the particular logic in drawing together conclusions.
- Passes the muster of public scrutiny.
- Provides a partial display of the phenomenon under study that is useful in the field.

Patton argues that a mixture of various methods of inquiry is an appropriate and practical approach to research. He contends, when discussing mandates for methodological purity, that: “Yet in practice, human reasoning is sufficiently complex and flexible that it is possible to research predetermined questions and test hypothesis about certain aspects of a program while being quite open and naturalistic in pursuing other aspects of a program. ... The extent to which a qualitative approach is inductive or

deductive varies along a continuum” (Patton, 1990 p. 194). Patton further argues that the combination inductive-deductive form of inquiry is often used in practice and that there is often a flow between the two approaches in a particular evaluation. He states that qualitative inquiry is the method of choice for extending and deepening theoretical propositions and that qualitative inquiry is appropriate for other than exploratory purposes. A researcher can use theory in a deductive fashion to establish categories or patterns that are expected to be manifested in qualitative data from interviews. At the same time, the researcher can be open to discovering new categories and patterns in the data that emerge from the analysis without *a priori* knowledge in a more inductive form of inquiry. The analysis of the data can also be a mixture of qualitative and quantitative approaches. Statistical techniques are suitable for analyzing data from both questionnaires and interviews. Figure 3-2 below is Patton’s typology of measurement, design, and analysis intended to summarize the possible research approaches or strategies. Choosing the best approach depends on considerations such as the purpose of the study, time and funds available, availability of subjects, validity and confidence in the results, and the nature of the data being collected (Patton, 1990).

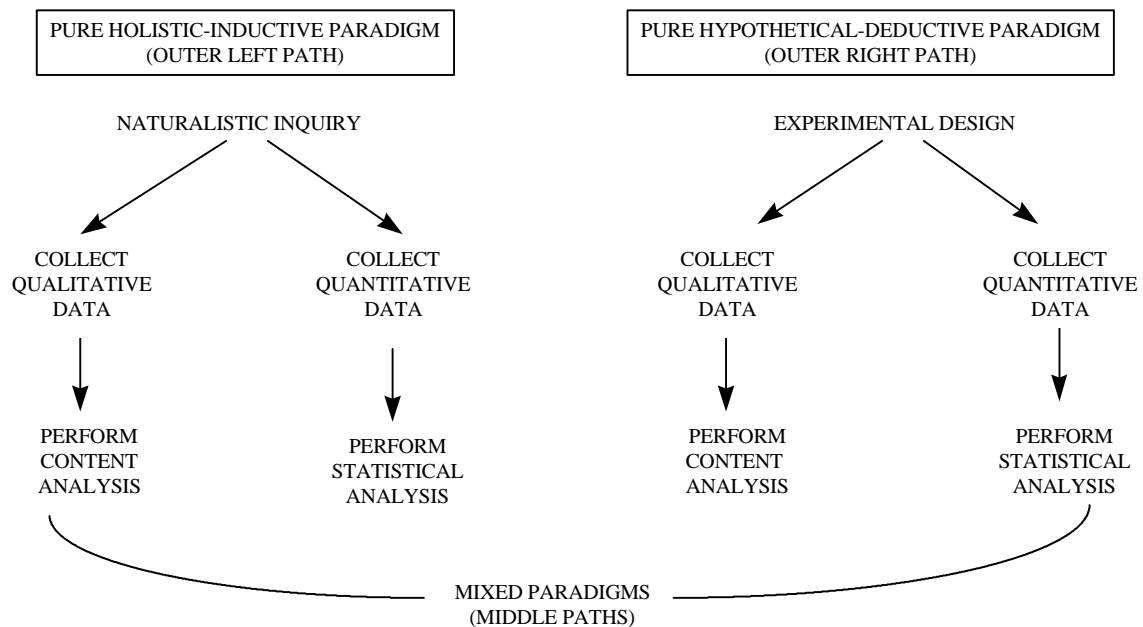


Figure 3-2. Patton’s Typology of Measurement, Design, and Analysis

More specific to the research at hand, a combination of quantitative and qualitative approaches was selected, for the following reasons:

- There was sufficient information and research data available in the literature to establish the elements of the variable *publicness* so that a questionnaire could be developed to measure them.
- There was insufficient information and prior research data for the variables *difficulties* and *techniques* to establish reliable measures to quantify them. The literature describes difficulties federal agencies might encounter and techniques they might use, but these descriptions lack the precision necessary for questionnaires.
- Many of the organizations participating in the study were in the process of developing strategic plans, implementation plans, and performance measures. Interviews were selected as the best means to gather data about the experience and opinions of planners and managers in these organizations because they allowed the inquiry to be adjusted to the particular organizational context.

Qualitative research techniques are particularly appropriate to research strategic planning because organizational processes are being studied and these processes vary according to the type of organization, the experience of people, and people's perceptions and judgments about that experience (Miles & Huberman, 1994). The qualitative component of the research is directed at uncovering themes and meaning structures that practitioners have synthesized from a combination of background knowledge and experience with strategic planning in federal agencies. Qualitative methods are particularly useful for generating categories for understanding human phenomena and for the investigation of the interpretation and meaning that people give to events they experience. Qualitative methods are the methods of choice when the objective is to gain a deeper understanding of theoretical propositions (Guba & Lincoln, 1981; Patton, 1990).

Within the spectrum of approaches to qualitative inquiry, the research for this dissertation follows what Patton describes as orientational qualitative inquiry: “[orientational] qualitative inquiry begins with an explicit theoretical or ideological perspective that determines what variables and concepts are most important and how the findings will be interpreted.... Within each of these theoretical or ideological orientations one can gather qualitative data. But the focus of inquiry is determined by the framework within which one is operating, and the findings are interpreted and given meaning from the perspective of the preordinate theory. (Patton, 1990 p. 86)” Since the literature includes propositions about the elements of publicness and strategic planning difficulties and techniques that might be encountered in federal organizations, a suitable framework based on this literature can be reasonably constructed for the data analysis.

The orientational approach uses a theoretical perspective that influences what variables and concepts will guide the data collection and analysis. In this approach, the researcher seeks to describe and explain manifestations of already-presumed general patterns of understanding. The relevant question in this form of inquiry is: Do the

participants in the research see the difficulties associated with strategic planning and the relationships between publicness and strategic planning in the same way that theory suggests? Even though a theory-based framework is used as *a priori* information for the collection and analysis of data, there is a component of discovery to the inquiry process in the sense that participants in the study may offer explanations that do not fit the understanding offered by theory, and that perhaps may not confirm one or all of the difficulties and techniques as relevant to their experience; or they may provide a sense of relative importance or significance to the information. Therefore, the research has a phenomenological aspect in that the inquiry seeks to uncover the structure and essence of people's experience with strategic planning.

Research Design

The research for this dissertation is based on a cross-sectional design because the data on all the relevant variables was collected at one time. This research is a multi-organizational study following the cross-sectional design approach, and the methods and procedures constitute descriptive research. Research that is primarily descriptive is designed to “describe rather than explain a set of conditions, characteristics, or attributes of people in a population, based on measurement of a sample” (Alreck & Settle, 1995 p. 445). Descriptive research designs generally fall into three categories: cross-sectional, time series, and case studies. According to Isaac and Michaels (1984), the purpose of descriptive research is to:

- Collect detailed, factual information that describes existing phenomena.
- Identify problems or justify current conditions and practices.
- Make comparisons and evaluations.
- Determine what others are doing with similar problems or situations and benefit from their experience in making future plans and decisions.

According to O'Sullivan and Rassel (1989), the cross-sectional design approach is particularly suited for studies that either involve the gathering of information about people's attitudes and behavior or answer questions across a variety of settings. Cross-sectional studies cannot demonstrate causal relationships between variables mainly because the independent variable cannot be controlled. Unknown intervening variables can influence the results of analysis. However, cross-sectional studies are frequently used to uncover relationships between variables that can be the basis for future studies using different research designs. The cross-sectional design is appropriate for this study since the objective is to uncover common difficulties and techniques in a sample of federal agencies based on their experience with strategic planning. In this sense, the research looks across the organizations to uncover the common experience of members.

The following chart, Figure 3-3, shows the main elements of the research design for the three variables *publicness*, *difficulties* and *techniques*.

VARIABLE	DATA COLLECTION METHOD	DATA COLLECTION TECHNIQUE	DATA ANALYSIS METHOD
<i>PUBLICNESS</i>	QUANTITATIVE	QUESTIONNAIRE	QUANTITATIVE DEDUCTIVE
<i>DIFFICULTIES</i>	QUALITATIVE	INTERVIEW	QUALITATIVE - QUANTITATIVE INDUCTIVE-DEDUCTIVE
<i>TECHNIQUES</i>	QUALITATIVE	INTERVIEW	QUALITATIVE - QUANTITATIVE INDUCTIVE-DEDUCTIVE

Figure 3-3. Main Elements of the Research

Variables

The research is operationalized with three variables: *publicness*, *difficulties*, and *techniques*. For the purposes of this study, data about these three variables was obtained from individuals whose positions in the sample organizations ensured relevant and authoritative opinions about strategic planning in their organization, and about certain factors that characterize the publicness of their organization. These individuals provided insight into the three research variables.

In addition, the questionnaire was used to gather information that described how the organization conducted strategic planning and the respondents' experience with strategic planning. Also included were characteristics of the sample organization and information about the respondent's position.

The variables under study are associated with the strategic planning process. Typically, strategic planning models are based on a sequential process that starts with goal setting, which is followed by analysis, strategy formulation, strategy implementation, and finally evaluation. During the implementation phase of strategic planning, goals established during plan formulation are accomplished through a connected series of actions that change the organization's systems and processes in the strategic direction indicated by those goals. Models that follow this sequence of activities separate strategy formulation from implementation, or make only a loose connection, and are typically directed at business applications. But a more comprehensive view of the strategic planning process suggests that for some applications, particularly in the public sector, the distinction made among the elements of the planning process is not appropriate.

Both theory and practice suggest that the distinction between the plan implementation and the formulation of activities is not always clear. For example, some difficulties encountered by planners and managers during the formulation of strategic plans can, when mitigated at this stage, improve the chance that the goals will be successfully implemented. Although formulation and implementation can be separated conceptually as distinct process elements, and often are in the literature, they are linked from a practical standpoint. That is, some *difficulties* and *techniques* applicable to the strategic formulation phase of the planning process determine how successfully the plans are implemented. Campbell and Garnett (1989) suggest that implementation in the more complex arena of governmental organizations is closely connected to formulation and that the process is interactive rather than linear. For example, a comprehensive involvement of the organization's stakeholders when strategic goals are formulated can make implementation of these goals less problematic than if stakeholders were not included in goal-setting.

This research accounts for the connection between formulation and implementation by including in the interview process information related to the *difficulties* and *techniques* that are identified by agencies as occurring during formulation, but that have an effect on implementation. Therefore, the *difficulties* and *techniques* offered by respondents during the interviews are expected to apply to the entire strategic planning process.

Figure 3-4 below indicates the expected relationships among the variables being studied. Theory suggests that *publicness* should influence *difficulties* in terms of the number and types of difficulties encountered. Once planners and managers are faced with these difficulties, they employ techniques to deal with them. The dotted arrow between *difficulties* and *techniques* indicates a loosely coupled relationship between these variables. The variable *techniques* is indirectly related to organizational publicness since the *techniques* address *difficulties* that arise from *publicness*. However, there is not necessarily a one-to-one correspondence between a difficulty and a technique. Therefore, a technique may be related to several difficulties. The interview data will be analyzed to present the techniques in a form that will provide insight into how often they are used in practice. The techniques extracted from the interviews will be compared to those offered in the literature and differences will be discussed. The information presented in the analysis of the techniques will provide some suggestions for practitioners of strategic planning in public organizations about how to address difficulties encountered in the process.

Operationalizing the variables *publicness*, *difficulties*, and *techniques* involves identifying elements that further delineate the variables. For example, the variable *publicness* is made up of elements such as political influence and citizen involvement. These elements are derived from the literature discussed in Chapter 2. The following text presents the elements of the variables.

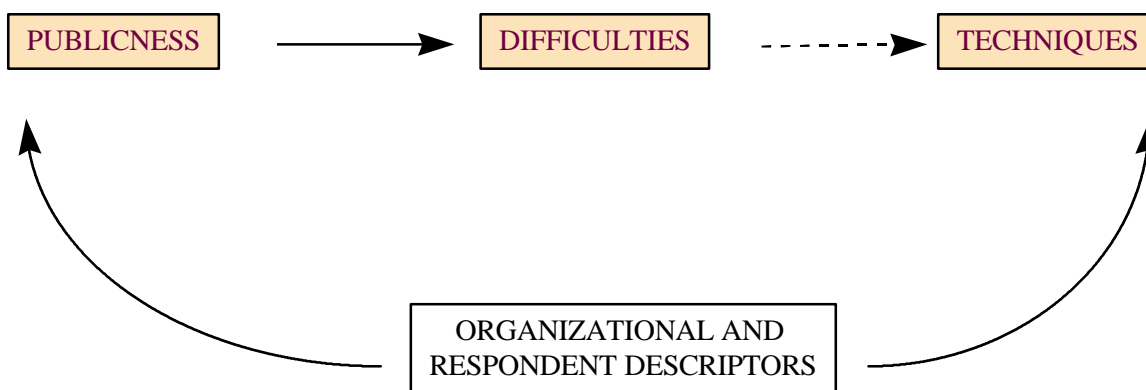


Figure 3-4. Relationship Of Key Variables

Elements of *Publicness*

Publicness consists of market-related elements, organizational process elements, and elements of external influence.

Market-Related Elements

- Funding Sources
- Presence and Role of Oversight Bodies
- Alternatives and Competition for the Organization’s Products and Services

Most public organizations lack economic markets to provide them with resources in the form of revenues. Typically, the more public these organizations, the more they depend on oversight bodies for resources in the form of appropriations, which are divorced from market mechanisms. In organizations that are more private-like, services are rendered on a reimbursement basis (e.g., revenues obtained from fees or licenses). Oversight bodies can constitute the market for some highly public organizations. In other cases, some public organizations compete with their private sector counterparts for delivering goods and services. Total reliance on budget appropriations with no opportunity to charge for services defines the high public end of the public-private continuum for the funding element, and organizations that must work through an oversight body to change their resource bases have concerns that differ from organizations that sell to a market.

Organizational Process Elements

- Specificity of Goals
- Presence of Performance Measures
- Approach to Change
- Limits to Authority
- Mandates and Obligations
- Nature of Incentives

Private firms can take proactive and unilateral actions in developing and implementing strategic plans that call for changes in the goods and services they produce. Strategies in public organizations tend to be more reactive and take shape as a series of incremental movements that balance competing interests. Goals tend to be markedly different in public and private organizations. Public organizations tend to have multiple goals that are both vague and conflicting, primarily because of the demands generated by interest groups that create a set of complex, confusing, and conflicting expectations.

Vague goals often result in correspondingly vague performance measures. This means success cannot be easily recognized and there is less urgency to achieve results. Encouraging effective performance by using incentives is much more difficult in public organizations than in private organizations because of differences in reward preferences and options.

Compared to private sector managers, public managers have weaker power bases and less authority to alter and reshape the systems they manage. The ability of public managers to act autonomously is usually dependent upon a complex web of actors in authority networks and an equally complex set of rules and regulations. Legal mandates, societal obligations, or tradition poses constraints on public managers that limit their autonomy and flexibility. For example, public managers do not always have authority to make choices about adding or deleting products and services.

External Influence Elements

- Influence of Authority Networks
- Influence and Scrutiny by Citizens
- Extent of Stakeholder Networks

The environment of public organizations is rich in political influence and pressure. Views and opinions of leaders and manipulation by legislators and interest groups sometimes dominate over strict efficiency and economic considerations in the decision process. Most public organizations do not have the choice of keeping strategy development secret, and there is often high interest in a public organization's goals and plans. Accounting for external influence involves recognizing and managing many stakeholders external to the organization, who influence the allocation of needed sources of money and people and whose support is essential to the development and implementation of strategic plans.

Elements of *Difficulties*

Elements of *difficulties* occur in three categories: process, constraints on actions, and alignment.

Process-Related Elements

- Goal Ambiguity and Conflict
- Disagreements about Implementation Decisions and Actions
- Setting Performance Measures
- Sidetracking of the Plan by Unanticipated Events
- Lack of Support for the Strategic Plan by the Organization's Leaders
- Stakeholder Diversity and Dispersion

The environment within which strategy is developed is filled with uncertainty and conflict. Competing interests dominate the strategic landscape, leading to a lack of clarity about goals, means of reaching these goals, and measures to judge performance. The multiple actors involved in the process and the overall uncertainty make it difficult to hold people accountable for taking action.

In public organizations, goals are established through a political process that defines legal authority and allocates resources. Most public organizations are affected by conflicts of interests held by different stakeholders, each of whom seeks to use the political process to exercise control over the agency's goals. The many constituencies that influence the political environment of the organization lead to multiplicity and conflict in defining goals. Goal complexity and ambiguity is a source of difficulty for public managers as they implement strategic plans because there is not a clear mandate for action. Stakeholders are not interested just in the agency's goals and strategic direction; most

constituencies want to determine the means the agency will use to implement the goals. Controversy about ends and means complicates decision making about what goals are important and what actions should be taken to implement them, and managers may find it easier to abandon planning *and* implementation rather than resolve difficult conflicts where there are winners and losers.

Elements Related to Constraints on Managerial Actions

- Constraining Administrative Practices
- Constraints on the Means for Obtaining and Expending Funds
- Legal and Regulatory Constraints
- Requirements for Openness and Negotiations
- Mission and Legal Mandates
- Absence of a Planning Culture

All organizations experience a number of constraints on their activities and actions. Legal restrictions affect both public and private organizations by limiting the freedom they have to act. But public organizations experience more severe constraints compared to those in the private sector.

Public organizations usually obtain financial resources from budgetary processes, while private organizations obtain revenue from customers to whom they sell goods and services. Budget-derived funding drives public sector managers to satisfy the demands of political oversight bodies that control resource allocations.

Legal and regulatory constraints limit the authority and autonomy of the public manager to make choices about goals and strategies and the processes used to develop them.

Administrative constraints arise from formal procedures and controls imposed by hierarchical authorities internal and external to the agency. These administrative constraints contribute to the legalistic culture of agencies and introduce limitations, checks, and reporting requirements on decision-making. For example, an agency's personnel practices are controlled by oversight both in terms of the number of people that can be employed and the processes for promotion, reward, termination, classification, and sometimes allocation to tasks within the agency. In this environment, planning and implementation are limited by resources and policy constraints imposed by political authority.

Public organizations have public missions and often they are the sole-source provider of goods and services. If an organization is performing this mission and is viewed as politically valuable, there is little incentive to make changes to improve goods and services. Public organizations tend to be more risk averse than private organizations because of the sensitivity to political backlash and the constraining administrative environment. For strategic planning, this risk aversion may mean public managers are reluctant to gamble with a new direction for the organization and risk losing important support by upsetting established program structures and networks.

Elements Related to External Alignment

- Alignment Between Stakeholder Objectives and the Organization's Strategic Goals
- Alignment with Political Authority
- Alignment with Administrative Authority
- Alignment with Legal Authority

Alignment affects public organizations in terms of the relationship between organizational leaders and external stakeholders, and the relationship among leaders and managers within the organization. For example, multiple demands on the agency can be framed as conflicts between the preferences of elected officials and those of interest groups. Both the formulation and implementation of strategies can become embroiled in conflicts between political authority and stakeholders, and these conflicts can seriously jeopardize the entire enterprise of strategic planning. Determining success or failure in public organizations rests on the judgment of political actors; and given the uncertainty inherent in the organization's goals, this judgment may be based on factors other than the delivery of quality products and services.

Elements of *Techniques* for Overcoming Difficulties

Fundamentally, achieving success in strategic planning depends on key players in the organization effectively managing the tensions inherent in the process. These tensions stem from stakeholder conflicts; constraining rules, regulations, and policies that limit alternatives for action; lack of market-like feedback that clearly delineates customer needs and satisfaction; questions about who is the customer; budget uncertainties and limits on resources; disagreements among agency leaders and managers about goals; etc. Public managers must recognize that these problems stem in part from the democratic features of public policymaking and that although they make strategic planning difficult, it is important to recognize and deal with them as legitimate issues. The elements of the variable *techniques* presented below suggest actions that can be taken during the strategic planning process to overcome difficulties.

- Resolving Stakeholder Conflicts: Use mandates and obligations as tools to guide the process and resolve conflicts.
- Interacting with Stakeholders: Understand the beliefs and demands of key stakeholders; maintain stakeholder involvement throughout the process.
- Inviting External Participation: Devise procedures that maintain an open planning process; use lobbying, negotiations, bargaining, education, coalition-building, co-optation, selling, and promotion.
- Providing Incentives: Provide incentives to managers to gain their support.
- Involving Oversight Bodies: Collaborate with oversight bodies during the strategy formulation and implementation process.
- Observing the External Environment: Frequently sample outside events, trends, and issues and adjust the planning process accordingly.
- Inviting Internal Participation: Provide opportunities for participation within the organization to increase “buy-in” to the plan.
- Incorporating Political Influence: Understand the constraints imposed by political influence and customize the planning process to account for them.
- Maintaining External Alignment: Develop a coalition of interests to help keep the strategic management process on track.
- Formulating Realistic Goals: Clarify strategic goals during the formulation of the strategic plan to reduce disagreements during implementation.
- Stating Goals: Use ideals as a substitute for goals (that is, use pictures of the desired future state of the organization). Ideals provide targets and offer ways to seek compromise among competing views that dictate what the organization is (or is not) about.
- Setting Performance Measures: Develop realistic performance measures for achieving strategic goals.
- Gaining Support Through Leadership: Engage the organization’s leader to gain internal support.
- Assigning Accountability: Assign accountability for achieving goals and implementing plans and hold people accountable.

- Deflecting Conflict: Develop buffering mechanisms to deflect outside influence on the organization.
- Allowing for Process Limitations: Adopt an incremental change process to deal with politically derived uncertainty, conflict, and information overload, and allow for stakeholder feedback.

Data Collection and Analysis Procedures

Data to explore the relationships among the variables came from a survey of federal planners and an examination of documents. The survey had two components: an interview and a questionnaire. The purpose of the interview was to explore the question of strategic planning difficulties and techniques with planners in federal agencies. The purpose of the questionnaire was to determine the degree of *publicness* of the organization and to provide information about the organization and the respondent. As part of the research, documents were reviewed to gain insight into specific strategic planning approaches and the experience of the agencies included in this study.

For the questionnaire, specific elements of *publicness* were incorporated into a series of questions. Answers to these questions were the basis for calculating a *publicness* score for the organization. In the interviews, obtaining information about *difficulties* and *techniques* was less direct and more subjective. It is unlikely that analysis of the interview data would yield a one-to-one correspondence between the elements of the variables *difficulties* and *techniques* and the words of the respondents. Therefore, data analysis using the qualitative techniques described previously determined if the meaning conveyed in the interviews matched the meaning intended in the literature for the variable element.

Sampling Technique

A purposeful sampling technique was used for this research. Purposeful sampling techniques are “nonprobability sampling in which units are selected because the investigator judges that the units somehow are representative of the population” (O'Sullivan & Rassel, 1989 p. 436). Purposeful sampling is also known as judgmental or expert choice sampling. In purposeful sampling, the population is chosen to provide information-rich cases for study and the quality of the sample depends on the researcher's ability to choose units that best meet the purposes of the study. Purposeful sampling is used for this research because the number of federal agencies undertaking strategic planning is limited, and these are easily identified. Therefore, the organizations participating in the study can be chosen with a high degree of probability that they will yield useful information consistent with the purpose of the research. Responses from the questionnaire will be analyzed to confirm this assumption.

For this research, particular federal agencies were selected based on two factors: (1) expected degree of publicness, and (2) amount of strategic planning experience. The overall sampling strategy was structured to obtain a variety of organizations within the federal sector so that common themes associated with answering the research questions could be identified. This variation provided the best opportunity for the results of the study to be useful throughout the federal sector. To be included in the study, each organization had to have completed at least one cycle of strategic planning, so that a documented plan was produced and issues of implementation were being addressed. Strategic plans for each organization were examined to determine if the organizations met the experience requirement, which was also verified during the interviews. The expected insight into degree of publicness was obtained by including organizations that varied in terms of their proximity to political influence, method of funding, and extent of stakeholder involvement. An assumption was that organizations located at the upper portions of the hierarchy were subject more to direct political forces and would therefore have higher values on the publicness scale. For example, the Environmental Protection Agency (EPA) was expected to have a higher value of publicness than the Army Research Laboratory (ARL). The EPA interfaces with Congress and the organization's stakeholders directly; ARL is located several layers down the hierarchy from DoD and does not interface directly with Congress.

Eighteen different organizations made up the sample. They are as follows:

1. Administration for Children and Families (ACF), Department of Health and Human Services (HHS)
2. Army Research Laboratory, Department of the Army
3. Department of the Interior
4. Department of Education
5. Department of Energy
6. Department of Health and Human Services
7. Department of Treasury
8. Environmental Protection Agency, Department of Health and Human Services
9. Food and Drug Administration (FDA), Department of Health and Human Services
10. Naval Air Systems Command (NAVAIR), Department of the Navy

11. National Imagery and Mapping Agency (NIMA), Department of Defense
12. National Oceanographic and Atmospheric Administration (NOAA), Department of Commerce
13. Naval Ordnance Center (NOC), Naval Sea Systems Command, Department of the Navy
14. Naval Surface Warfare Center (NSWC), Naval Sea Systems Command, Department of the Navy
15. Naval Surface Warfare Center, Dahlgren Division (NSWCDD), Naval Sea Systems Command, Department of the Navy
16. Naval Sea Systems Command (NAVSEA), Department of the Navy
17. National Weather Service, National Oceanographic and Atmospheric Administration, Department of Commerce
18. Office of Surface Mining (OSM), Department of the Interior

Figure 3-5 below shows the relationships among these organizations.

Respondents

Respondents included both planners and managers, but all of the respondents were participants in the strategic planning process in their organization. Planners were staff members reporting to agency heads or their immediate subordinates. Because of the planners' involvement in all aspects of strategic planning for the entire organization, planners were particularly well-suited to be informed respondents for the data collection instruments. Planners tended to have a perspective of the strategic planning process as it applies to the entire organization and are able to relate the composite experience of individuals throughout the organization, especially the views of managers. Managers tended to have more specific information about their particular organizational unit—unless they were part of a team that directed the planning process for the organization. The broad, composite organizational perspective offered by planners reflects the experience and opinions of managers throughout the organization and is therefore more useful for obtaining information about the variables being studied. Although some respondents identified themselves as managers in the questionnaire, they were included in the survey because initial contacts with them indicated they had planning process roles for their agency. Interviews confirmed that these managers were also members of the strategic planning team responsible for the process in the entire organization; therefore, they shared the same perspective as the planners.

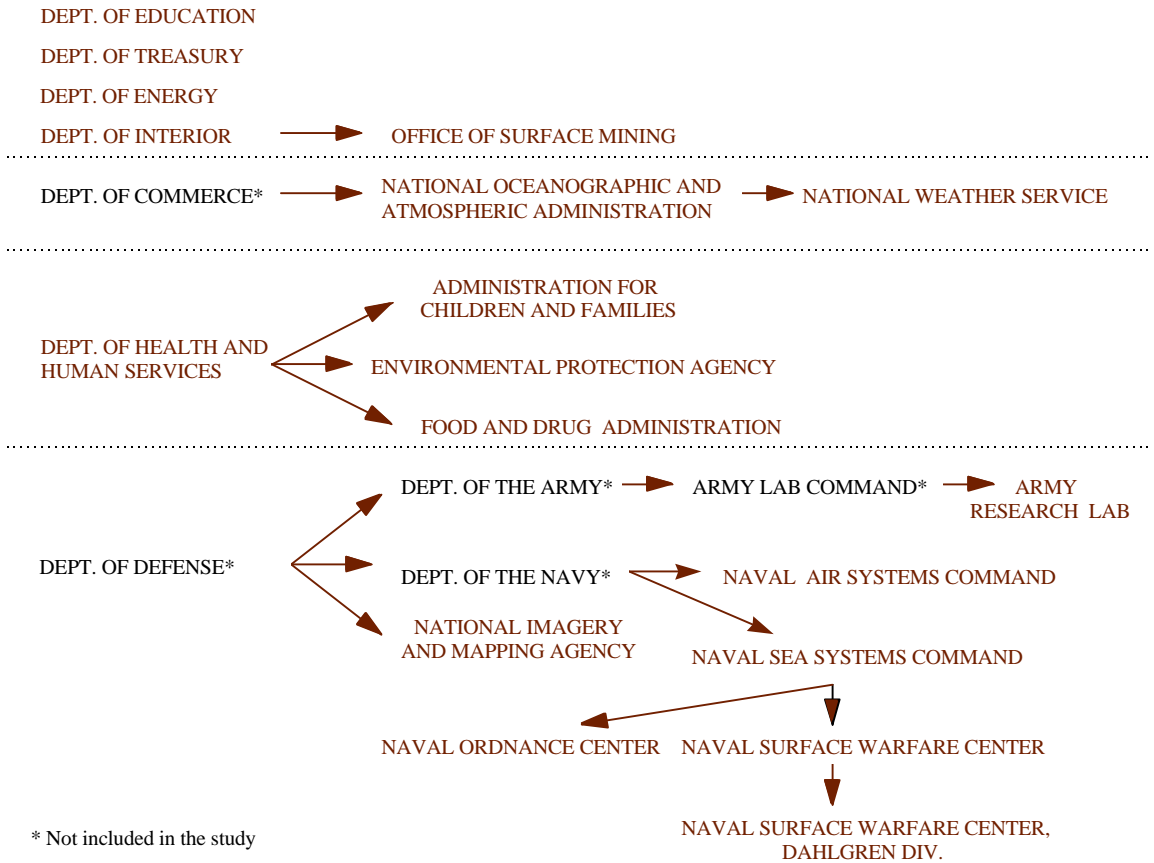


Figure 3-5. Relationships Among Organizations in the Study

Questionnaire

A survey instrument (Figure 3-6) was developed to collect organizational descriptors data and measure *publicness*. For *publicness*, questions were formulated corresponding to the twelve elements shown in Figure 2-3 and discussed on pages 42-44. Reliability and validity were tested using a pilot study in which the instrument was administered to a selected group of federal managers and planners. Content validity was initially established by ensuring that the concepts were grounded in experience or established theory, and that the specific measures used had a basis in the literature. Content was verified by the expert responses to the pilot. In addition, the pilot explored the appropriateness of the instrument design, the clarity of the language, and the completeness of the directions. As a result of this pilot testing, the twelve elements describing the variable *publicness* (Figure 2-3 and pages 42-44) were reduced to ten and a final set of questions was formulated to measure these ten elements. Specifically, respondents to the pilot testing judged the element “Nature of Incentives” as ambiguous and suggested elements “Limits to Authority” and “Mandates and Obligations” be

STRATEGIC PLANNING SURVEY

Part One: Organizational Information

Please provide the following information about your organization by checking the appropriate box. "Organization" should be the unit for which strategic planning was conducted.

1. Name of your organization _____
2. How many employees are in your organization ?
 less than 500 500 - 999 1,000 - 1,999 2,000 - 3,000 greater than 3,000
3. How long has your organization done strategic planning ?
 less than one year 1 - 3 years 4 - 6 years more than 6 years

Part Two: Strategic Planning Process

Please provide the following information about the strategic planning process in your organization.

4. What year was the last strategic plan completed ? _____
5. What was your role in the strategic planning process ?
 planning staff line manager subject matter expert
 other (please specify) _____
6. Please indicate if you participated in the following activities (check all that apply).
 strategic plan formulation strategic plan implementation
7. Please indicate if your organization's strategic planning process included any of the following elements (check all that apply).
 environmental scan strategic goals
 internal organizational audit performance measures
 organizational vision implementation plans
8. How successful was the implementation of the strategic plan ?
 not at all somewhat mostly completely don't know

Figure 3-6. Questionnaire for Survey of Federal Agencies

Part Three: Publicness Elements

To what extent is your organization characterized by the following statements ?

9. Funds are obtained directly from Congressional budget allocations..

to a large extent somewhat very little not at all don't know

10. Oversight bodies establish the organization's products and services.

to a large extent somewhat very little not at all don't know

11. Competes with other organizations for delivering similar products and services.

to a large extent somewhat very little not at all don't know

12. Mandates limit the autonomy of the organization's managers.

to a large extent somewhat very little not at all don't know

13. Goals are difficult to specify.

to a large extent somewhat very little not at all don't know

14. Outcomes and performance are difficult to measure.

to a large extent somewhat very little not at all don't know

15. Significant change can only be achieved incrementally.

to a large extent somewhat very little not at all don't know

16. Political influence is extensive.

to a large extent somewhat very little not at all don't know

17. Implementation of goals depends on stakeholders that are beyond the ability of the leader to control.
(stakeholders = administrative, legislative, judicial branches, and constituent groups)

to a large extent somewhat very little not at all don't know

18. Citizens act as owners and impose their expectations about the organization's activities.

to a large extent somewhat very little not at all don't know

Figure 3-6. Questionnaire for Survey of Federal Agencies (Continued)

combined and the wording clarified. These changes were incorporated into the questionnaire shown in Figure 3-6. The questionnaire was designed to measure the variable *publicness*, and to provide data about the organization and the respondent.

The questionnaire was partitioned into three sections: Two sections were designed to provide information about the organization and the respondent, and a third section was designed for measurement of the variable *publicness*. The divisions were as follows (see Figure 3-6):

- Organizational and Respondent Descriptors:
 - Organizational Information - Questions 1 through 3
 - Strategic Planning Process - Questions 4 through 8

- Organizational Publicness: Questions 9 through 18

A Likert scale was used for some parts of the questionnaire. The Likert method is based on the assumption that an overall score generated from responses to the many items reflecting a particular variable under consideration provides a reasonably good measure of the variable. Likert scales are often used to measure opinions or attitudes of individuals. Five categories are commonly used: strongly agree, agree, no opinion, disagree, and strongly disagree. Experts recommend using an equal number of positive and negative statements for each item being measured. The level of measurement of a Likert scale is ordinal. By assigning a numerical value to each response category, and adding the values for each, analysts can treat the resulting value as an interval level measurement. Many analysts feel that treating Likert-type scales as if they were interval measures provides more advantages than disadvantages (O'Sullivan & Rassel, 1989). A score for *publicness* was calculated by assigning a numerical value to each response for each element and then adding these numerical values to arrive at a *publicness* score for each organization.

Interviews

The interview solicited respondents' experience and opinions about strategic planning in their organizations. Interviews were conducted with planners and managers in eighteen federal organizations. The interviews were conducted in the respondents' offices and followed a general guide that directed the inquiry in concert with the research questions; however, the format of the interview session was conversational rather than question-and-answer. Trigger questions were used to focus the responses around planning and implementation, and *difficulties* encountered, and *techniques* employed. The objective of the interviews was to gain an understanding of how strategic planning processes were carried out in the organizations in terms of the respondents' frames of reference. A written interview guide was used as a framework for conducting the interviews. It consisted of procedures, introduction of the interview to the respondent, and areas for exploration during the interviews. The interview process was adapted to

each respondent's particular experience, conversational style, and organizational situation by adjusting the content and the sequence and wording of questions during the course of the interview. According to Patton, the interview guide approach allows flexibility to pursue responses to gain more in-depth information. Compared to an approach using a standardized set of questions, the interview guide approach allows the researcher to tailor the interview "on-the-fly" in order to obtain the most useful information. The disadvantage of the interview guide approach is that some important topics may be omitted, and different sequencing and wording of questions can result in different responses, thus reducing the ability of the interviewer to compare responses. The interview guide approach was chosen for the interviews for the following reasons (Patton, 1990):

- The strategic planning experience of the respondents was expected to vary.
- The respondents' organizations varied, and it was expected that different language and terminology would be used to express information unique to each organization.
- Time for the interviews was restricted, and there was a need to have flexibility in the interview to concentrate on the most important topics.

The analysis procedures were based on Patton's text on *Evaluation and Research* (Patton, 1990). As a first step, an interview summary sheet was written shortly after the interview took place. This summary provided a record of the interview experience. It included a description of the organizational setting, overall assessment of the interview, and lessons learned for subsequent interviews.

The interviews were tape recorded (with the respondent's permission) to preserve the raw data. The analysis of the data followed a combination deductive-inductive approach described earlier in this chapter, in which preexisting expectations in the form of the framework for the variables *difficulties* and *techniques* were used to study the data; but the analysis also allowed for other explanations to emerge. The important consideration here is to allow the inductive element of the analysis sufficient emphasis so that unexpected patterns can emerge from the data. The procedure is based on the premise that the words transcribed from the interviews can be broken down into categories. This categorizing involves "working with the data, organizing it, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others" (Bogdan & Biklen, 1982 p. 145).

The recordings were transcribed into a written record, and the information was analyzed by examining the record for indications of the elements of *difficulties* and *techniques* that were developed from theory as presented in the literature. Figure 3-7

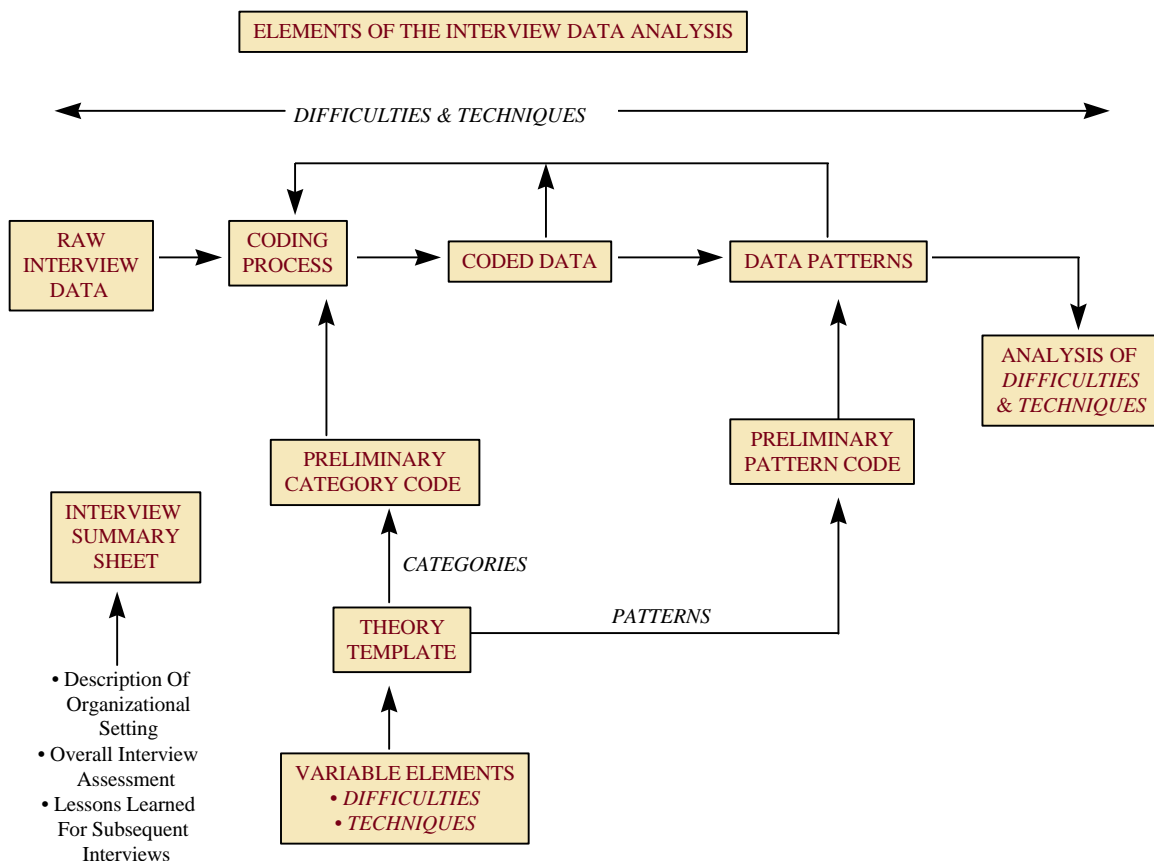


Figure 3-7. Elements of Interview Data Analysis

above outlines the elements of the interview data analysis and shows the sequence of these elements.

Analyzing the interview data consisted of the following steps:

- Tape recordings were transcribed to create a written text.
- Initial coding of was performed by identifying categories in the text that matched categories in the template, which consisted of the elements of the variables *difficulties* and *techniques* derived from the literature. Next, any new categories were identified.
- The data coded into categories provided pointers to search for patterns—similar meanings between the template and the text. The template provided the initial set of patterns, and the data analysis identified those patterns that matched the template, and any new patterns.

The coding process was iterative using multiple passes through the transcribed interviews to build a code list, first for categories, and then for patterns. Every time the code list was revised, the data from all the interviews was analyzed with the new list. This process continued until there were no new elements to the code list and all the interview data was coded for both *difficulties* and *techniques*.

Categories and patterns were identified using the framework derived from the literature. According to Guba, categories should be judged on the basis of two criteria: First, degree of internal homogeneity, which is the extent to which elements that belong in a certain category hold together in a meaningful way; second, external heterogeneity of categories, which is the extent to which differences among categories are bold and clear (Guba & Lincoln, 1981). A coding approach called “pattern coding” was used to provide a bridge from description of the information to explanation. According to Miles and Huberman (1994), pattern codes are explanatory or inferential codes that identify an emergent theme, pattern, or explanation. In this approach, first level coding was performed to yield initial categorization of the information in the interviews. Pattern coding was then performed to group the initial information into a smaller number of overarching themes or constructs. The objective of the analysis was to look for similar or different patterns that emerged from the interview data across the respondents. The initial patterns were modified if the interview data suggested other patterns were more suitable or that patterns needed to be qualified. The initial patterns were also modified if the interview data failed to confirm the initial pattern. A continuous process of comparison yields a pattern match or mismatch and the nature and significance of any differences between patterns. These authors contend that pattern coding has four important functions:

- It *reduces* large amounts of data into a smaller number of analytic units.
- It gets the researcher into *analysis during data collection* and can be more focused.
- It helps the researcher build a *cognitive map*, an evolving schema for understanding what is happening logically.
- When several researchers are engaged in individual case study work, it *lays the groundwork for cross-site analysis* by bringing to the surface common themes and causal processes.

The following is an illustration of the data analysis process used for the interviews. “Organizational process” was identified in the literature as a category for *difficulties* with strategic planning in federal organizations. An element within this category is “specificity of goals.” The interview data was analyzed to identify categories that matched theory-based categories and any that did not—the combined matched and new set of categories formed a revised list and the entire data set was analyzed again and all the text was coded.

Some of the data would be coded in a category called “organizational processes-goals.” The next step was to look for a pattern within the “organizational processes-goals” category. An example of a pattern associated with specificity of goals is: “setting goals that are vague or ambiguous during the strategic plan formulation process caused problems with stakeholders when implementation actions are taken.” When there was a match at the pattern level, additional analysis was done to determine if the pattern or theme was consistent across all the organizations studied. From a mechanical process perspective, the data was analyzed by passing through its entire contents in a sequential, iterative fashion, first to identify categories, then patterns that met requirements for internal homogeneity and external heterogeneity.

Limitations and Assumptions

Limitations inherent in this type of research are the differing individual interpretations of questions by the respondents and the subjective interpretation of the responses by the researcher. Pilot testing can help minimize, although not entirely eliminate, the effects of these limitations. To identify and possibly minimize the study’s inherent subjectivity, several federal planners and managers with extensive strategic planning experience and who were not included in the study were asked to answer the questionnaire and take part in a trial interview. In addition, the questionnaire and interview format were discussed with other strategic planning practitioners.

Another limitation is associated with the sampling technique. The sampling technique employed restricts the researcher’s ability to generalize the conclusions of the research. The adequacy of a purposeful, or nonprobability, sample can only be determined by subjective means. It is therefore impossible to determine mathematically how representative the sample is of some larger population. However, given the nature of the organizations under study, the sample in this research will support the extension of significant conclusions to other federal organizations. The organizations that participated in the research were selected to provide variation in publicness, and the data shows that this objective was achieved. Therefore, the sample provides a reasonable representation of federal agencies.

As discussed previously, the type of study described by this methodology is cross-sectional. Cross-sectional studies have limitations—among these are that they cannot demonstrate causal relationships, but they may produce reasonable estimates of the relationship among the variables involved in the study (O’Sullivan & Rassel, 1989). In this research, the independent variable (*publicness*) cannot be controlled; therefore, causation cannot be established between *publicness* and *difficulties*. Without controlling for the independent variable, other factors that may affect problems with strategic planning cannot be eliminated. Nevertheless, the lack of empirical research regarding public organizations and strategic planning suggests that the descriptive research undertaken here will add to the body of knowledge in the field of strategic planning, provide useful information for public managers, and suggest meaningful directions for future research.

Although not rigorously testing a hypothesis concerning *publicness* and *difficulties*, the data analysis will reveal their relationship for the organizations in the study, thereby providing insight into the underlying phenomena, which is strategic planning in federal organizations.

Summary

In summary, the methodology used in this research is a combination of quantitative and qualitative approaches and is based on previous theories of public organizations and management. The structure of the variables *publicness*, *difficulties*, and *techniques* was extracted from the literature and from the content of the questionnaire and a framework to guide the analysis of the interview data. The questionnaire used the elements of *publicness* as the basis for calculating a *publicness* value for the organizations studied. The analysis of the interview data yielded information about how well the initial structure of the variables *difficulties* and *techniques* (from the literature) matched the information provided by the respondents and what additional structural elements were offered for these variables. The relationship between the *publicness* value for the organization and the amount and severity of *difficulties* encountered was also explored by assigning a numerical value to the difficulties and then relating that value to the publicness value. Figure 3-8 below depicts this summary in chart form.

VARIABLE	MEASUREMENT METHOD	PRIMARY SOURCE VARIABLE STRUCTURE	VARIABLE DESCRIPTORS
<i>PUBLICNESS</i>	Questionnaire	Bozeman, Rainey Nutt & Backoff	Numerical Value For Each Organization
<i>DIFFICULTIES</i>	Interviews	Melamid and Luck, Rainey, Nutt	Extent & Severity, Numerical Value For Each Organization, Relationship With Publicness
<i>TECHNIQUES</i>	Interviews	Nutt & Backoff	Extent, and Numerical Value for Each Organization

Figure 3-8. Summary of Research Methodology

There are three basic products of the data analysis:

- A list of difficulties for the agencies studied and a comparison of these difficulties with the difficulties proposed in the literature. A numerical score was calculated for each difficulty based on two factors: (1) the number of respondents and, therefore, organizations reporting the difficulty, and (2) the severity of the difficulty as reported by the respondents. Item (1) amounts to the frequency of occurrence for each difficulty; item (2) is a weighting factor that adds an additional numerical value to the frequency count. A total difficulty score for each organization was calculated by adding weighted values associated with each element of the variable *difficulties*.
- Calculation of a *publicness* score for each organization in the study. Charts will show the relationship between the publicness scores and difficulty scores.
- A list of techniques used to overcome the difficulties and a comparison of these techniques with the techniques proposed in the literature. A numerical score was calculated for each technique based on the number of respondents and, therefore, organizations reporting the technique.

CHAPTER 4

DATA ANALYSIS AND STUDY FINDINGS

Introduction

Eighteen organizations participated in this study. This chapter presents the results of the data collection and analysis.

Analysis of the data is organized into the following five main areas: (1) organizational descriptors, (2) the variable *publicness*, (3) the variable *difficulties*, (4) the relationship between *difficulties* and *publicness*, and (5) the variable *techniques*. As discussed in Chapter 3, the organizational descriptors and *publicness* data were collected using a questionnaire, and data for *difficulties* was obtained from recorded interviews. The same respondent provided the information on the questionnaire and in the interview.

Analysis of Organizational Descriptors

Organizational descriptors consist of data about the organizations participating in the study and about the study respondents. Figures 4-1 through Figure 4-5 are charts of organizational descriptors derived from completed questionnaires. Data about the organizations show the number of employees, the years the organization had conducted strategic planning, and the last year a strategic plan was completed. Data about the respondents include their role in the organization and in the planning process. For each of these descriptors, two charts are presented: a pie chart provides a composite pictorial representation of the data and a table shows the actual category counts for the eighteen cases in the study.

As the data show (Figures 4-1 through 4-3), most of the organizations included in the study were relatively large (greater than 3,000 employees). All the organizations had at least one year of experience in strategic planning, and seven organizations had more than six years of experience. Seventeen of the organizations completed strategic plans within the last four years, and ten completed strategic plans within the last two years. All the organizations had active strategic planning processes in place—mostly in response to the GPRA. Respondents who reported that their agency completed plans in 1989 and 1990 indicated that the plans were updated within the last two years, but without the full-scale strategic planning process.

Fifteen of the eighteen respondents held planning staff positions in their organizations and two others held a dual planning staff/line manager position. All planning staff respondents indicated that they facilitated the planning process, working closely with the organization's leaders and managers. Therefore, the planning staff respondents provided insight into the views of the line managers throughout the

organization. And because they interacted directly with congressional staff, stakeholders, and the organization's top leadership, these planning staff respondents were the most likely to have experience relevant to the study. The one individual who responded as a line manager indicated that he played a major role in the strategic planning process for his organization.

Figure 4-4 indicates that all eighteen respondents participated in the plan formulation phase, and all but three were involved in both the formulation phase and the implementation phase of the planning process. Those who were not involved in implementation indicated that they had not yet begun developing implementation plans in a formal sense, but had completed some preliminary activities. Because planning and implementation are linked for the research questions under study, and all these respondents represented organizations with at least a year of strategic planning experience, these three respondents were able to offer credible responses about *difficulties* and *techniques*.

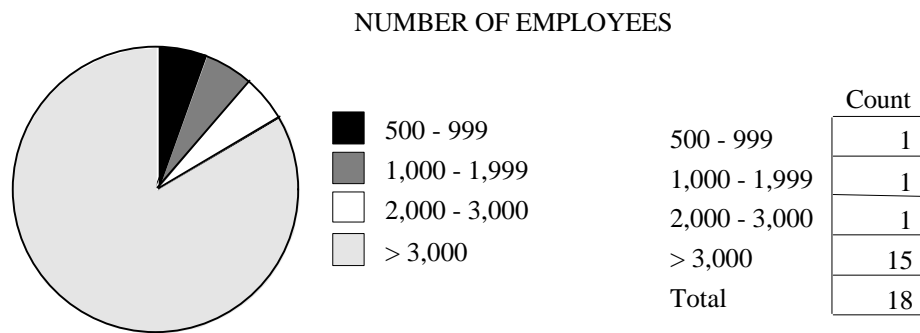


Figure 4-1. Number of Employees in the Organization

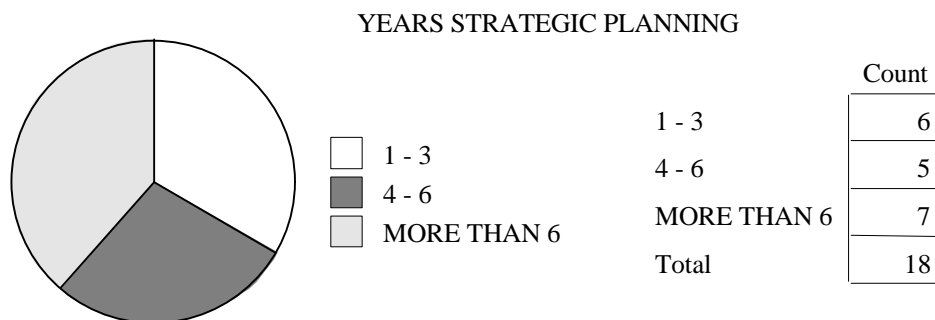


Figure 4-2. Years Organization Has Been Involved in the Strategic Planning Process

YEAR LAST COMPLETED STRATEGIC PLANNING

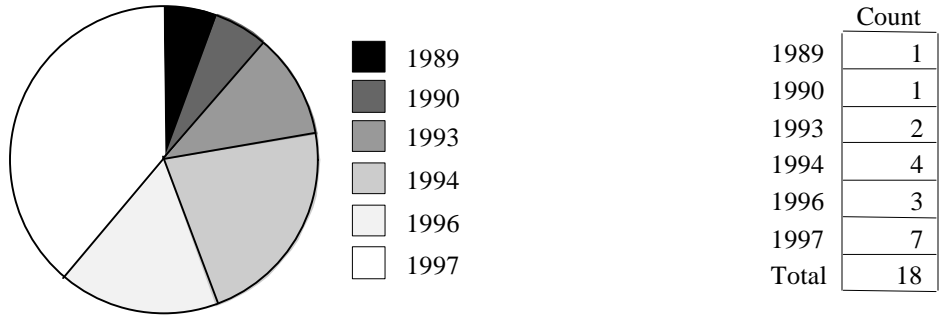


Figure 4-3. Last Year Organization Completed Strategic Plans

RESPONDENT'S ROLE

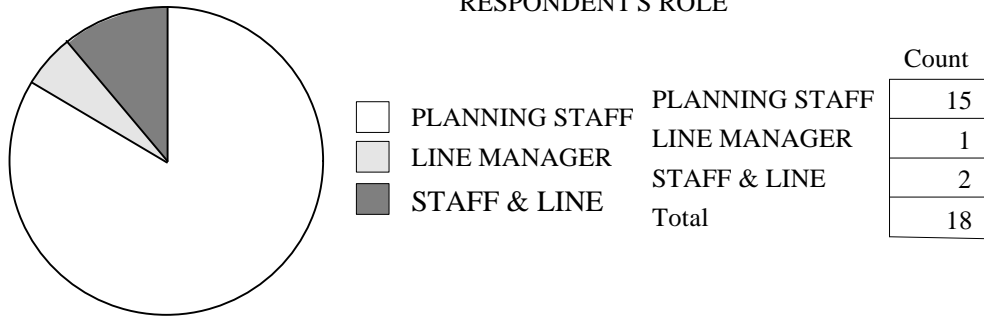


Figure 4-4. Respondent's Role in the Organization

RESPONDENT'S PARTICIPATION IN THE STRATEGIC PLANNING PROCESS



Figure 4-5. Respondent's Role in the Strategic Planning Process

In order to obtain a more comprehensive understanding of the extent of the strategic planning experience of the organizations under study, questions were asked about the organizations' involvement in the traditional elements of strategic planning. These elements are the ones that are commonly found in the literature on strategic planning: scanning the environment, performing an internal audit, creating a vision, setting goals, and establishing specific implementation plans and performance measures (Bryson & Roering, 1987; Bryson, 1995; Hax & Majluf, 1984; Hill & Jones, 1995). Table 4-1 shows how the respondents described their organization's involvement in these elements.

All the organizations established a vision and set strategic goals as part of the planning process. Thirteen of the eighteen organizations established performance measures and developed implementation plans. Many of these implementation plans were geared to the GPRA requirements for annual performance plans. Eight of the organizations completed all elements of the strategic planning process and four completed all but one element. For the five organizations that had not completed performance measures and/or implementation plans, respondents indicated that their organization was engaged in activities directed at developing these measures and plans.

Table 4-1. Organization's Involvement in the Elements of Strategic Planning

ORG.	ENVIRON. SCAN	INTERNAL AUDIT	VISION	GOALS	PERF. MEAS.	IMPLEMEN. PLANS
1	X	X	X	X	X	X
2	X	X	X	X	X	X
3	X	X	X	X	X	X
4	X	X	X	X	X	X
5	X	X	X	X	X	X
6	X		X	X	X	X
7	X		X	X		
8	X		X	X		
9	X	X	X	X	X	X
10	X	X	X	X		
11	X	X	X	X	X	X
12	X	X	X	X	X	
13	X	X	X	X		X
14			X	X	X	
15	X		X	X	X	X
16	X		X	X		X
17	X		X	X	X	X
18	X	X	X	X	X	X

Figure 4-6 below addresses the respondents' views about the success of implementation. Ten respondents declared that the implementation was either completely or mostly successful. Implementation is defined as the degree to which the organization

is dealing with the issues and concerns raised by a new or changed strategy (Nutt & Backoff, 1992a). Five respondents thought that their implementation efforts were somewhat successful and three did not know.

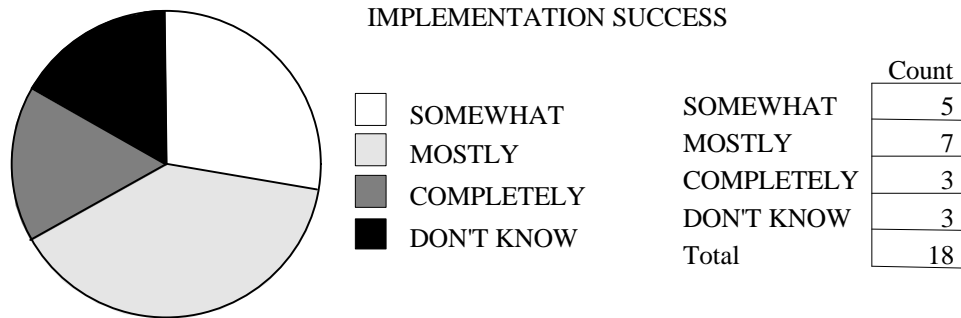


Figure 4-6 . Number of Organizations Successfully Implementing Strategic Plans

A few additional remarks about implementation are necessary to clarify the data in this area. Using GPRA terminology, successful implementation is determined by how well the organization meets the performance measures established in the annual performance plan, which is derived from the strategic plan. According to GPRA requirements, these performance measures are intermediate indicators of progress or success. The “bottom-line” for the GPRA-view of success is whether the outcomes intended and stated in the strategic plan are achieved. Most of the respondents adopted a broader view of successful implementation than a narrow accounting of whether or not performance measures were achieved. Interviews indicated that the respondents considered the strategic planning/performance plan process as a continuum of activities that were interdependent. Success was achieved by completing important milestones in the set of planning and implementation activities. Therefore, acceptance of the strategic plan by Congress—although not directly associated with implementation—affected the likelihood that implementation would be successful, because congressional approval was a necessary condition for funding appropriations.

This idea of a continuum of activities is demonstrated in the model shown in Figure 4-7, which was adapted from the NOAA’s strategic plan. The model shows the linkage among strategic plans, performance plans, operating plans, and budgets.

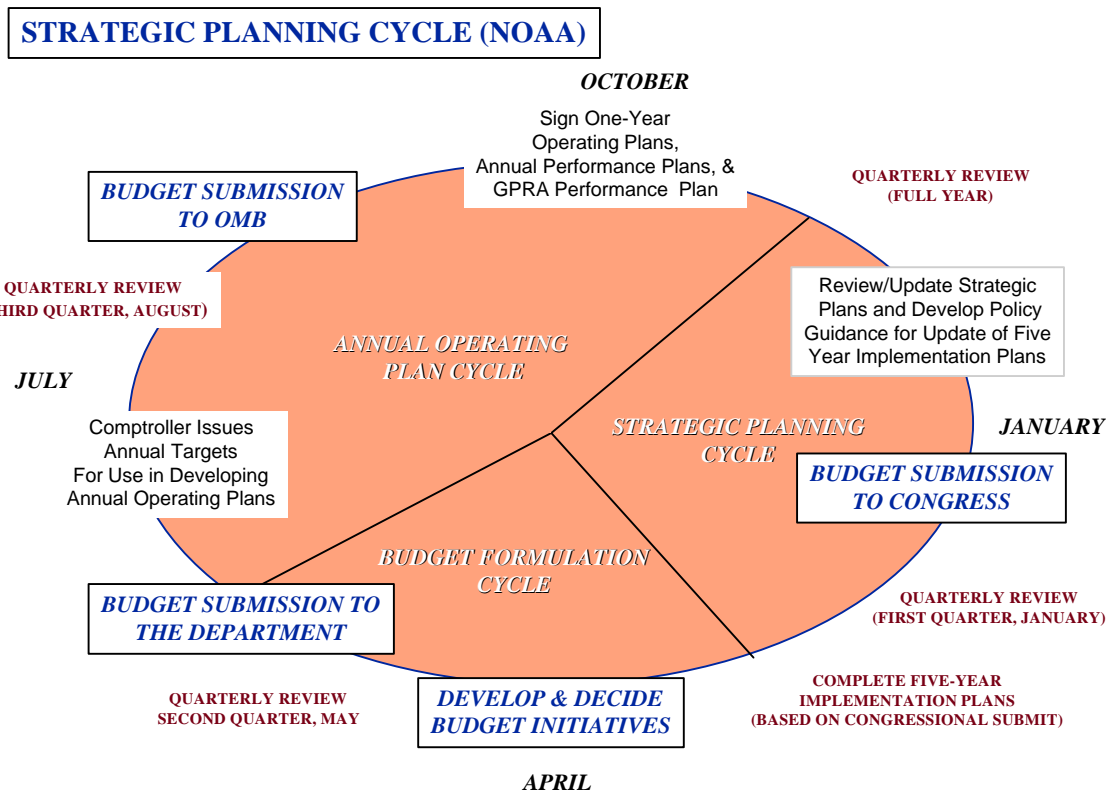


Figure 4-7. Strategic Plan Model from National Oceanographic and Atmospheric Administration

The conditions imposed by the research call for the population studied to be a purposeful sample—purposeful in that the participants were selected explicitly to meet the needs of the research. An evaluation of the data collected in the area of organizational descriptors indicates that the organizations studied and the individuals participating in the research appear to meet the requirements for the purposeful sample; these requirements were discussed in the previous chapter, “Methodology.” All the organizations studied had a reasonable history of strategic planning, and respondents had the experience necessary to provide valid information. Therefore, as indicated in the data presented in this section, the requirement for strategic planning experience on the part of the respondents and the organizations is met. The data presented in the following section will show that the requirement is also met for a reasonable distribution of degree of publicness.

Analysis of the Variable *Publicness*

This section of the data analysis addresses the variable *publicness*. Figure 4-8 below is a section of the chart first presented in Chapter 1; it outlines the data analysis plan for *publicness*. Chapter 3 provided information about the data analysis techniques

and the elements of the process. The element “Relationship Between Difficulties and Publicness” is addressed in a separate section of this chapter.

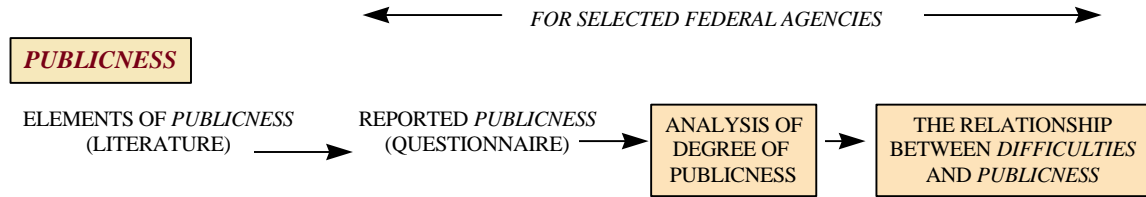


Figure 4-8. Data Analysis Plans for *Publicness* Data

Questionnaire Responses for the Components of *Publicness*

Figures 4-9 through 4-18 show the distribution of responses for each element of *publicness* presented in the questionnaire. The pie charts in these figures are plots of the responses to the publicness portion of the survey. Each figure depicts one component of the variable *publicness*, which is identified above the figure with a descriptive statement. *Publicness* was determined by examining ten organizational components: funds, oversight, competition, mandates, goals, performance, change, political influence, stakeholder influence, and citizen influence. The pie chart portrays a pictorial view of the response, and the adjacent table shows the actual count for each category. For example, Figure 4-9 is the response to the question: “To what extent is your organization characterized by the following statement: Funds are obtained directly from congressional budget allocations.” Figure 4-9 shows that most of the organizations (fourteen of eighteen) responded “to a large extent.”

Funds: Funds are obtained directly from congressional budget allocations.

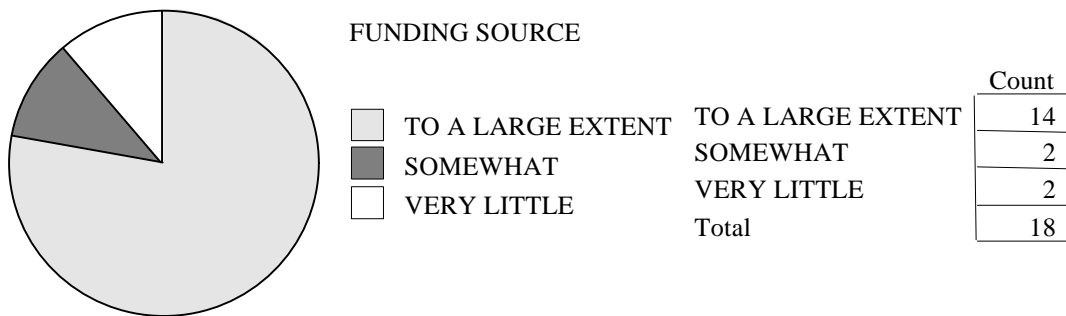


Figure 4-9. “Funds” Component of Organizational Publicness

Oversight: Oversight bodies establish the organization’s products and services.

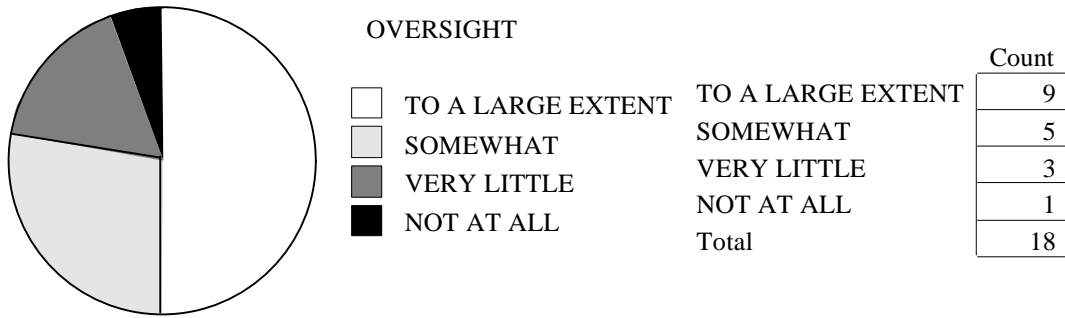


Figure 4-10. “Oversight” Component of Organizational Publicness

Competition: Your organization competes with other organizations for delivering similar products and services.

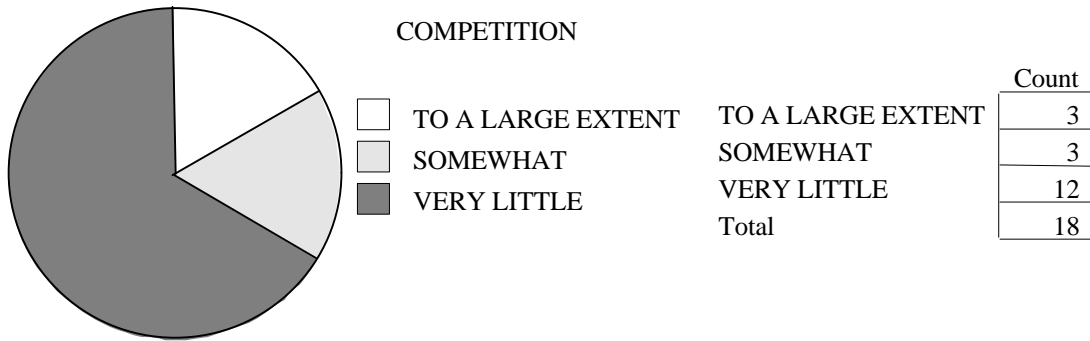


Figure 4-11. “Competition” Component of Organizational Publicness

Mandates: Mandates limit the autonomy of the organization.

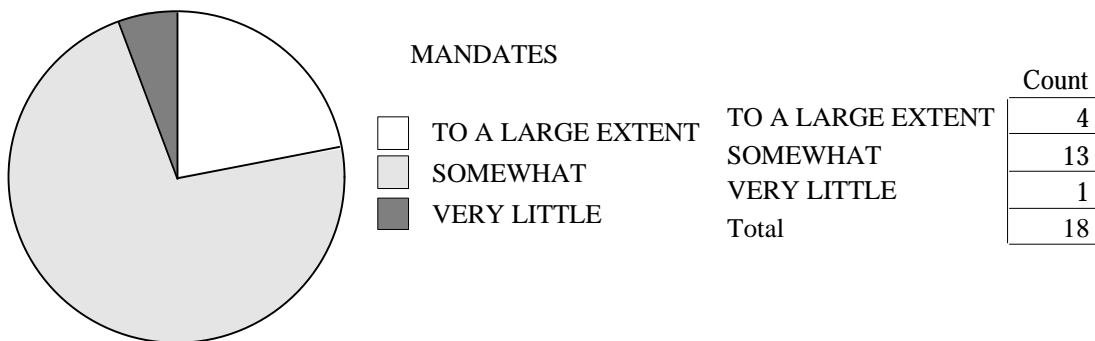


Figure 4-12. “Mandates” Components of Organizational Publicness

Goals: Goals are difficult to specify.



Figure 4-13. "Goals" Component of Organizational Publicness

Performance: Outcomes and performance are difficult to specify.

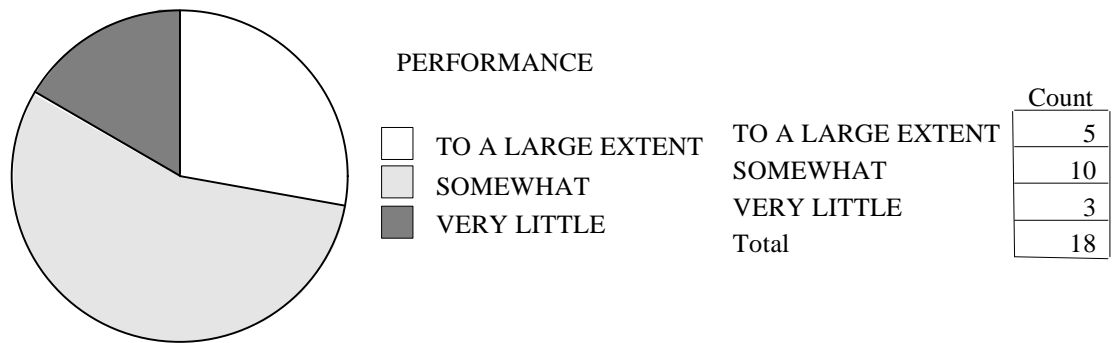


Figure 4-14. "Performance" Component of Organizational Publicness

Change: Significant change can only be achieved incrementally.

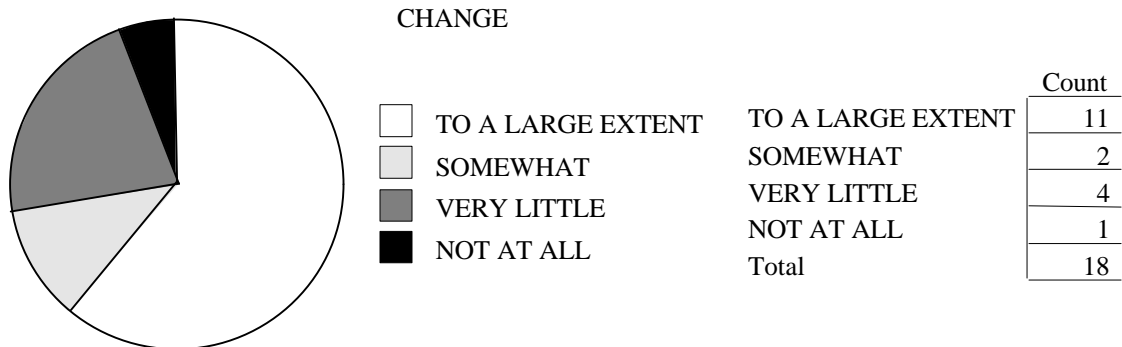


Figure 4-15. "Change" Component of Organizational Publicness

Political Influence: Political Influence is Extensive.

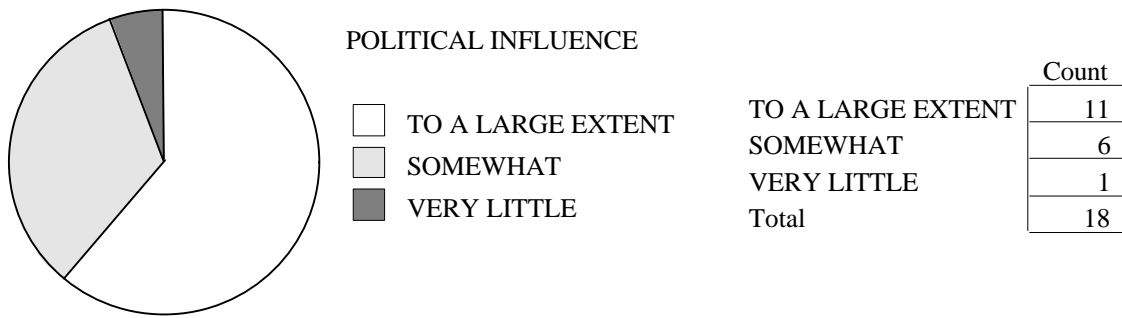


Figure 4-16. “Political Influence” Component of Organizational Publicness

Stakeholder Influence: Implementation of goals depends on stakeholders who are beyond the ability of the organization to control.

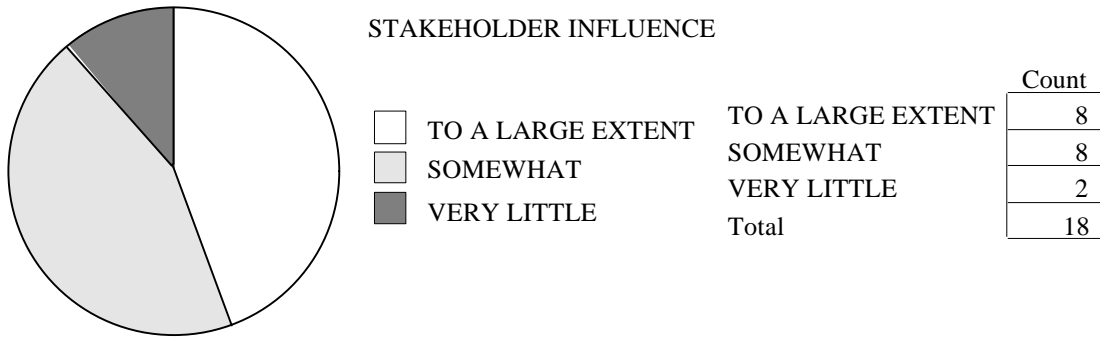


Figure 4-17. “Stakeholder Influence” Component of Organizational Publicness

Citizen Influence: Citizens act as owners and impose their expectations about the organization’s activities.

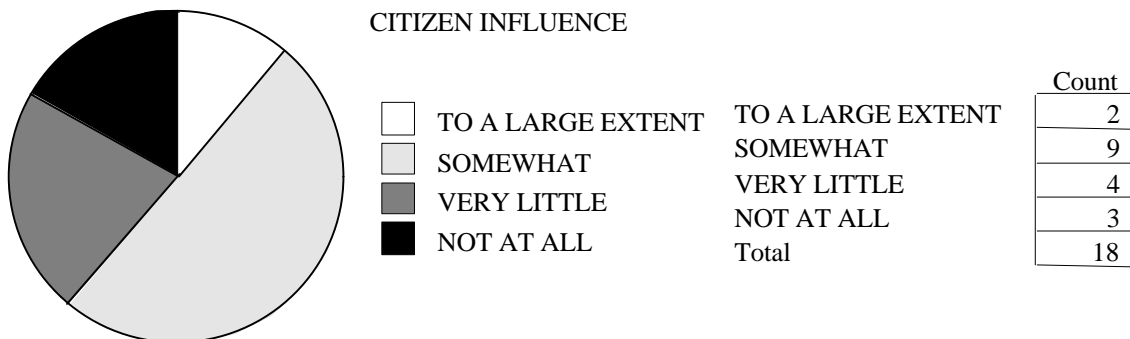


Figure 4-18. “Citizen Influence” Component of Organizational Publicness

Numerical Values of the Components of *Publicness*

The next step in the analysis of *publicness* was to calculate numerical scores for each organization participating in the research. Figure 4-19 below is a bar chart of the publicness score for each component of *publicness*. These scores were calculated by assuming that each element is equally important and assigning a numerical value to each response to the questions about publicness, as follows: If the response was “to a large extent,” the response was assigned a score of 3; “somewhat,” was assigned a 2, “very little” was assigned a 1; and “not at all” was assigned a zero. For the component “competition,” the question’s wording required the scoring to be reversed: “not at all” was assigned a numerical value of three; “very little,” a two; “somewhat,” a one; and “to great extent,” a zero. Scores for these components range from a low of 18 for “goals are difficult to specify” to a high of 48 for “political influence is extensive.” For the organizations studied, the components with the higher scores contribute most to the overall publicness scores. Political influence, stakeholder influence, achieving change incrementally, and the role of oversight bodies, all with scores greater than or equal to 40, are the components with the largest contributions to composite publicness scores for all the organizations in the study.

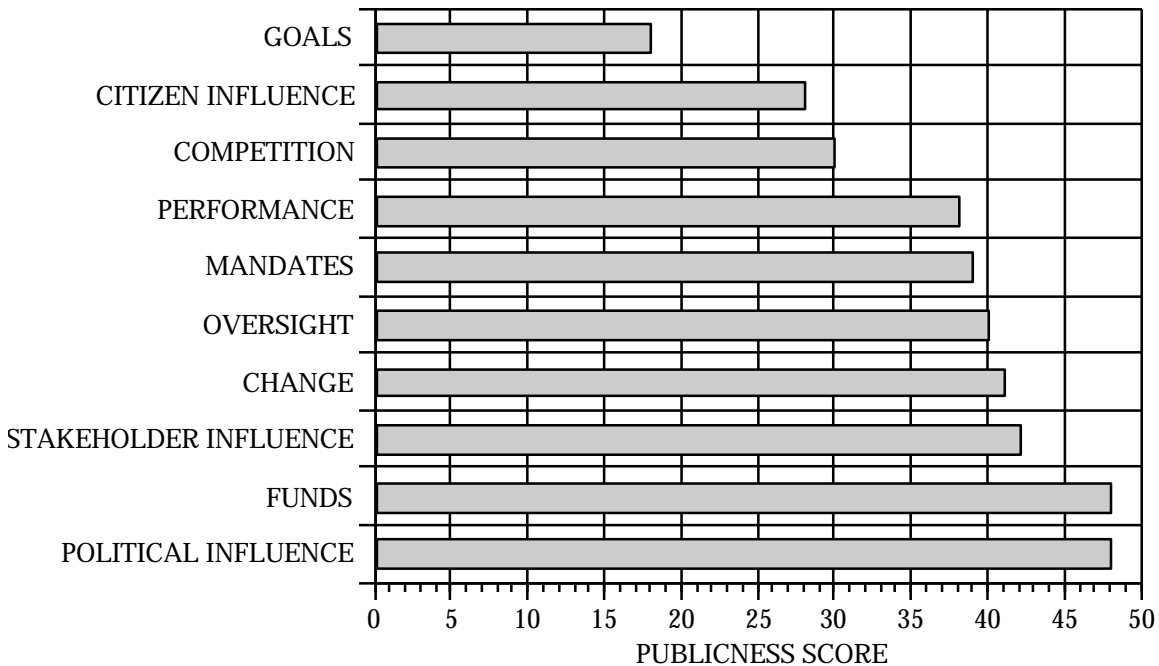


Figure 4-19. Scores for the Components of Publicness

Publicness Scores for Each Organization

Publicness scores are plotted for each organization in the study in increasing score order—these are shown in Figure 4-20. The scores vary from a low score of 13

(NAVAIR) to a high score of 26 (Interior and HHS). The publicness score is a relative measure, and higher scores indicate the organization is more public than private, according to the criteria used for this analysis.

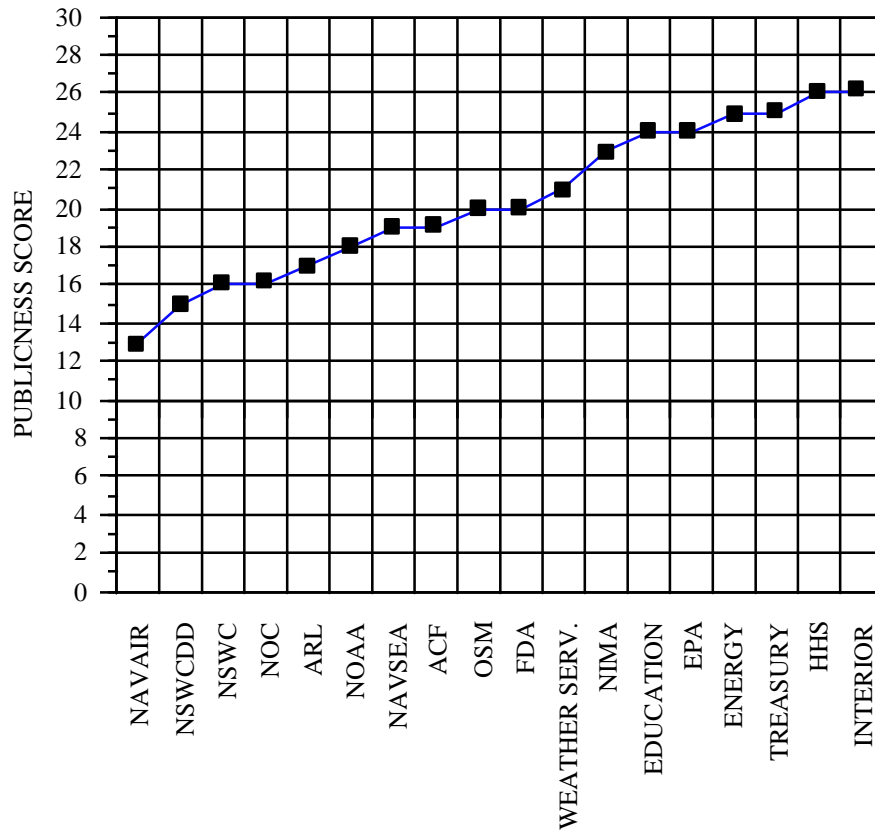


Figure 4-20. Publicness Scores for Eighteen Organizations

The data plotted in Figure 4-20 demonstrate that the scores for publicness have a reasonable distribution for the purposes of the study. An objective of the purposeful sample methodology discussed in Chapter 3 is to include organizations with publicness scores that would have a representative distribution. An ideal distribution would produce a linear relationship for the scores—providing a sample in which the organizations’ scores would increase monotonically with sufficient variation to identify groups of organizations with high and low publicness scores. The results for publicness scores indicate that the sample is representative in that it captures the variation in the variable *publicness*; distinctions between organizations can be made according to their scores.

Figure 4-21 is a percentile plot of publicness score. This chart shows the publicness score along the y-axis and the percentile value along the x-axis. The percentile

is a representation of a given score in terms of the percentage of scores lower than that score. Organizations can be categorized according to their degree of publicness by assuming that the seventy-fifth percentile, with a corresponding score of 24, identifies organizations with a high degree of publicness (the top 25 percent). Applying this assumption, one can designate the following organizations in the high publicness group: Education, EPA, Energy, Treasury, HHS, and Interior. Similarly, if the twenty-fifth percentile is designated for organizations having a low degree of publicness, the following organizations are included: NAVAIR, NSWCCD, NSWC, NOC, and ARL. The intermediate group consists of the Weather Service, NAVSEA, NOAA, NIMA, ACF, FDA, and OSM.

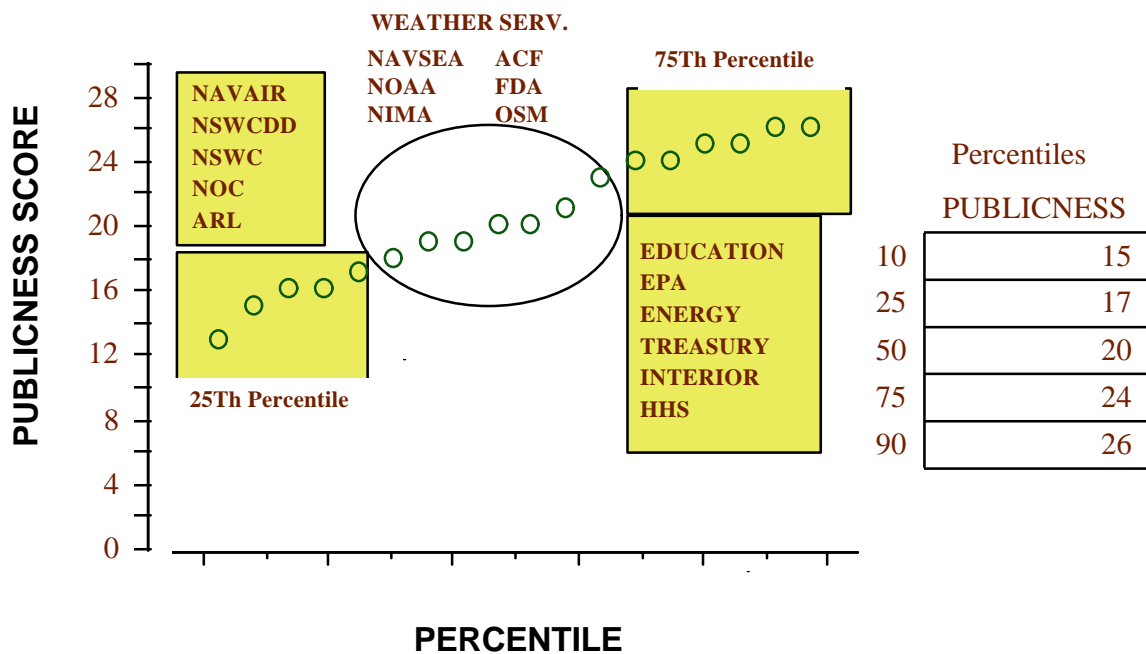


Figure 4-21. Percentiles Plot of Publicness Scores

With the exception of the EPA, all the organizations in the high publicness group are cabinet departments. For the low publicness group, all the organizations are subelements of the Defense Department. From the viewpoint of organizational hierarchy, the high-publicness-score organizations experienced more direct political scrutiny and pressure compared to those in the low publicness group (all high publicness organizations except Treasury indicated in the survey that political influence was extensive). The organizations with the higher scores also had more direct and complex external interactions (all indicated political influence was high, and all but one responded that stakeholder influence was high). In contrast, the organizations in the low score group consistently scored lower in the political and stakeholder influence dimensions.

Figure 4-22 is a plot that ranks the organizations according to their publicness scores. It shows that the organizations identified in the twenty-fifth percentile rank as the top-scoring three in scores of publicness, and the ranking is close to a linear function.

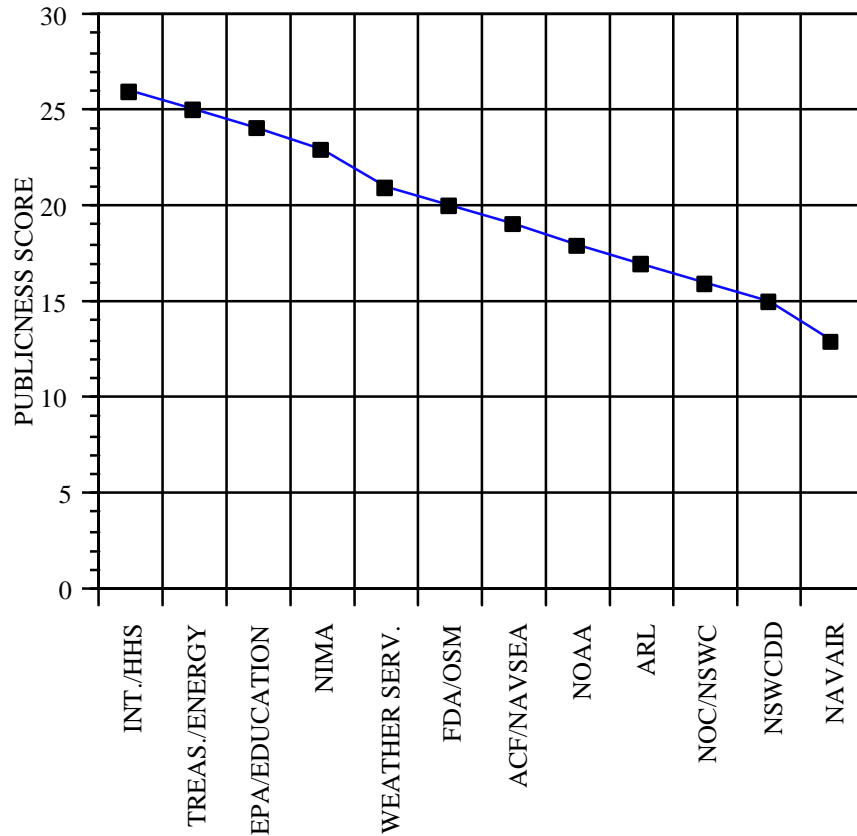


Figure 4-22. Eighteen Organizations Ranked by Publicness Scores

Analysis of the Variable *Difficulties*

The following section of this chapter will address the variable *difficulties* and the relationship between *publicness* and *difficulties*. Figure 4-23 below outlines the main elements of the process for analyzing *difficulties*.

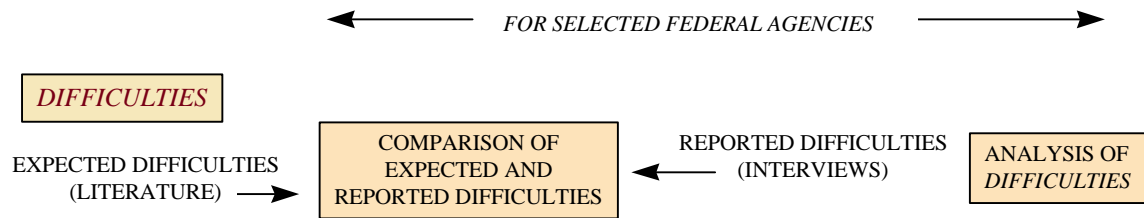


Figure 4-23. Process for Analyzing *Difficulties*

Table 4-2 is a list of the component elements of the variable *difficulties*. The list was developed using the data analysis process described in Chapter 3. The process involved the use of a literature-based template, data coding, and pattern coding.

Table 4-2 shows the complete list of difficulties reported. All included in the literature-based template were reported by the respondents. Three additional ones were identified from the analysis: these were ID17, ID18, and ID28. A brief explanation of these additional difficulties is provided below.

As a general observation, the difficulties identified through the interviews appear to be consistent with a GAO survey of federal managers in twenty-four agencies that explored the readiness of these agencies to implement GPRA. The difficulties examined for this dissertation are more extensive than the challenges uncovered in the GAO study, but the GAO study seems to support the findings here, at least in part. The following are among the challenges the GAO observed (GAO, 1997b).

- Overlapping and fragmented crosscutting programs undermine the efforts to establish clear missions and goals—corresponds to ID18, ID11.
- The, often, limited and indirect influence that the federal government has in determining whether a desired result is achieved complicates efforts to establish the discrete contribution of the federal initiative to a specific program result—corresponds to ID28, ID25, ID24.
- The lack of results-oriented performance information hampers efforts to identify appropriate goals and confidently assess performance—corresponds to ID14, ID13.
- Leaders instill within agencies a culture that focuses on results—corresponds to ID26, ID27, ID16.
- Linking agencies’ performance plans to the budget process may present significant difficulties—corresponds to ID18.

Table 4-2. Difficulties

ID1	DIFFICULTIES WITH STRATEGIC PLANNING PROCESSES
ID11	BROAD NATURE OF THE ORGANIZATION'S MISSION AND PROGRAMS CAUSES GOAL AMBIGUITY
ID12	STAKEHOLDER DIVERSITY AND DISPERSION
ID13	PERFORMANCE MEASURES DIFFICULT TO SPECIFY
ID14	DIFFICULT TO COLLECT DATA ON PERFORMANCE MEASURES
ID15	UNANTICIPATED EVENTS SIDETRACK IMPLEMENTATION
ID16	LACK OF CONSISTENT SUPPORT FROM THE ORGANIZATION'S LEADER
ID17	DIVERSITY AND AUTONOMY AMONG ORGANIZATIONAL SUBUNITS MAKES IT DIFFICULT TO ACHIEVE BUY-IN AND PRODUCE A COHERENT PLAN *
ID18	LACK OF ALIGNMENT BETWEEN THE STRATEGIC PLANNING FRAMEWORK AND PROGRAM EXECUTION FRAMEWORK *
ID2	CONSTRAINTS ON MANAGERIAL ACTION
ID21	CONSTRAINING ADMINISTRATIVE PRACTICES
ID22	CONSTRAINTS ON THE MEANS FOR OBTAINING FINANCIAL RESOURCES
ID23	REQUIREMENTS FOR OPENNESS AND NEGOTIATIONS
ID24	LIMITATIONS IMPOSED BY MISSION-RELATED AND LEGAL MANDATES
ID25	LACK OF CONTROL OVER EXPENDITURE OF FUNDS
ID26	LACK OF A SUPPORTING ORGANIZATIONAL CULTURE FOR STRATEGIC PLANNING
ID27	LACK OF SUPPORTING CULTURE FOR GOAL ACCOUNTABILITY
ID28	LACK OF CONTROL OVER THE DELIVERY OF PRODUCTS AND SERVICES *
ID3	DIFFICULTIES WITH EXTERNAL ALIGNMENT
ID31	LACK OF ALIGNMENT BETWEEN STAKEHOLDER OBJECTIVES AND THE ORGANIZATION'S STRATEGIC GOALS
ID32	LACK OF ALIGNMENT WITH POLITICAL AUTHORITY
ID33	LACK OF ALIGNMENT WITH ADMINISTRATIVE AUTHORITY
ID34	LACK OF ALIGNMENT WITH LEGAL AUTHORITY
	* DOES NOT HAVE A BASIS IN THE LITERATURE

Explanation of Additional Difficulties Identified in the Interview Analysis

ID17: Diversity and Autonomy Among Organizational Subunits Makes It Difficult to Achieve Buy-In and Produce a Coherent Plan

This particular difficulty centered around problems of organizational structure when strategic planning was undertaken in large organizations. Many organizations studied in this research were large federal departments with many subunits that had diverse missions, customers, and stakeholders. For example HHS includes the ACF,

which is responsible for federal programs that promote the economic and social well-being of families, children, individuals and communities; and the FDA, which is charged with regulating the food and drug industry and protecting the consumer. Where ACF delivers much of its service through the states, FDA is a regulatory agency providing oversight at the national level. These agencies have markedly different purposes, administrative procedures, and legal mandates. Strategic planning, at least from a business perspective, strives to provide integration across the organization in the process of developing a coherent strategy for the enterprise as a whole. This integration is very difficult to achieve in some federal departments for the reasons cited above. But GPRA requires strategic plans at the Cabinet Department level because it is here that most of the interface with Congress occurs. A major theme of GPRA involves achieving coordination within, and across, departments. The data show the resulting dilemma, namely, that developing an integrated plan in federal organizations with high degrees of diversity and autonomy creates a difficulty for planners and managers in these organization.

One artifact of this organizational diversity is the very broad and general character of strategic goals and objectives for some departments. Absent an integrating theme for the organization, goals often lack specificity. An indication of the difficulty in establishing strategic goals that encompass subagencies is provided by the GAO's review of the June 1997 draft plans submitted by Cabinet Departments. GAO, in reviewing the Department of Interior's strategic plan, made the following observation about the overall quality of the plan: "Most of the subagency plans did not include clear linkages between subagencies' goals and objectives and the contributions of these goals and objectives to the Department's major goals. Furthermore, the Department's strategic overview does not link its Department-wide goals or 'commitments' back to the subagencies" (GAO, 1997a p. 7). Or consider this statement, made in the case of the U.S. Department of Agriculture: "Only a few subagency plans include clear linkages between the subagencies' goals and objectives and the contributions of these goals and objectives to the Department's major goals" (GAO, 1997f p. 8).

ID18: Lack of Alignment Between the Strategic Planning Framework and the Budget Execution Framework

This difficulty arises because the work of the organization is usually described differently from a strategic viewpoint, compared to the financial perspective associated with traditional budget submissions. A strategic segmentation of the organization's work is structured around the strategic goals, whereas budget submissions are usually structured at the program level. According to some respondents, this difficulty arises during budget deliberations with Congress. Congressional staffers are accustomed to examining appropriations by program, a different view from one that describes funding allocations by strategic goal. Because congressional staffs normally prefer budgets in the program-based format, it is difficult for a department to reframe the budget in strategic terms. Recasting the budget debate in strategic terms does not provide the level of

detailed review that congressional staffers demand. In addition, a strategic-based budget would allow departments more discretion about allocating funds—a proposition some in Congress are reluctant to embrace. The following quotations from the interviews illustrate this difficulty.

“OMB and the Hill still focus on conventional budget reviews—they look at the margins. It is difficult to get them to look at the big picture in strategic planning.”

“No dollars go directly to beneficiaries, customers are states, local communities, and not-for-profits. There is not necessarily the close budget linkage you need for strategic control.”

“We cannot do things unilaterally—partners are at the delivery end and have control over the what and how.”

“Congressional staffs and committees are not prepared to look at budgets in strategic planning terms. They are very resistant to change.”

“OMB and the Hill still focus on conventional budget reviews—they look at the margins, not the big picture. Strategic planning will fail if it’s business as usual.”

ID28 Lack of Control Over the Delivery of Products and Services

Federal agencies sometimes have little control over the delivery of the products and services they manage. For example, some educational programs are developed and delivered by the states with only broad guidance from the federal level. States have substantial autonomy to determine priorities, spending patterns, and how results will be determined. Block grants of funding provided to states follow general guidance from federal agencies, but recognize that states and localities have widely different needs. And to be effective, programs should be tailored to these needs. This lack of control is a difficulty for strategic planning efforts because specific goals, objectives, and performance measures cannot be established without extensive dialogue and negotiation. Private enterprises do not experience this difficulty because they have the ability to adjust internal systems and resources based on market feedback. Even federal organizations with less publicness features experience this difficulty. For example, Navy research and development centers such as NSWCDD operate with internal controls in the area of finance and personnel that limit their decision making authority, ultimately constraining their mix of work, how it is produced, and what it costs. The following quotations illustrate this difficulty.

“In some cases, contractors have as much say about what the military needs and buys as we do—especially with DoD’s acquisition reform initiative.”

“Social service block grants go directly to the states, and legislatively they are given no parameters on how it should be spent.”

“Much of what we do is not delivered directly by us, but through states and contractors.”

“States are very autonomous and we do not have much control over what they do in some areas.”

Assigning Values to the Difficulties

This section addresses the analysis of the variable *difficulties*. The aim is to produce numerical scores for each component of the variable and for the organizations participating in the study.

Each difficulty (see Table 4-2) was assigned a score of 1 if it was mentioned during the interview. An additional numerical value of 1 was added to the difficulty score if the respondent identified it as a particularly vexing problem. The additional score amounts to a weighting factor that allows the degree of difficulty to be represented in the scoring. The assumption is that the organizations experience difficulties differently—the same difficult may be more severe for one organization than for another, and this is an important factor when evaluating the difficulties and relating them to the degree of publicness of the organization. Without some sort of weighting, all difficulties would be treated equally, and this would not conform to the intentions of the research. In order to obtain information for the weighting, each respondent was prompted during the interviews to suggest any particular difficulties that were most problematic for their organization. A score for each difficulty is calculated by summing the numerical value assigned to each difficulty for each organization. Therefore, the weighted score is a combination of how widespread the difficulty is across the organizations in the study and how serious it is compared to other difficulties.

Table 4-3 shows the weighted and unweighted scores for each difficulty.

Figure 4-24 is a plot of the scores for each difficulty using the weighted values. In this plot, the weighted difficulty value is along the y-axis, and the difficulty code along the x-axis—these codes can be translated by using Table 4-2. The difficulty scores are plotted in increasing score order and range from a value of 1 (requirements for openness and negotiation) to a value of 23 (lack of alignment with political authority).

Table 4-3. Weighted and Unweighted Scores for *Difficulties*

DIFFICULTY CODE	WEIGHTED SCORE	UNWEIGHTED SCORE
ID23	1	1
ID34	2	2
ID25	3	3
ID15	3	3
ID24	5	4
ID21	7	6
ID28	7	4
ID31	7	7
ID22	7	7
ID33	8	8
ID18	9	9
ID27	9	9
ID14	9	8
ID11	10	9
ID17	13	13
ID16	14	13
ID12	15	12
ID13	16	14
ID26	17	17
ID32	23	13

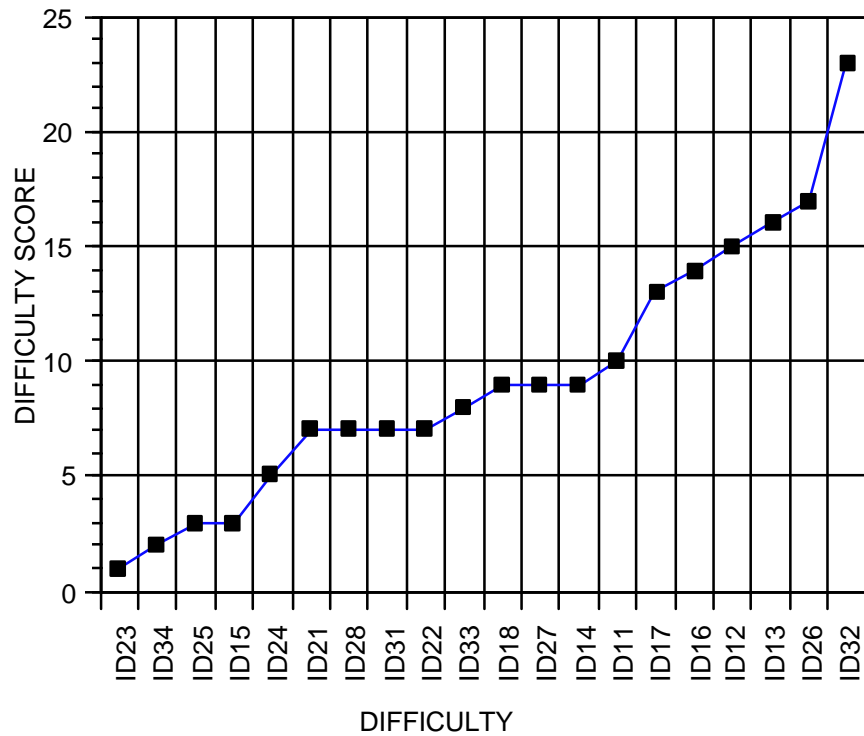


Figure 4-24. Plots of Difficulty Scores Using Weighted Values

Figure 4-25 is a percentile plot of the difficulty scores. For this plot, the y-axis is the score value and the x-axis is the percentile. The seventy-fifth percentile has a difficulty score value of 13.5. One difficulty has a score of 13, and the percentile plot shows a gap between this value and 10 which is the next lower. Therefore, it is reasonable to identify the six difficulties with a score of 13 and above as the top-scoring difficulties. These top-scoring difficulties, shown in Table 4-4, will be the main subject of the analysis in the next section.

Table 4-4. Study’s Top-Scoring Difficulties

ID12	STAKEHOLDER DIVERSITY AND DISPERSION
ID13	PERFORMANCE MEASURES DIFFICULT TO SPECIFY
ID16	LACK OF CONSISTENT SUPPORT FROM THE ORGANIZATION’S LEADER
ID17	DIVERSITY AND AUTONOMY AMONG ORGANIZATIONAL SUBUNITS MAKES IT DIFFICULT TO ACHIEVE BUY-IN AND PRODUCE A COHERENT PLAN*
ID26	LACK OF A SUPPORTING ORGANIZATIONAL CULTURE FOR STRATEGIC PLANNING
ID32	LACK OF ALIGNMENT WITH POLITICAL AUTHORITY

* DOES NOT HAVE A BASIS IN THE LITERATURE

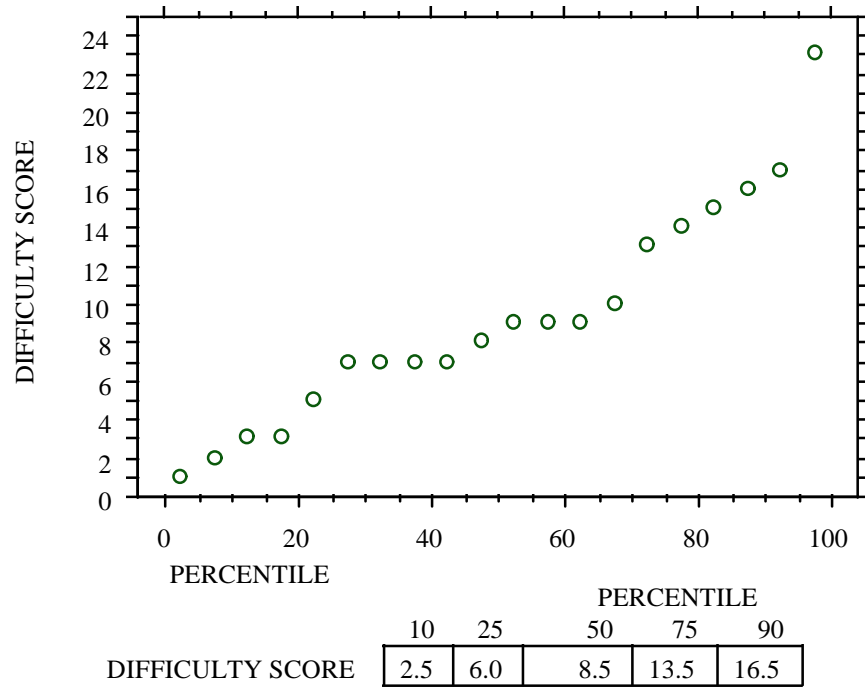


Figure 4-25. Percentile Plot of Difficulty Scores

Figure 4-26 is a plot showing the ranking of difficulties according to their score. The top-scoring difficulties identified as the seventy-fifth percentile are those with scores of 13 and above: ID32, ID26, ID13, ID12, ID16, and ID17.

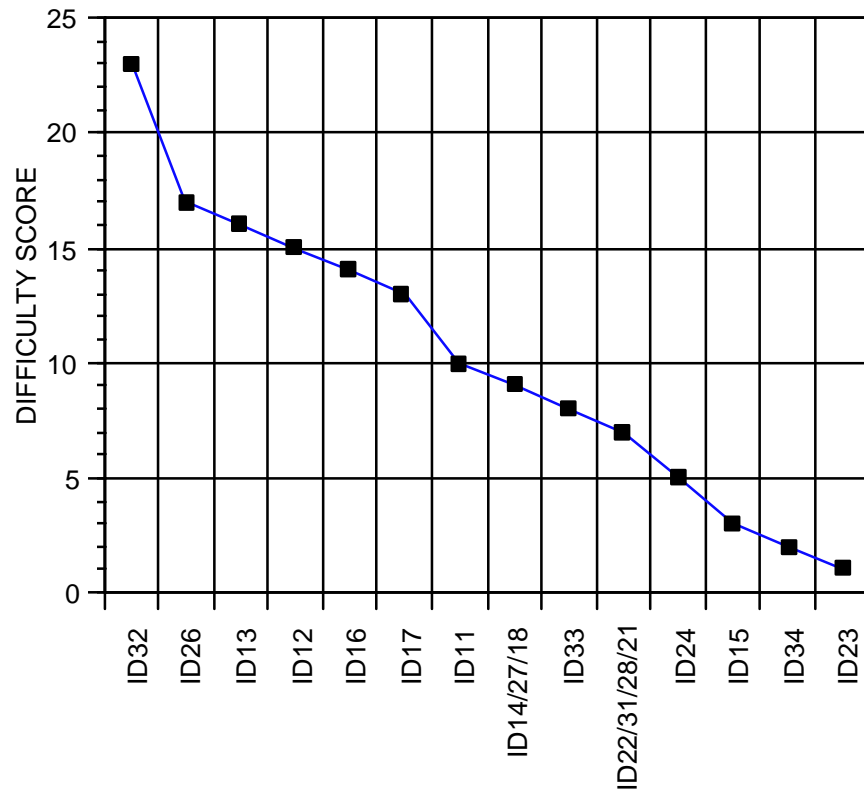


Figure 4-26. Ranking of Difficulties According to Score

Analysis of the Top-Scoring Difficulties

This section examines the top-scoring difficulties as shown in Table 4-4. This examination consists of a brief explanation of the difficulty, quotations from the interviews, and a discussion of the quotations.

Referring to Table 4-4, two of the top 25 percent of the difficulties are associated with the strategic planning process (ID13, ID16), two with external alignment (ID12, ID32), and two with internal alignment (ID17, ID26). One of the top-scoring difficulties (ID17) was not on the theory-based template used for the analysis of the interview data. The following is a discussion of each of these top-scoring difficulties.

ID13 Performance Measures are Difficult to Specify

The performance measures-related difficulty has a score of 15. Strategic planning and implementation requires a mechanism to determine progress toward achieving goals and objectives. Businesses normally use financially based performance measures and do not have serious problems establishing and tracking them. The lifeline of a business is tied at one end to the customer and at the other end to measures of sales, market share,

profits, and customer satisfaction. Federal agencies do not have the same financially based performance standards. Instead, federal agencies use measures of effectiveness for the projects funded—outcome measures, in GPRA terms. Difficulties associated with setting outcome measures include lack of control over the delivery of products and services, problems with articulating meaningful results for broad social programs, and dealing with the complex web of stakeholders involved in the process. The following quotations are from the interviews and relate to the performance measurement difficulty.

“Broad goals have many variables that may affect outcomes; this forces you to rely on process and output measures.”

“It took us three years to get agreement on goals and standards for measurement.”

“I still don’t think people understand how difficult it is to measure social programs. We have tried for years with little success.”

“Complexity of programs means that public sector strategic planning must have a much longer view than in the private sector, and there is much more difficulty in setting measures of success.”

“How do you determine what is effective in public sector strategic planning? We don’t have a bottom line—need a high level of commitment to the public interest.”

“Measures and targets get the states’ blood to boil. They vehemently resist being held accountable for targets established unilaterally.”

“Some targets of the strategic plans are sovereign states (e.g., American Indian Tribes) and cannot be told what to do or how to measure things.”

“Goals are not controversial with stakeholders—what you do to implement them usually is.”

The National Highway Traffic Safety Administration (NHTSA), one of eight administrations in the Department of Transportation, offered an example of a performance measurement process. NHTSA has been engaged in strategic planning since 1992: The first plan was published in 1994, and it was followed by three performance plans and two performance reports. The GPRA has been the stimulus for the NHTSA to develop a structure of linked outcomes, goals, and program performance measures. The Safety Administration contends that this three-tiered structure has enabled it to make a more systematic examination of the relationship between program expenditures and strategic goals. NHTSA’s strategic plan consisted of a mission, vision, seven strategic goals, and forty-one supporting objectives. A strategic execution plan was developed and translated

the broad goals and objectives of the strategic plan into specific programs and activities that will be conducted over the next five years. The execution plan also includes performance measures for the five-year targets. For example, goal five is to mitigate the consequences of motor vehicle crashes. The performance measures for this goal are: fatalities per 1,000 crashes, injuries per 1,000 crashes, and the percentage of serious, and more critical, injuries in tow-away crashes. A GPRA performance plan was also developed with one-year performance measures designed to measure progress toward meeting the five-year targets established in the execution plan. The execution plan and GPRA performance plan drive the agency's budgeting (National Highway Traffic Safety Administration 1996).

The NHTSA example illustrates the approach agencies are taking to establish performance measures linked to strategic goals. But overall, the setting of performance measures for federal agencies is a difficult challenge. The political nature of the organization must be the central feature of performance measurement in the public sector. For many, analysis of performance, like analysis of public policy, is a political activity—a sentiment endorsed by those interviewed for this study. Additional evidence that performance measurement is difficult in federal agencies was found in an OMB assessment of strategic plans in the summer of 1996. The OMB found that nearly every agency was having difficulty linking its annual performance goals to strategic goals and objectives. In addition, the GPRA Implementation Subcommittee of the Chief Financial Officers Council reported on the challenges that agencies face when integrating performance measurement into the budget process (Chief Financial Officers Council, 1997). These challenges, listed below, provide additional insight into the performance measure difficulty.

- Fear of committing the organization to goals whose outcomes are influenced by factors beyond the organization's control.
- Insufficient understanding of the relationship between resources, outputs, and outcomes.
- Outcome results derived from multiple agency programs or state and local government activities.
- A reporting deadline that doesn't allow the time necessary to achieve program results.
- Fear of giving managers the authority to set and meet goals in support of the organization's performance goals and holding managers accountable for performance against goals.

- Organizational culture characterized, often, by skepticism of OMB's and Congress's future use of performance information in making budget decisions.

ID16 Lack of Consistent Support from the Organization's Leader

Lack of consistent support from the organization's leader rated a score of 14. Much of the literature that provides guidance for developing and implementing strategic plans emphasizes the crucial role of the leader in the process. Leaders must demonstrate their support for strategic planning to gain the commitment of others in the organization, and they need to be the principal stewards of the process as it unfolds. This stewardship includes setting a supportive tone, establishing an organizational vision, participating in planning activities, resolving issues that arise, and holding subordinates accountable for their part. Providing consistent leadership and stewardship for strategic planning in federal agencies is more constrained than in the private sector—mainly because of the administrative and political controls discussed previously. The National Academy of Public Administration (1986) linked the myriad of controls and rules over managerial decisions to the administrator's capacity to lead the organization.

The formal leaders in federal organizations are heads of agencies and are frequently political appointees or senior military officers. But there are other individuals and entities that have significant influence over federal agencies. These include members of Congress, congressional committees, and special interest groups. For federal agencies, leadership can come from several sources inside and outside the agency. Leadership may change both in terms of what positions and entities predominate as the most influential and which individuals are designated as leaders. For many agencies, the transitory nature of political appointees and military officers contributes to the difficulty of providing consistent support to the leader. The following quotations from the interviews relate to the leadership difficulty.

“The Secretary must set the vision in strategic planning, and the vision must be consistent through changes at the top.”

“This organization has a lot of leaders—people who can tell us what to do. The problem is, they all don't agree.”

“Strategic planning depends on the tone of the leader. Some want to solve specific issues with a small circle of managers, others take a more participative and broader approach.”

“The planning process atrophied quickly without a supporting champion—this stuff does not self-perpetuate.”

“There's too much planning for show to meet external requirements instead of using it as a management tool.”

“There’s no uniform strategic thinking here. In some cases we are driven by outside pressures that are not motivated to improving the agency.”

“The leader can only do so much. He does not have the authority and control to provide direction.”

“Strategic planning works well if its driven from the top. Really need to work with leadership. They voice support, but do not seem to want to devote time to it.”

“Heads of this agency just pass through and give lip service to things like strategic planning. Higher authority is only interested in the short term.”

“Some people in the organization look at strategic planning as a waste of time. Without top management support it is liable to stay that way. There are too many ways for bureaucracies to fend off initiatives like strategic planning.”

Respondents frequently referred to the lack of leadership support for the strategic planning process as a showstopper. They suggested that the organization’s managers interpret the lack of leadership support (demonstrated through personal involvement) as an indication of the overall importance of strategic planning activities in the organization. Without the leader’s visible involvement, managers would offer perfunctory attention to strategic planning, or ignore it altogether, while thinking they would not be held accountable. Some respondents indicated that the political nature of the organization’s leadership was an important consideration in the sense that what the leader held as important was also important to the Administration or Congress. The short duration of the leader’s term presents complications for managers when they attempt to interpret what is most important to the organization. Different leaders often send different messages. William Klay emphasizes the problems with leadership for strategic management in the public sector and took this view: “No barrier to public sector strategic management, however, is greater than the brief nature of many elected officials and their appointees” (Klay, 1989 p. 445).

Leadership as a crucial condition for successful planning was underscored in a survey of fifty top leaders and total quality coordinators in twenty-seven organizations that have completed at least one strategic plan (twenty of these organizations were in the Department of the Navy; seven were non-DoD). This survey reported that leadership and commitment are keys to successful strategic planning. When asked what contributes to successful implementation, nearly all those surveyed responded that committed leadership was key. Fourteen organizations cited leadership as a possible key improvement area (Wells 1996).

ID12 Stakeholder Diversity and Dispersion

The difficulty associated with stakeholders is dealing with their divergent points of view. In a the political environment of federal agencies, various entities have a legitimate claim for a “stake” in the work of the agency, including which goals are established, and as discussed above, how progress toward goals will be measured. When implemented through the budget process, strategic goals translate into funding allocations—basically, who gets what. It is no surprise that stakeholders show keen interest and actively participate in an agency’s planning process. This attention by stakeholders, and the incorporation of their views into goals, objectives, and measures, is a very democratic, and therefore desirable feature of the planning process. But it also introduces complexities that are difficult for agencies to manage. The following quotations from those interviewed are representative responses in the stakeholder difficulty area.

“The most difficult problem we have is bringing a very diverse set of partners on-board. Constituent groups have their own goals and objectives.”

“It is very difficult to get a consensus among stakeholders—it takes an enormous amount of time and effort.”

“Some agencies are in an antagonistic relationship with stakeholders based on their regulatory role—this makes getting them involved very problematic.”

“The stakeholder community is very political and some are very negative and critical of the agency.”

“It is one thing to go out and collect feedback on your plan—that’s hard—but deciding what to do with the conflicting advice is harder.”

“Coordinating the large number of stakeholders in this agency is a bear.”

“How do you meet legislative mandates for regulation and get partners and stakeholders involved who have other incentives.”

“You would like to have an open process, but that opens you up to a large diversity of opinions.”

According to Nutt and Backoff (1992a), strategic management in public organizations creates a complex web of transactions. The complexity arises from the coordination required with an extensive and varied stakeholder community and the associated difficulties dealing with the information they provide. Stakeholder reviews

can be problematical for an agency from a process viewpoint because of the difficulty associated with organizing feedback. Dealing with the information obtained from stakeholders poses challenges for agencies as they attempt to synthesize and find consensus in feedback that often has conflicting positions. Ring and Perry characterize the stakeholder difficulty this way: “It thus seems clear that the strategic management process in the public sector must take account of a wide range of stakeholder interest. In addition, these stakeholders are likely to evaluate the results of the strategic management process quite differently, often reaching conclusions that are difficult to reconcile” (Ring & Perry, 1985 p. 280).

The relationship between the agency and its stakeholders varies according to the type of agency. For example, NSWCCD, one of the organizations participating in this study, deals mainly with the DoD and U.S. Navy as primary stakeholders. At NSWCCD, difficulty with stakeholders is in translating warfighting requirements into research and development initiatives. Although problems may arise, the problems are manageable in this organization compared to similar processes in the FDA. As a regulatory agency with a broad mission, the FDA experiences difficulties stemming from the extent, variety, and hostility of its stakeholder community. There are more highly charged issues for the FDA, compared to NSWCCD, and these highly charged issues (or the hostility they create) are an indication of the publicness differences between the two organizations.

ID17 Diversity and Autonomy Among Organizational Subunits

The diversity and autonomy among organizational subunits received a score of 13—the lowest among the top-scoring difficulties. Many federal agencies are large organizations containing a host of subunits in an elaborate hierarchy. Size alone introduces difficulty when plans must be integrated throughout the organization. The difficulty stems mainly from inadequate communications in large organizations. This size problem is compounded in some agencies where the subunits are very different from each other. In many cases, these subunits have widely varying missions, systems for delivering their products and services, stakeholder communities, internal expertise, and degrees of political support. The following quotations from the interviews are representative comments regarding this difficulty.

“Not many people in the organization believe strategic planning will work in a department this large.”

“It is very difficult to coordinate across the department even in areas where similar things are done. There is a reluctance for subelements to become part of the whole. They see the process as a threat to their autonomy.”

“We originally tried to develop an umbrella plan made up of plans from the subunits, but that did not work—we could not pull it together.”

“There is a real problem dealing with crosscutting goals.”

“The geographical dispersion of the organization presents real problems in pulling things together and getting those in the field on board.”

“Many of the bureaus that are part of this organization have different missions and mandates that constrain a cohesive approach to planning.”

“The department contains stovepipes with their own narrow views. Strategic planning requires teamwork and breaking down stovepipes and some sacrifice of subunit autonomy.”

An example of the difficulty created by diverse and autonomous organizational subunits was discovered by the GAO in the Department of Labor’s draft strategic plan. Commenting on Labor’s traditionally decentralized management approach and its GPRA draft plan, the GAO asserted the following: “Labor’s draft strategic plan submission reflects the current Department management structure and operations; that is, the plan consists of a number of discrete plans for carrying out Labor’s various responsibilities largely independently and without a cohesive, overall plan” (GAO, 1997d p. 9). The difficulty takes another form when the planning is done completely from the top of the organization. Sometimes when a large, diverse agency attempts to develop a strategic plan for the entire agency, the diversity of the subunits gets submerged in generalities. GAO found this to be the case with the Department of Transportation’s draft strategic plan: “[T]he draft we reviewed is so general that almost any activity the Department undertakes could be considered to fit in the strategic plan. As a result of this generality, the plan does not clearly set priorities for the activities or chart a clear course for accomplishing the Department’s mission” (GAO, 1997e p. 13).

The difficulty with diversity and autonomy is further compounded when the organizational context extends beyond the boundaries of the agency. In their review of the final strategic plans submitted under GPRA, Congress scored “treatment/coordination of crosscutting functions” an average grade of 3.2 out of a possible 10 and stated that this requirement was largely ignored by the agencies. The scoring was done by congressional staff teams representing the House committees of jurisdiction, as well as Appropriations and Budget Committees. Senate Minority and Majority committee staff participated in the scoring. The same report also criticized some agencies for lack of internal consistency within their own organizations: “Some agencies even have difficulty coordinating with themselves. Labor has a department-wide goal on safe, healthy, and equal opportunity workplaces. Several of Labor’s component organizations have their own separate goals on the same subject. Rather than operating in this ‘stovepiped’ fashion, why not have one cohesive goal toward which the components could contribute through complementary performance goals and measures” (Armey, D. et al. 1997 p. 8).

ID26 Lack of Supporting Culture for Strategic Planning

The difficulty with the lack of a supporting organizational culture received a score of 17 from the analysis of interview data. A few words about the concept of organizational culture will help frame this difficulty.

Organizations build culture through the accumulated experience of their members, and these cultures are frequently visible through leadership styles, management philosophies, rituals, norms of behavior, and decision processes. The assumptions and beliefs about organizational life are formed over time, through a learning process that evolves as groups develop patterns of behavior and successfully solve the problems that face the organization. Successive and successful experiences generate a notion of what is “correct” for the organization and form values which become embodied in an ideology or organizational philosophy that serves as the foundation for organizational norms and expectations (Schein, 1992).

A primary purpose of culture is to supply meaning to what goes on (events and relationships), and, in effect, superimpose a pattern of understanding that allows behavior within an organization to be predictable and subject to evaluation. When tapped in response to an external stimulus, strongly-held values embedded within a culture can energize an organization into action mainly because there is a common understanding, a shared set of expectations, and a sense of purpose that translates into commitment at all levels of the organization. On the other hand, this energy remains untapped or even a source of dysfunction, if the culture has opposing elements which are significant barriers to organizational operations and change. Therefore, culture can reinforce the implementation of new management practices such as strategic planning, or hinder their acceptance by the organization’s members (Melamid & Luck, 1994). The following quotations are representative of the responses for this difficulty.

“People focus on their day-to-day stuff. It is very difficult to get them to see the long term effects and they don’t believe they can be held accountable for something that far out.”

“There is no history of holding people accountable in this organization.”

“It will take five to ten years to make the cultural change necessary for strategic planning to work in this organization.”

“The greatest challenge is to look beyond one year.”

“It is very difficult to convince people that strategic planning is worthwhile given the previous reform initiatives that have failed.”

“Strategic planning is a cultural change for the organization. It requires attention to managing change.”

“Strategic planning is difficult in an established bureaucratic organization where you do not have control over resources.”

“The average worker does not care about strategic planning.”

“All this will take years.”

“Managers will quickly learn how to game GPRA if Congress does not treat the strategic plans seriously.”

“People focus on their day-to-day stuff. It is very difficult for them to see the long term results—strategic planning is a cultural jump.”

“I expect the cultural change (for strategic planning) to take five to ten years.”

“Strategic planning is difficult in an established, bureaucratic organization—you get the classical arguments—don’t have control of resources, not enough time, etc.”

These comments reflect the difficulties encountered when making changes in bureaucratic federal agencies. Bureaucratic cultures are characterized as rule-bound and risk-averse, with hierarchical structures that are not very receptive to innovation and experimentation. Although that characterization may be a simplification of the culture, there is ample evidence that federal agencies, like most public organizations, have a certain amount of inertia when it comes to instituting managerial reforms (Rainey, 1991). New managerial innovations face the inertia of the bureaucratic culture, which is compounded by a skepticism about government reforms born from experiences such as PPBS, MBO, and ZBB. Other factors that come into play and are reflected in the comments above include the long time frames for instituting substantive change, the lack of incentives, and the preoccupation with current issues. Confirming that lack of a supporting culture is a difficulty during strategic planning is instituted in federal agencies, the GAO, in a 1997 survey of managers in twenty-four executive branches, found that instilling a results-oriented organizational culture within agencies was one of five key challenges for effective implementation of GPRA (GAO, 1997b).

ID23 Lack of Alignment With Political Authority

The lack of alignment with political authority received a score of 23—the highest of all the difficulties. This difficulty refers to mismatches between the decisions made by an agency to set its priorities, and the preferences of political bodies, particularly

Congress. Although authority for making policy-related decisions is distributed among the institutions of the federal government, for many issues, elected officials and legislative bodies hold the lion's share of influence. Like other forms of policy decisions, strategic planning is subject to approval by these political authorities. This approval process can be difficult, especially if the prevailing political climate is not favorable to the agency, or as in the case of the Reagan Administration, to executive agencies as a whole. The following quotations illustrate the respondents' views about the political alignment difficulty.

“Congressional staffs do not understand strategic planning and what they want out of it and they do not have time to deal with it.”

“Partisan politics may dominate the strategic planning process.”

“Theoretically, you can come up with an investment strategy based on strategic planning, but it may not be politically practical. Strategic planning for some areas is a politically-charged enterprise.”

“Congressional involvement in the GPRA process is very political.”

“When strategic planning plays out in budgets—that's when things will really get hot.”

“Congress is the big questions mark—strategic planning may not be a factor if they have strong feelings about an agency.”

“The Hill is making up new rules and requirements outside the GPRA legislative mandate.”

“If the folks on the Hill don't like you, the plan makes no difference.”

“The political agenda may drive the answer more than strategic planning. Some in Congress want to use GPRA to show the agency is not efficient and effective.”

“The more political the agency, the more difficult it is to do strategic planning.”

“This department does not have a good relationship with the Hill, no amount of strategic planning will convince them to be positive about what we do.”

“The Hill sees strategic planning as a way to gain leverage and direct what agencies do. What does the requirement for consultation mean?”

“What we do in this agency is closely tied to local field offices and local politics—we cannot do what local politics will not allow.”

“Difficulty with strategic planning is directly associated with how close you are to Congress.”

“GPRRA provides an opportunity for more congressional involvement in the agency’s business.”

“You can’t get around the fact that the strategic plan is a political document—Congress looks at it that way and sometimes it does not matter to them what you say in your plan.”

“I’m not optimistic about GPRRA—not sure the Hill is doing the right thing because they are not looking at the plans objectively—politics as usual prevails.”

The complex political environment of most federal agencies is the source of difficulties when aligning the strategic direction of the agency with the preferences of political actors. In a recent article, Harold Finger, co-chairman of the Panel on Improving Government Performance of the National Academy of Public Administration acknowledges that significant differences will likely arise when agencies consult with Congress and other stakeholders about their strategic plans. He contends that “[D]iffering views among the diverse body of stakeholders may never be resolved, but the discussions will have to present openly the government’s position” (Finger, 1997 p. 34). Former secretary of the Treasury Michael Blumenthal echoes Finger’s assertions about the difficulty in dealing with stakeholders that represent different backgrounds, interests, and demands: “By definition, you cannot please all of them. And whatever policy you follow, you are certain to be attacked and criticized, which is not true in the private sector. So what you learn is that there is no way to please your constituents in this job the way you can please your constituents in the private sector. You have to live with the situation and survive within it” (Blumenthal, 1983 p. 29).

From one perspective, the difficulty with political alignment has roots in the constitutional principle of shared powers. Authority in public institutions is not vested solely with an agency’s managers. Instead, authority is shared among several, sometimes competing, government institutions—mainly the Executive, Congress, and the Courts. This sharing arrangement was a purposeful goal of the nation’s founders, to mitigate the concentration of power in one institution of government. While the system of checks and balances maintains the distribution of power sought by the Framers, it introduces an environment of competing interests, all with a legitimate stake in the agency’s policy and allocation decisions. Since strategic planning is fundamentally about policy formulation and allocation of resources, these interests generate tension with the agency that makes political alignment difficult.

Analysis of Difficulties for Each Organization

Difficulty scores for each organization are plotted in Figure 4-27. The y-axis is the value of the difficulty score and the x-axis is the organization. The scores varied from a low of 6, for NAVSEA, to a high of 17, for the Department of Education. A visual examination of Figure 4-27 leads to the observation that Cabinet-level departments in general experience more difficulties than organizations at lower levels of the federal government hierarchy. The Departments of Treasury, Energy, Interior, HHS, and Education all have scores higher than the military organizations with the exception of NIMA and direct subunits of Cabinet departments such as the FDA and NOAA.

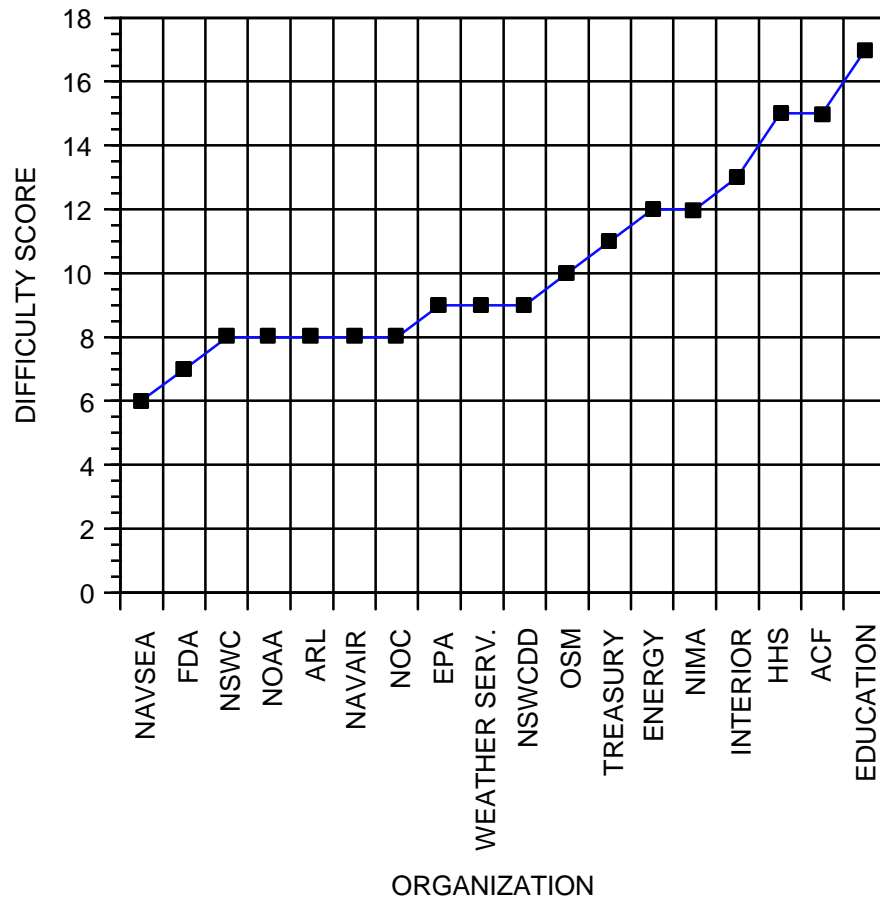


Figure 4-27. Difficulty Scores for Eighteen Federal Organizations

Figure 4-28 is another view of the difficulty scores for the agencies studied. This chart is a percentile plot of the difficulty scores showing agencies grouped in the twenty-fifth, seventy-fifth and intermediate percentiles. Agencies in the seventy-fifth percentile group are ACF, NIMA, Education, Energy, Interior, and HHS. The twenty-fifth

percentile group includes NAVAIR, NAVSEA, NSWC, NOC, ARL, NOAA, and FDA. The intermediate group consists of NSWCDD, OSM, Weather Service, and Treasury. It is worthwhile to note that Treasury, with a difficulty score of 11, is on the border between the seventy-fifth percentile group and the intermediate group.

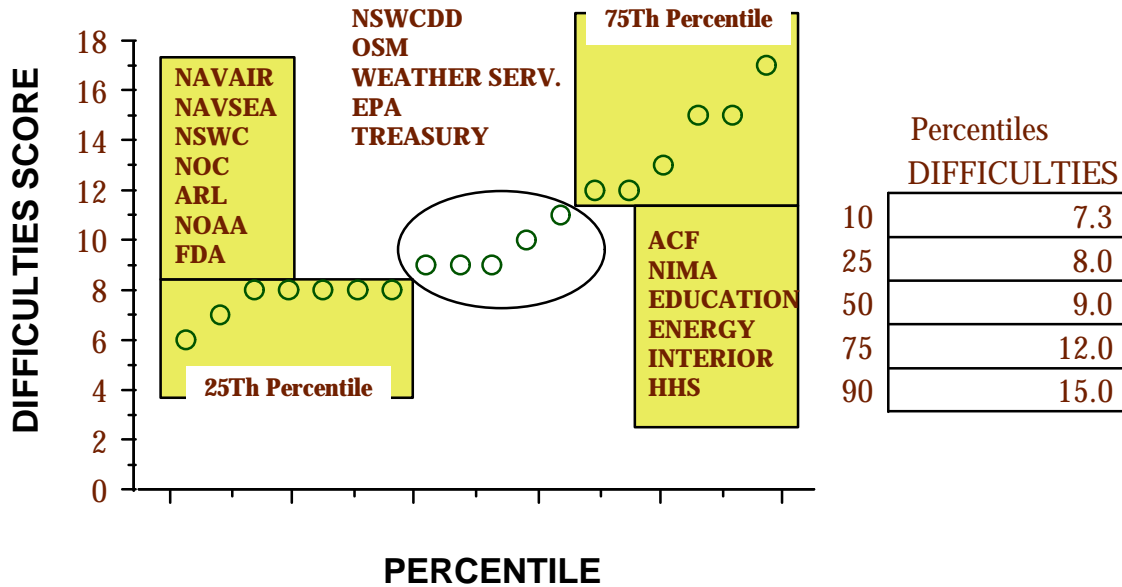


Figure 4-28. Percentile Plot of Difficulty Scores

Summary Comments Regarding *Difficulties*

Strategic planning appears to be especially difficult for federal agencies with high degrees of publicness. Many of these agencies such as HHS and Education have missions, strategic plans, and programs directed at making societal improvements in broad areas. One respondent captured the overall difficulty of public sector strategic planning in the following statement: “The federal sector has a social mission. It must pay attention to those that fall through the cracks (e.g., the aged, handicapped, and minorities). Our responsibility is to serve the national interest—to strengthen the economy, social structure, and democracy. Strategic planning in the public sector must address these concerns, and must address questions of who is being served.”

Another respondent summed up the problem with strategic planning as follows: “It is very difficult to get clarity in the social service field—the targets involve improving people’s lives and well-being—how do you measure that?”

Clearly, from the viewpoint of the planners and managers participating in this study, strategic planning has numerous difficulties and risks. It appears that some federal agencies are struggling both with strategic planning and, in particular, GPRA. The data

discussed here indicate that this struggle emanates mostly from efforts to address difficulties associated with stakeholder diversity and dispersion, establishing performance measures, lack of consistent support from organizational leaders, complex organizational structures and authority mechanisms, lack of an established or supporting culture within the organization, and mismatches between the strategic intentions and directions of the agency and those in its political authority network. These difficulties may have contributed to the development of, by Congress's judgment, inadequate strategic plans.

Many of the draft strategic plans reviewed by Congress were found to be lacking important elements required by the law, and the review of the final plans submitted in September of 1997 showed some improvements over the drafts, but even the final plans were found, overall, to be inadequate. For the drafts, of the twenty-four plans evaluated, seventeen were given scores of zero in one or more of the six statutory elements required by GPRA. Four agencies received grades of 50 or more (out of a possible score of 105) for their draft plans. The highest grade was 62, the lowest was 6.5 and the average was 29.9. The scores were determined by congressional staff members. Relatively low scores indicated that the plans did not meet the expectations of the primary recipient, which was Congress, in the case of GPRA. Of the final GPRA strategic plan submissions, Congress said:

[T]he bad news is that few plans meet the quality standards envisioned by the Results Act. They can be a starting point for substantive policy discussions, but few are acceptable as final strategic plans As the grades demonstrate, however, very few plans are acceptable in terms of quality. Only two of the twenty-four agencies, Transportation and Education, submitted plans that can be considered adequate from a technical quality (although not necessarily policy) viewpoint. In particular, Transportation made outstanding progress from its draft plan. Nevertheless, if we converted our numerical grades to letter grades, the two best plans still would rate only a 'C.' At most, four other plans could be given a passing grade in the range of 'C minus' to 'D minus.' The rest clearly would fail. (Arney, D. et al. 1997 pp. 1-3)

Table 4-5 shows the congressional ratings for both the draft versions of strategic plans submitted in August of 1997 and the final versions, which were submitted in November of 1997 (Laurent, 1998).

Analysis of the Relationship Between *Publicness* and *Difficulties*

The variables *publicness* and *difficulties* have been discussed as they exist for the eighteen organizations in this study. From a theoretical viewpoint, the organization's degree of publicness is expected to be related to the difficulties planners and managers experience when undertaking strategic planning. This section of the data analysis addresses the publicness-difficulty exploratory portion of the study. Namely, How are

Table 4-5. Congressional Ratings for Strategic Plans Submitted by Nineteen Federal Agencies

AGENCY	AUGUST SCORE	NOVEMBER SCORE	NOVEMBER GRADE
AGRICULTURE	11	39	F
COMMERCE	15.5	28	F
DEFENSE	25	28.5	F
EDUCATION	60	73	C
ENERGY	18.5	42.5	F
EPA	28	44	F
GSA	35	40.5	F
HHS	24	43	F
HUD	15.5	40.5	F
INTERIOR	26.5	29.5	F
JUSTICE	52.5	49.5	F
LABOR	6.5	29.5	F
NASA	23.5	67	D
OPM	11	31	F
SSA	62	68	D
STATE	42	41	F
TRANSPORTATION	28	75	C
TREASURY	26.5	52.5	F
VA	37.5	49.5	F

difficulty scores related to publicness scores? Figure 4-29 below outlines the main elements of this analysis.

The relationship between *publicness* and *difficulties* is explored by analyzing the scores for the two variables using statistical techniques. The objective of this analysis is to explore how the total difficulty scores for the study organizations relate to the publicness scores for these organizations. If two variables are related, they vary together, so that a change in x is accompanied by a change in y, and a change in y is accompanied by a change in x. If there is a positive relationship, that is, difficulty scores vary in some reasonable way with publicness scores, the variables are said to be correlated. The relationship is said to be symmetrical if a change in either variable is accompanied by a change in the other variable. The relationship is asymmetrical if there is a variation only one way—a change in x is accompanied by a change in y, but not vice versa (Bailey, 1978). Since only difficulty scores can be expected to vary with publicness scores and not vice versa, the relationship between these variables is asymmetrical. Publicness is the independent variable, and difficulty is the dependent variable.

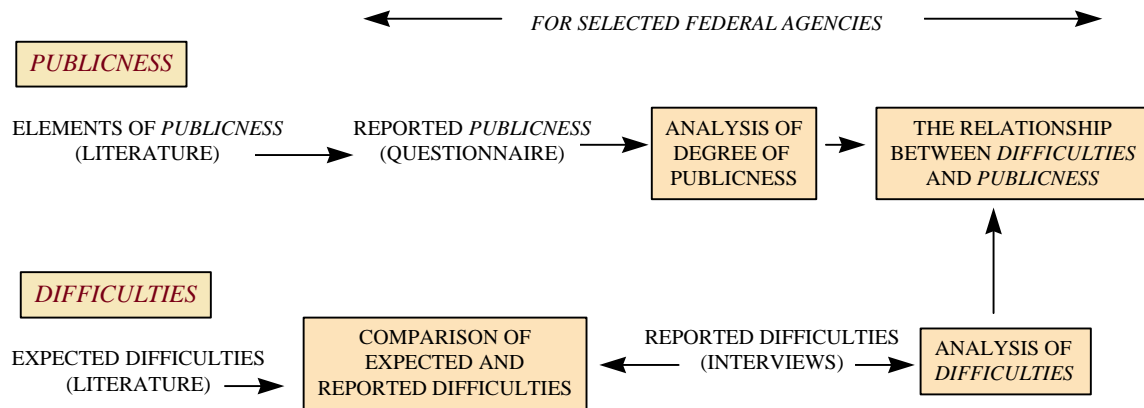


Figure 4-29. Outline of Study Relating *Publicness* and *Difficulties*

Figure 4-30 is a plot of publicness and difficulty scores for each organization. The x-axis is the score value and the y-axis is the organization. The numerical scores are shown in Table 4-6. The plot in Figure 4-30 shows increasing publicness scores and the associated difficulty value. There appears to be a general trend of increasing difficulty as publicness increases, but there are obviously significant variations from a perfect linear relationship. The question to address is, How strongly are these variables related? In order to explore the relationship between publicness and difficulty scores, several statistical analysis techniques associated with description, correlation, and regression will be used.

Figures 4-31, 4-32, and 4-33 depict the study organizations in categories according to their publicness and difficulty scores. Figure 4-31 separates the organizations into four categories based on the median of their publicness and difficulty scores. Organizations with high publicness and high difficulty scores are shown in the upper right-hand quadrant, and those with low scores, in the lower left-hand quadrant. The opposite quadrants show the organizations with high publicness/low difficulties and low publicness/high difficulties.

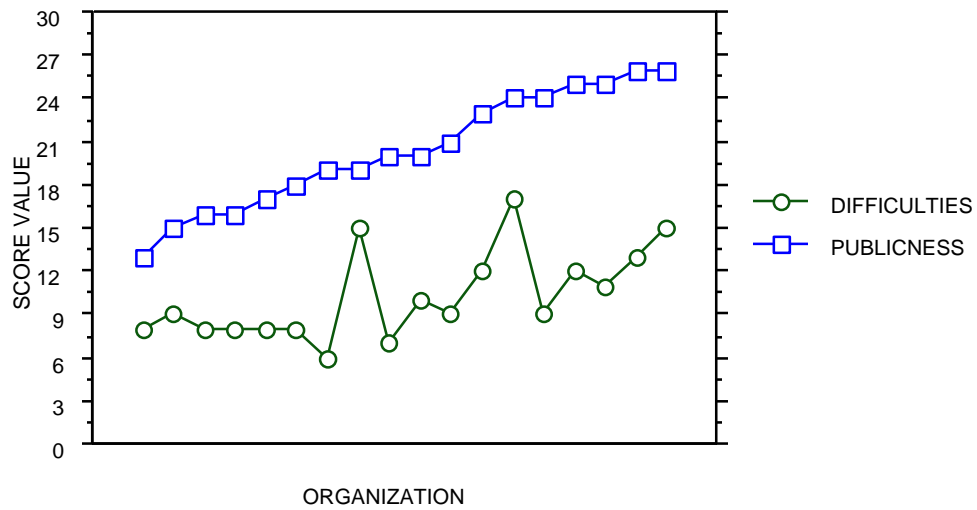


Figure 4-30. Comparison of *Difficulty* and *Publicness* by Scores

Table 4-6 Comparison of Numerical Scores for *Difficulties* and *Publicness*

	<i>DIFFICULTIES</i>	<i>PUBLICNESS</i>
NAVAIR	8	13
NSWCDD	9	15
NSWC	8	16
NOC	8	16
ARL	8	17
NOAA	8	18
NAVSEA	6	19
ACF	15	19
FDA	7	20
OSM	10	20
WEATHER SERV	9	21
NIMA	12	23
EDUCATION	17	24
EPA	9	24
ENERGY	12	25
TREASURY	11	25
INTERIOR	13	26
HHS	15	26

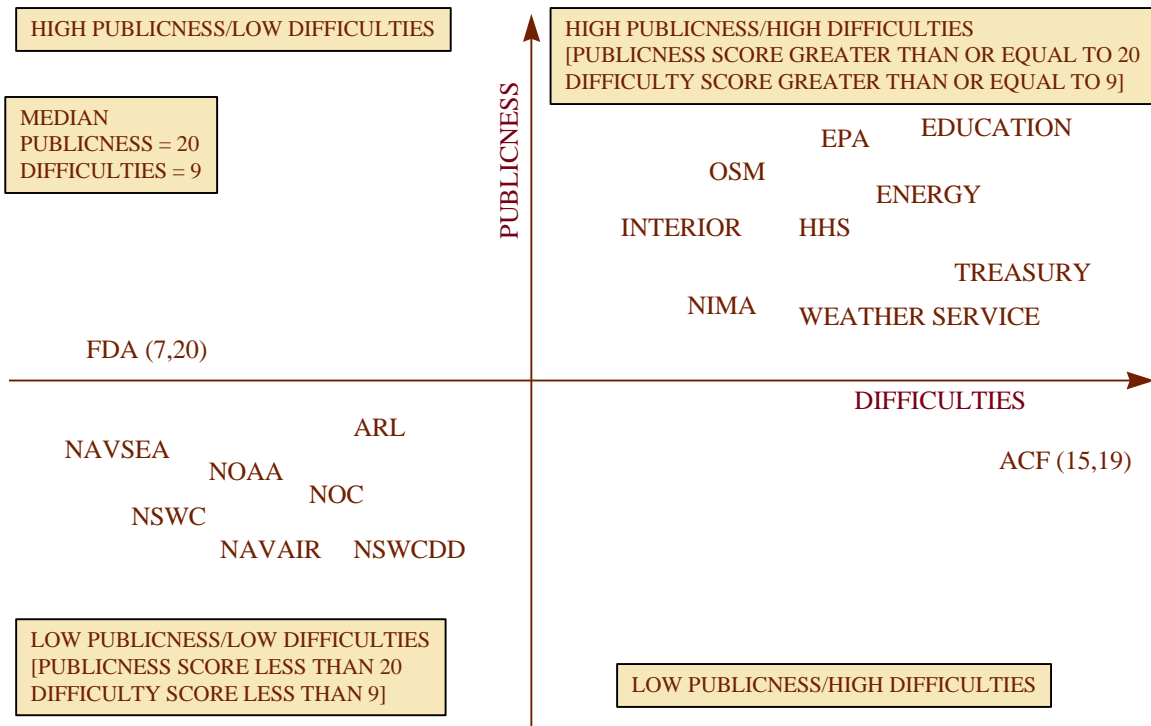


Figure 4-31. Alignment of Eighteen Organizations on Axes of *Publicness* and *Difficulties*

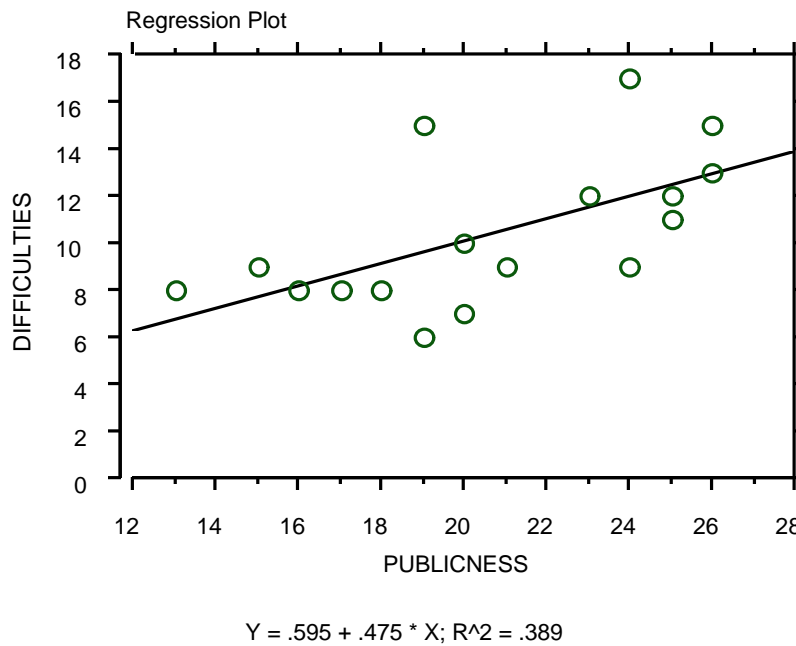
Correlation and Regression Analysis

Correlation and regression techniques were used to further explore the relationship between *publicness* and *difficulties*. This analysis yielded a coefficient of correlation of 0.624, indicating a moderate relationship (Bailey, 1978) and the regression results shown in Figures 4-32 and 4-33.

Regression Summary
DIFFICULTIES vs. PUBLICNESS

Count	18
Num. Missing	0
R	.624
R Squared	.389
Adjusted R Squared	.351
RMS Residual	2.499

Figure 4-32. Summary of Regression Analysis



NOTE: An R² of 0.389 indicates that about 40 percent of the variance in the variable *difficulties* can be explained by the values of the variable *publicness*.

Figure 4-33. Plot of Regression Analysis

Analysis of the Variable *Techniques*

This section of the data analysis examines the variable *techniques*. Figure 4-34 below illustrates the *techniques* data analysis.

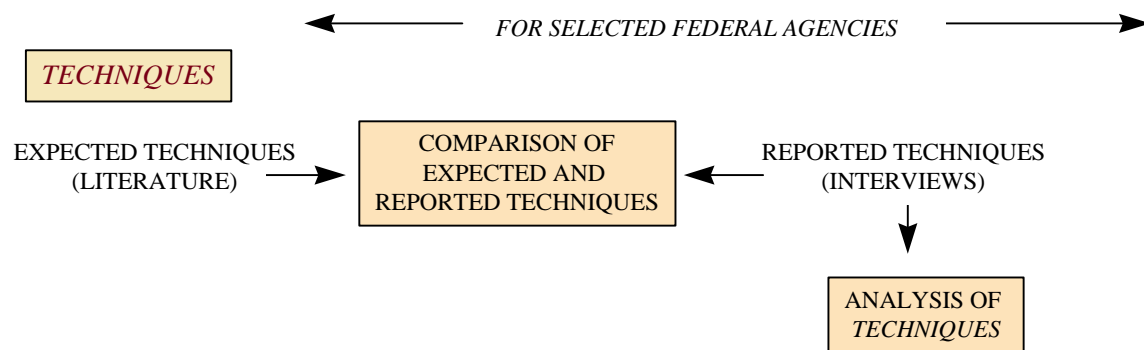


Figure 4-34. Illustration of *Techniques* Data Analysis

The interviews explored the respondents' views regarding *techniques* for overcoming *difficulties* with strategic planning. The techniques were offered in response to a general line of discussion during the interviews where the respondent was asked to provide, based on their experience, advice to planners and managers in other organizations about what things could be done to aid the success of strategic planning.

The interview data was analyzed for *techniques* much as it was for *difficulties*. A template based on the literature was used as a starting point to extract *techniques* from the transcribed interview text. Techniques were listed in an iterative fashion to make certain all techniques were identified. A technique was extracted from the interview texts when it corresponded to one offered in the literature. Other techniques, not included in the literature-based template, were recorded and highlighted as additional, that is, not having a source in the literature.

Table 4-7 below is a list of techniques that emerged from the analysis of the interview data. Shown are those that have a source in the literature as well as additional ones that emerged from the interviews. All the techniques in the literature-based list were referenced at least once in the data, and there were five additional techniques identified. These five additional techniques are identified with asterisk: IT16, IT17, IT18, IT19, and IT20 in the table.

Table 4-7. Techniques Extracted from Interview Data

IMPLEMENTATION TECHNIQUES	
IT1	USE ORGANIZATIONAL MANDATES AND OBLIGATIONS TO DRIVE STRATEGIES AND RESOLVE GOAL CONFLICTS
IT2	UNDERSTAND THE BELIEFS AND DEMANDS OF KEY PEOPLE IN POSITIONS OF INFLUENCE AND AUTHORITY AND CUSTOMIZE THE PLANNING PROCESS TO ACCOUNT FOR THEM
IT3	COLLABORATE WITH OVERSIGHT BODIES DURING THE STRATEGY FORMULATION AND IMPLEMENTATION PROCESS
IT4	FREQUENTLY SAMPLE OUTSIDE EVENTS, TRENDS, AND ISSUES AND ADJUST IMPLEMENTATION ACCORDINGLY
IT5	CLARIFY STRATEGIC GOALS DURING THE FORMULATION OF THE PLAN
IT6	USE IDEALS AS A SUBSTITUTE FOR GOALS
IT7	PROVIDE OPPORTUNITIES FOR PARTICIPATION WITHIN THE ORGANIZATION TO INCREASE “BUY- IN” TO THE PLAN
IT8	DEVELOP PERFORMANCE MEASURES FOR ACHIEVING STRATEGIC GOALS
IT9	ASSIGN ACCOUNTABILITY FOR ACHIEVING GOALS AND IMPLEMENTING PLANS
IT10	APPROACH CHANGE INCREMENTALLY
IT11	MAINTAIN AN OPEN STRATEGY FORMULATION AND IMPLEMENTATION PROCESS AND BUILD IN NEGOTIATING AND BARGAINING OPPORTUNITIES
IT12	DEVELOP BUFFERING MECHANISMS TO DEFLECT OUTSIDE INFLUENCE ON THE ORGANIZATION
IT13	DEVELOP A COALITION OF INTERESTS TO HELP KEEP THE STRATEGIC MANAGEMENT PROCESSES ON TRACK
IT14	PROVIDE INCENTIVES FOR ORGANIZATIONAL CHANGE
IT15	ENGAGE THE ORGANIZATION’S LEADER TO GAIN INTERNAL SUPPORT FOR STRATEGIC PLANNING
IT16	USE THE STRATEGIC PLAN TO PERSUADE CONGRESS THAT THE ORGANIZATION “HAS ITS ACT TOGETHER” *
IT17	CLOSELY LINK STRATEGIC PLANNING TO THE APPROPRIATION STRUCTURE AND FINANCIAL PERFORMANCE SYSTEMS *
IT18	DEVELOP CROSSCUTTING GOALS AND PLANS TO PROVIDE INTEGRATION ACROSS THE ORGANIZATION *
IT19	DEVELOP PARTNERING ARRANGEMENTS WITH STAKEHOLDERS TO IMPROVE PLAN IMPLEMENTATION *
IT20	EMPHASIZE STRATEGIC THINKING AND MANAGEMENT DEVELOPMENT AS A WAY TO BUILD A PLANNING CULTURE *
* DOES NOT HAVE A BASIS IN THE LITERATURE	

In order to obtain a sense of what techniques were the most important for the eighteen planners and managers that were interviewed, further analysis was performed to identify the top-scoring techniques—those that were most frequently cited by the planners and managers. Figure 4-35 is a plot that shows the arithmetic total for each technique based on an assigned value of 1 if the technique was suggested by a respondent during the interview. The y-axis is the technique’s score, the x-axis is the technique’s code, which can be translated using the codes in Table 4-7. Analysis of the techniques reported in the

interviews were not weighted during the scoring as were difficulties. There was not the same level of confidence that respondents would be able to provide information about the degree to which a technique was useful or helpful, or the degree of use of a technique. The basis for this conclusion was the pilot testing.

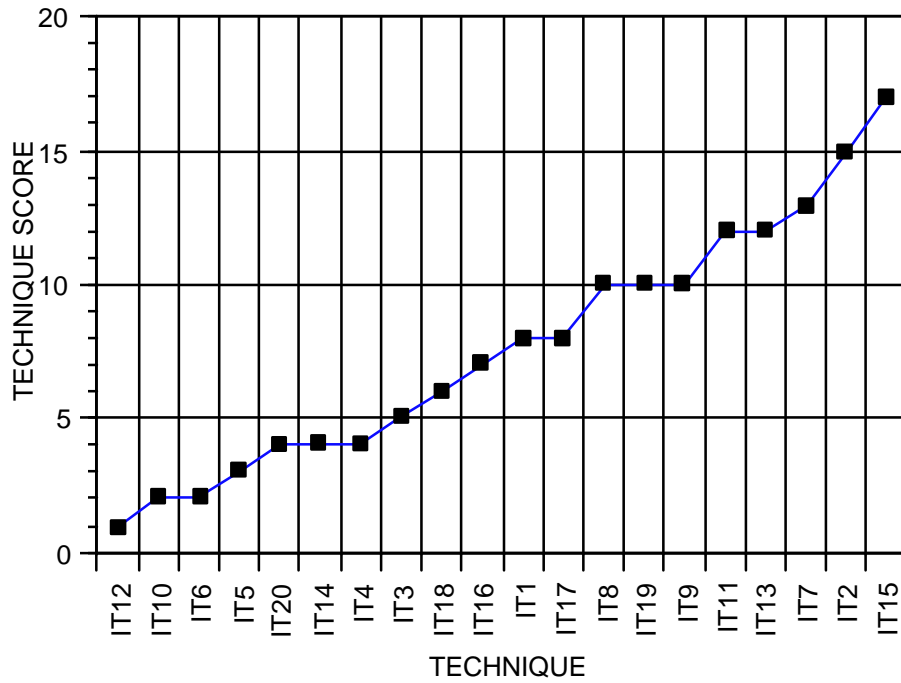


Figure 4-35. *Techniques Listed According to Score*

Figure 4-36 shows the *techniques* scores for the study organizations.

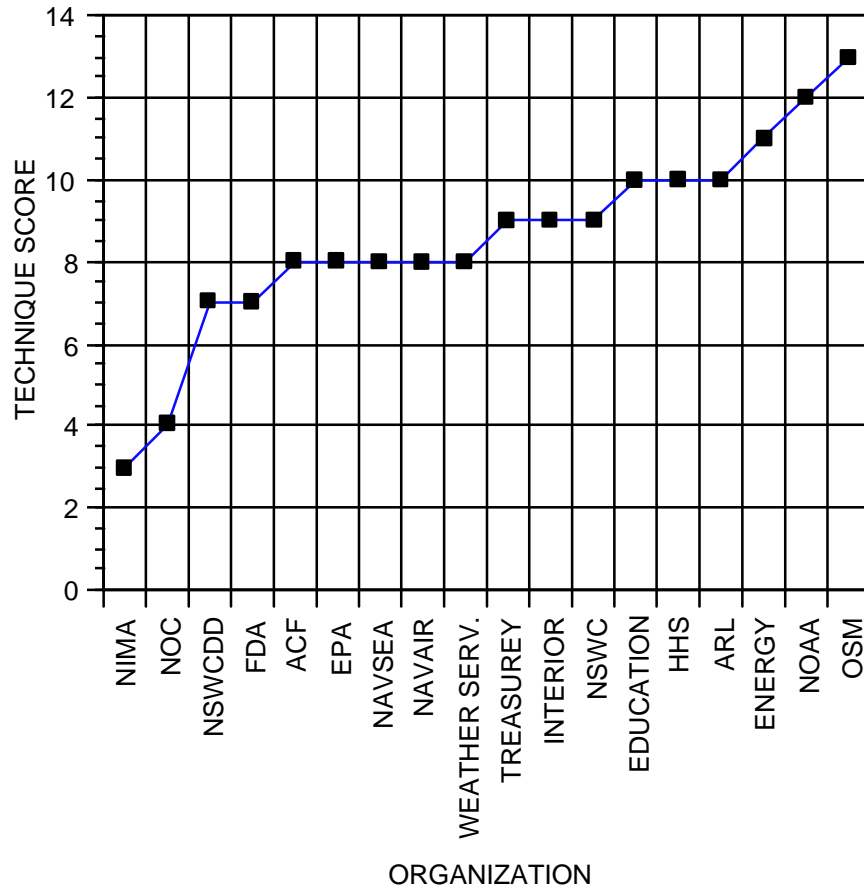


Figure 4-36. Study Organizations Listed According to *Techniques* Scores.

Figure 4-37 is a percentile plot of the *techniques* scores. Using the seventy-fifth percentile point as a demarcation point to identify the most important techniques, the five top-scoring (top 25 percent) techniques are: IT11, IT13, IT15, IT2, and IT17. IT15, with the top-most score of 17, addresses involvement of the organization’s leadership in the strategic planning process.

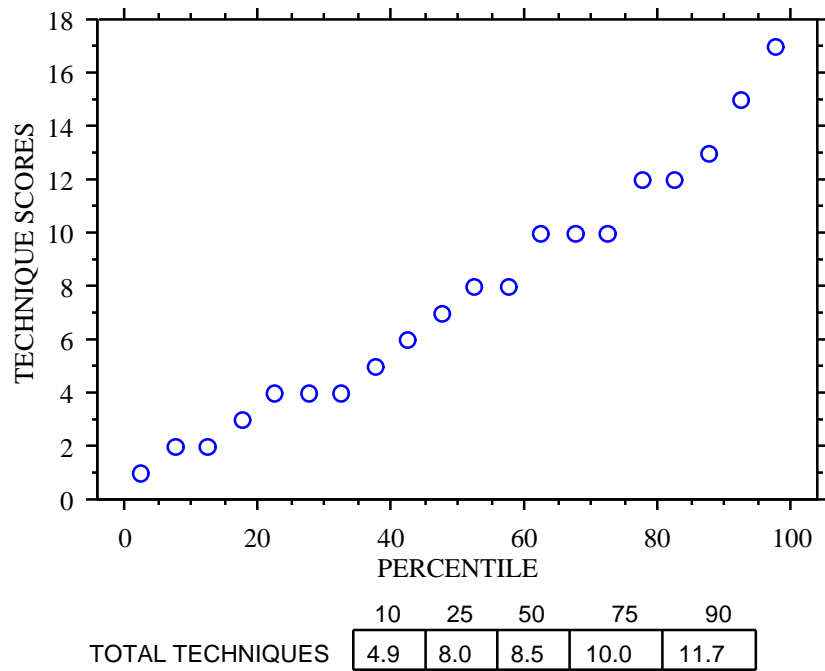


Figure 4-37. Percentile Plot of *Techniques* Scores

Table 4-8 below lists these top-scoring techniques. Figure 4-38 shows a ranking of techniques according to their score. The ranking follows a linear relationship.

Table 4-8. Five Top-Scoring Techniques

TOP-SCORING IMPLEMENTATION TECHNIQUES	
IT11	MAINTAIN AN OPEN STRATEGY FORMULATION AND IMPLEMENTATION PROCESS AND BUILD IN NEGOTIATING AND BARGAINING OPPORTUNITIES
IT13	DEVELOP A COALITION OF INTERESTS TO HELP KEEP THE STRATEGIC MANAGEMENT PROCESSES ON TRACK
IT2	UNDERSTAND THE BELIEFS AND DEMANDS OF KEY PEOPLE IN POSITIONS OF INFLUENCE AND AUTHORITY AND CUSTOMIZE THE PLANNING PROCESS TO ACCOUNT FOR THEM
IT15	ENGAGE THE ORGANIZATION'S LEADER TO GAIN INTERNAL SUPPORT FOR STRATEGIC PLANNING
IT17	CLOSELY LINK STRATEGIC PLANNING TO APPROPRIATION STRUCTURE AND FINANCIAL PERFORMANCE SYSTEMS *
* DOES NOT HAVE A BASIS IN THE LITERATURE	

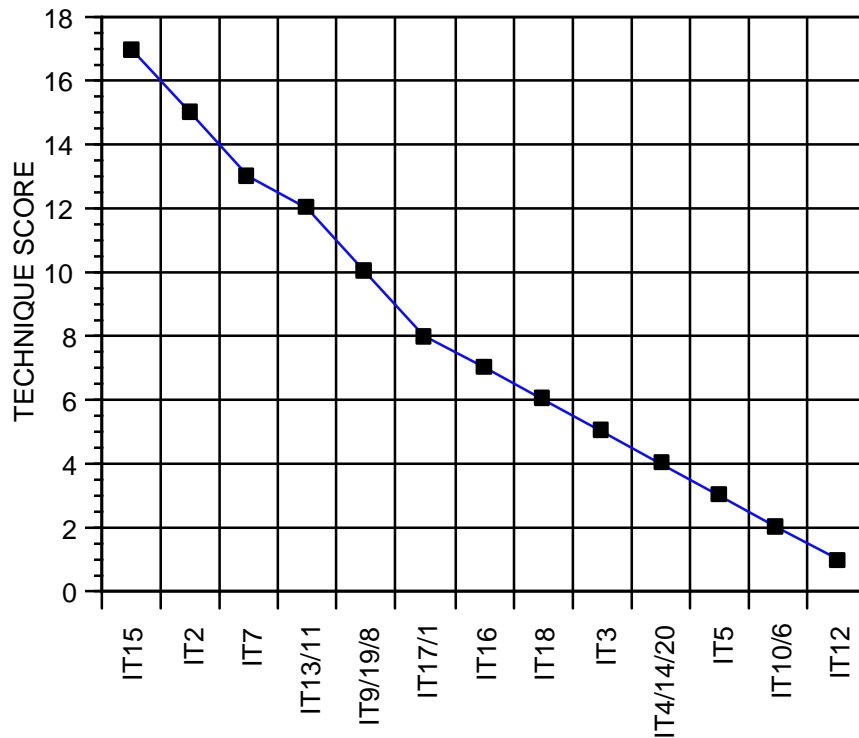


Figure 4-38. Techniques Ranked According To Score From Highest To Lowest

Note that one of the techniques (IT17) emerged from the interviews as a top-scoring technique, yet was not part of the original set of *techniques* extracted from the literature. A discussion of each of these top-scoring techniques follows.

IT15 Engage the Organization’s Leader to Gain Internal Support for Strategic Planning

The following quotations from the interviews illustrate the comments offered referring to this technique:

“Demand leadership involvement—they must see strategic planning as a priority.”

“Top-level buy-in is absolutely necessary. Sometimes the leader must be convinced to play an active role.”

“Planning staffs need access to the top management. They also need the trust of the leader to address sticky issues with the process.”

“Leaders must hold people accountable; otherwise it will be business as usual.”

“Don’t make strategic planning a staff exercise, senior managers must be involved and line managers must take ownership.”

IT15 was the technique with the highest score. Cited by seventeen of the eighteen organizational planners interviewed, IT15 is about engaging the organization’s leader to gain internal support for strategic planning in the organization. This technique could be an offshoot of the difficulty that centers on building an organizational culture for strategic planning. Most writers on the subject of organizational culture emphasize the importance of the leader in setting values and identifying what is important for the organization (Hax & Majluf, 1984; Schein, 1992).

The relationship between the leader and the strategic planning staff is crucial to achieving a successful outcome. The relationship should be based on trust that the leader is not merely giving strategic planning lip service and that the members of the planning staff are stewards of the process and can raise concerns and issues that arise during its implementation. The leader must legitimize and demonstrate support for the planning staff because as staff members they lack the direct influence of managers within the organization.

The need for leadership to provide an emphasis both for strategic planning and for building an agreeable organizational culture may be particularly important for top level federal organizations based on two factors. First, leaders of executive agencies in the federal government are typically political appointees whose tenure ends with a new administration or, frequently, sooner. Continuity of the process depends on the leader’s consistent involvement, but in federal agencies, the turnover of leaders is disruptive to this continuity. Second, there is a natural resistance to innovations or management reforms in many federal agencies. Without the leader’s visible support for strategic planning it will probably have the same fate as other reforms such as PPBS, ZBB, and MBO.

In a recent report by the GPRA Implementation Committee of the Chief Financial Officers Council, the leader’s role in establishing a vision was cited as one of the key elements of effective strategic planning. The Committee stressed that: “[I]t is our collective experience that the heart and soul of a strategic plan is the top executive’s strategic vision. The strategic vision communicates the organization’s most important long term goals and objectives in support of the mission. Only when the top executive promotes the strategic vision will the strategic plan provide meaningful guidance to program managers. This is truly the first step of an executive to the principles of strategic management” (Chief Financial Officers Council, 1997 P. 5).

IT17 Closely Link Strategic Planning to Appropriations Structure and Financial Performance Systems

The following quotations from the interviews illustrate the comments offered referring to this technique:

“Make sure that the budget is tied to the strategic goals—the budget is the only thing that gets attention on the Hill.”

“Align the agency’s budget to the strategic planning framework. The strategic plans should be overlaid on the program structure. This creates a tension between the program direction and the strategic direction. The strategic direction raises questions of relevance—asks, How does this program support the plan and how do you measure performance?”

“The budget is the short term execution plan for allocating financial resources—who-gets-what is a strategic decision.”

“GPRA is law and it provides a mandate for strategic planning. This should be emphasized to get leaders and managers on board. The difference in this reform is that GPRA is tied to the budget: that gets people’s attention.”

“It’s important to link strategic plan and appropriations structure. The budget must be goal-based to frame the debate, and must link performance to funding to enable review.”

IT7 had the third highest score among *techniques* and was referenced by thirteen organizations. It has a related difficulty. Obviously a particular problem with GPRA, the difficulty did not have a source in the literature, but emerged only from the interviews held for this study. As discussed previously, this difficulty stems from the mismatch between the agency’s budget submission framework and the budget based on a strategic framework. The difficulty comes to a head with congressional staff members who prefer the traditional format so they can make judgments at the program level. To some extent, traditional budgeting and strategic budgeting involve issues of control. Budgeting at the strategic level is absent the details usually provided in traditional budgets and therefore provides more discretion for agency managers to decide how to allocate funds within strategic categories. This problem arises not just between agencies and Congress, but also in subelements of federal organizations that must defend their budgets to higher authorities.

Planners and managers believe that there are techniques to reframe the budget in strategic terms while maintaining information to satisfy congressional staff members. Some planners and managers argued that congressional staff members must be weaned

from the program-based format and convinced that the strategic format is more meaningful. The NOAA practiced one such technique in their 1988 budget submission. They provided a section in their budget request that included a 1998 budgetary overview by strategic goal. They included resource charts and tables that provided a crosswalk between the goal-based budget request and the traditional activity-based budget. Appendix C shows this presentation for one of NOAA's strategic goals.

Another example of such a technique is provided by ARL. This agency produced yearly reports that included a performance plan and a report detailing progress toward their strategic goals. The reports were integrated into the Lab's budgeting process and tied to the Defense Department's Planning, Programming, Budgeting and Execution System (GAO, 1996). ARL's business planning process included a three-volume business plan plus an annual report, and the planning process element of quarterly meetings with the Director and all his senior staff. The foundation of the business plan was the strategic plan, which had a ten- to fifteen-year time horizon. The strategic plan considered the external and internal environments, capabilities and competencies, technological trends, and customer needs and requirements. This plan started with the ARL mission and vision and from them derived strategic thrusts and goals. Strategic goals and outcomes were defined in semi-quantitative terms, in keeping with the principles of GPRA. At a quarterly meeting, the Long Range Plan was discussed. This plan looked out over the Program Objective Memorandum (POM) period of six years and described how the goals would be provided resources in terms of funds, personnel, and facilities. A one-year performance plan was then developed that described the detailed budget allocation and metrics for each goal.

The importance of performance measures and GPRA was discussed in a recent article by Robert Kravchuk and Ronald Schack (1996). These authors present the following ten general design principles for effective performance measurement systems:

- Formulate a clear, coherent mission strategy and objectives.
- Develop an explicit measurement strategy.
- Involve key users and customers in the design and development phase.
- Rationalize the programmatic structure as a prelude to measurement.
- Develop multiple sets of measures for multiple uses, as necessary.
- Consider customers of programs and systems throughout the process.
- Provide each user with sufficient detail for a clear picture of performance.

- Periodically review and revise the measurement system.
- Take account of upstream, downstream, and lateral complexities.
- Avoid excessive aggregation of information.

In a summary comment, Kravchuk and Schack (1996) place the performance measurement challenge in perspective by suggesting that measures should be used only as indicators. By this they meant that measures are not a substitute for expert knowledge but should be signals pointing to areas that need to be examined further. Using an organizational development perspective, these authors argue that the examination process should lead to a larger benefit in organizational learning and adaptation that goes beyond any value that can be gained from focusing on the measures alone.

IT11 Maintain an Open Strategy Formulation and Implementation Process and Build in Negotiating and Bargaining Opportunities.

IT11, cited by eight organizations, addresses a unique public-sector feature of strategic planning in federal agencies. That is, the strategic planning process should be based on democratic principles, which include full disclosure of information, and open processes with participation of all interested parties. Besides the requirement for a democratically based process, there is a practical reason for using this technique. Involving stakeholders—especially early in the planning formulation when goals and performance measures are being established—can gain their support and defuse serious objections later when the plan is in its final stages or is being implemented. Stakeholders can have powerful political allies, and their objections can derail an agency’s strategic plan when it is submitted to Congress. The following quotations illustrate the comments referring to this technique offered during the interviews:

“Make planning a cooperative effort with the states—hold lots of public meetings to demonstrate that the planning process is open. Some of these should be national meetings with broad participation of industry, interest groups, states, and communities.”

“The process needs to include the customer. Our customer is the warfighter and we hold workshops where they talk about their needs and review our plans.”

“Let all stakeholders say their piece, but use the legislative mandate of the agency to adjudicate differences.”

“Need to rely on the statutory responsibility to adjudicate competing positions of stakeholders. Lawmakers also represent a balancing of interests and this balancing theoretically is represented in law.”

“The plan must be customer-focused—use surveys and meetings to get feedback, then do it again—must engage partners to make sure what you are doing is real.”

“Hold lots of public meetings with stakeholders—all of them there at the same time. Ask them for help and provide feedback. Tell them why things weren’t accepted, if they were not.”

“Establish an advisory committee made up of stakeholders—gets input and helps sell the plan.”

“Be as open as possible about plans, targets, performance. Share documents and get visibility for the plan. We need to coordinate with thirty-six public interest groups, ten industry groups, and seventeen other agencies.”

“We involved a host of constituents to help develop implementation plans and milestones, but not the funding allocation.”

The last comments involve legislative mandates and refer to technique IT1: *Use organizational mandates and obligations to drive strategies and resolve goal conflicts*. It is discussed here because it is closely coupled to IT11. Having extensive stakeholder involvement, while maintaining an open formulation and implementation process and building negotiating and bargaining opportunities into this process can cause problems for the agency: The diversity of some stakeholder populations is matched by the diversity of their preferences. The resulting competing positions are sometimes difficult for the agency to adjudicate; relying on the legislative mandate and the agency’s mission can be useful for establishing values or criteria as a basis for the adjudication. For example, if the agency has a legal mandate to preserve the environment, it may try to accommodate particular stakeholders who have other interests, but the agency’s mandate can be relied upon as a legitimate criteria for deciding how to strike a balance among conflicting stakeholder preferences. Legal mandates in the form of legislation, administrative law, and court rulings limit an agency’s capacity to enact broad change, but also provide the basis for exercising discretion about what interests will be served in the planning process (Rohr, 1989).

Agencies employ the IT11 technique in different ways. Some agencies publish their plans on the Internet and solicit comments. Others use their field offices to interact with constituencies at the grassroots level. Some agencies hold workshops with the customers of the agency’s products and services to review and invite comments on plans. EPA was cited in a recent GAO report as a case illustration in the area of stakeholder involvement. EPA held nine meetings around the country and included environmental organizations, businesses, state and local governments, tribal governments, and other stakeholders. The EPA used the information gathered at these public hearings to better

define their strategic goals. They continued the stakeholder involvement as an ongoing effort throughout the planning and implementation process (GAO, 1996).

IT13 Develop a Coalition of Interests to Help Keep the Strategic Management Process on Track

The following quotations from the interviews illustrate the comments offered referring to this technique:

“Create implementation plans for each goal. Use constituents and crosscutting internal teams to help develop the implementation plans, but not the funding allocation.” (A crosscutting goal addresses agency-wide concerns such as facilities, personnel, and data collection.)

“Hold monthly meetings of an advisory panel consisting of representatives from all the subunits of the organization to share experience and find common ground.”

“Be inclusive in the process, even at the expense of complicating the process.”

“Get the management team onboard. Start top-down, then get line/program managers involved.”

“We have a management council to help guide the process, and everyone has an equal vote.”

“Develop business lines to help tell the agency’s story. The budget is too hard to understand. Stakeholders can help sell the plan to Congress if they understand what is intended.”

“We have five teams that handle crosscutting areas common to the entire organization—performance measures, monitoring, training and technical assistance, communications, and business process reengineering.”

“Develop a cadre of people who can help communicate the plan with common information, language, and uniformity of purpose.”

Developing a coalition of interests to help keep the strategic management process on track involves nurturing a cadre of managers within the organization and key people in the stakeholder community to provide support to the process and sustain the overall strategic planning effort. This coalition can be an informal group or play a more formal advisory role. The coalition can be entirely from within the organization, formed from representatives that cross structural and functional boundaries, and who, as a group,

signal the importance of the effort and help convince others in the organization that strategic planning is important and worthwhile. In this way, senior managers contribute to the enterprise of strategic planning by providing leadership and overcoming resistance to the change implied by strategic planning. Senior managers cultivate support from the career civil servants who are critical to instituting change in the organization—some say more critical than elected officials (Frederickson & Perry, 1997). Part of the difficulty with such an effort is that the organization as a whole has a limited amount of energy to devote to its work. There is natural resistance to new management projects that require additional effort beyond what is perceived by most workers as a “full plate” of required activities. The *coalition of interests* referred to in this technique influences how others perceive strategic planning and reinforces its value, thereby raising its importance on the agenda of the organization.

Nutt and Backoff suggest that “To overcome inertia, one creates a coalition of interests to keep the strategic management process on track. The coalition identifies contextual features, carries out situational assessments, forms issue agendas, and identifies strategy. ... Vesting action in a coalition (a strategic management group) creates momentum and commitment to overcome the inertia inherent in organizations with public features” (Nutt & Backoff, 1993 pp. 221-222).

IT2 Understand the Beliefs and Demands of Key People in Positions of Influence and Authority and Customize the Planning Process to Account for Them

The following quotations elaborate on this technique:

“Socializing goals with all those who have a stake in the plan takes a great deal of time and energy, but it pays off in the long run.”

“We must recognize that politicians have their own agenda and it may have nothing to do with strategic planning. If GPRA is to be successful we need to convince committees not to look at it as another way to micromanage the agency.”

“There needs to be a lot of dialogue to find common ground.”

“Concentrate on a few goals and measures—the key ones—and work to get buy-in from OMB and Congress.”

“Really need to understand where your leaders inside and outside the organization are coming from. Sometimes you have to slow the process down to get their buy-in.”

“Get to know those who must approve the plan—they determine how you can proceed.”

“You really need to spend time understanding expectations. We initially took the position that the plan was for us—and got a lot of criticism from OMB and Congress: How could you do strategic planning without permission?”

“The plan should be linked to higher levels in the organizations so there is a flow down and linkage.”

“We had to work hard to get the mission and vision statements accepted by headquarters—you can’t get the process right if you don’t get agreement from outside the organization.”

“In a political environment, you need to concentrate on a few important goals—a fifty page strategic plan will not work.”

“Involve Congress and OMB especially in setting performance measures—engage in a dialogue with Congress to get mutual understanding”

“The folks we report to don’t want to see our plan. They want to look at programs and how much money they are getting. This whole thing is very dependent on the appropriation process and what Congress thinks about the agency. The strategic plan is a political document.”

IT2, with a score of 15, was the second-highest ranking technique. It addresses customers and their involvement in the strategic planning process. Public organizations have authority networks that have legitimate jurisdiction over the agency. These include people in administrative positions of authority as well as elected officials with an oversight responsibility for the agency’s activities. Strategic planners must understand how authority networks influence the organization in terms of limiting action and demanding collaboration (Nutt & Backoff, 1993).

General Comments About Strategic Planning from the Interviews

The following comments from respondents address general perceptions of the value of strategic planning in the organizations studied. Seventy percent of the respondents cited organizational development as a value of the planning process. This value includes improved communications, development of management, and a better understanding of the organization’s purpose and direction. This finding is related to the technique, *Emphasize strategic thinking and management development as a way to build a planning culture*. Another major theme at the global level was a concern that GPRA may not achieve the intended result because of political considerations. These considerations are expressed in terms of congressional “micromanagement” or the belief that congressional opinion about the agency is the criteria for determining the acceptance

of the strategic plan. The following quotations from the interviews illustrate these findings.

“Strategic planning has helped a lot—it provides a common vocabulary, understanding where the agency is headed, better coordination with partners, better focus on measurements, and working to targets.”

“Don’t focus on getting more funds, but on doing the job smarter and better.”

“Strategic planning needs to address more than goals and measurements. It should also be a culture change including core values and management practices and address what kind of organization we want to be.”

“The best we might hope for in government is to use strategic planning as a communications tool, to share our direction, and provide a means to discuss issues.”

“Strategic planning is basically good management. The overall effort can make individual managers better but it will not achieve widespread reform. Good managers don’t need it—just more paperwork—bad managers will not learn—it will probably help those in the middle.”

“Strategic planning is going to be difficult for us. We don’t have a cadre of people that know what’s going on—more administrators than program experts. We lost expertise in downsizing.”

“We thought we had a good plan, but we got bad marks because Congress has made its mind up about the agency irregardless of the plan;” and “Strategic planning has enabled us to be clearer about what we do and has helped define the roles of the department and its partners.”

“A measure of success of strategic planning is whether you have a stronger relationship with partners as a result.”

“The bottom line is, Strategic planning creates an opportunity to engage in a dialogue to achieve positive change that enables us to achieve beneficial outcomes.”

“The plan is really an education tool—allows us to be much more effective in telling our story.”

“Focus the strategic planning effort on organizational development. The plans are not of value—it’s what the people learn that counts.”

Underlying some of these comments is a question about the value of a formalized strategic planning process in the highly politicized environment of federal agencies. GPRA requires agencies to set strategic goals, measure performance, and report how the goals were achieved. Besides a strategic plan with mission statements, goals, and implementation activities, GPRA requires each agency to develop an annual performance plan and an annual report on program performance for the previous fiscal year—all designed to move the federal government toward performance-based management. The whole process, which includes extensive consultation with Congress, OMB, stakeholders, and partners, is very complex, especially in terms of the activities needed to obtain and manage information. In order to deal with the complexity, OMB and Congress provide guidelines for agencies that explain what is expected in a formalized, step-by-step process (GAO, 1996). Although it may be more elaborate, the strategic planning process imposed by GPRA is typical of the formalism found in other agency plans.

Among those who argue the limitations of strategic formalism, Henry Mintzberg contends that such formalism drives out strategic thinking, which is the engine for innovation—a necessary ingredient in strategy making. He characterizes formalism as a failure mechanism: “The failure of strategic planning is the failure of formalism—of systems to do better than or even nearly as well as flesh and blood people. It is the failure of forecasting to predict discontinuities, of programming to provide creativity and, of hard data to substitute for soft, of scheduling to handle the dynamics. It has become clear that the systems have offered no improved means to deal with the information overload of human brains: indeed, often they have made matters worse.” (Mintzberg, 1994b p. 19) Mintzberg contends that his research and the research of many others demonstrates that strategy making involves a thought process that is subtle, sophisticated, and sometimes unconscious. This research also demonstrates that strategies can develop without formal procedures through a process of learning. This learning is often experimental, where strategies are developed as experience converges into patterns (Mintzberg, 1994a). Hax and Majluf, authors of several textbooks on formalized strategic planning, argue that there is a place for both formal and opportunistic planning in organizations. Their argument centers on the concern that too much formalism leads to too much rigidity, and purely opportunistic approaches lead to a reactive stance that does not produce a clear sense of direction. They advocate a mix: “A proper dose of formal planning provides a broad strategic planning framework without binding every action of the enterprise, while opportunistic planning allows for creative responses to be made within that organized framework” (Hax & Majluf, 1996 p. 33).

Although there were serious concerns and some skepticism about strategic planning, the respondents emphasized the organizational benefits that resulted from the process. These benefits include improved understanding and decision-making through increased efforts at formulating and communicating the purpose and direction of the

agency, the opportunity to interact and build better relationships with stakeholders, and the development of managerial competencies through involvement in wrestling with issues associated with the future of the organization. These benefits underscore the feeling that the most important contribution of the planning process is the process itself.

CHAPTER 5

SUMMARY AND CONCLUSIONS

Summary

This research examined the *publicness* of selected federal agencies, the *difficulties* these agencies encountered in strategic planning, the relationship between *publicness* and *difficulties*, and *techniques* used to improve the chance that the planning would be successful. Data for *difficulties* and *techniques* were obtained from interviews with planners in the eighteen federal agencies participating in the study. The research also inquired into the relationship between the degree of publicness of these agencies and the difficulties they experienced. For this relationship, the difficulties were represented by a score derived from the interviews, the score accounting for both the extent to which the difficulties were reported across the agencies and the severity of the difficulties. A score for *publicness* was determined for each agency by computing responses to a questionnaire focused on components of publicness derived from the literature. The same individuals who were interviewed were also surveyed by questionnaire. Further documentation of difficulties and techniques was provided by quotations extracted from the interviews.

The results of this study support the literature that proposes a linkage between the public character of the organization and how easily change can be brought about—particularly the broad change central to strategic planning. The research also provided confirmation for the potentially inhibiting strategic planning difficulties suggested in the literature as well as the techniques used to deal with the difficulties. The research uncovered additional difficulties and techniques that apply to federal agencies, therefore suggesting the literature may be incomplete in these areas.

The findings from the research are summarized as follows.

Question 1: Which difficulties were most troublesome?

Based on a combination of extent and severity, difficulties are most often related to:

- Diversity and dispersion of stakeholders
- Specification of performance measures
- Amount and consistency of support from the organization's leader
- Diversity and autonomy among the subunits of the agency
- Alignment of the organizational culture with strategic planning
- Alignment of strategic plans with political authority

Question 2: Did all the federal agencies sampled experience difficulties when undertaking strategic planning?

Yes, but to varying degrees. All the agencies reported difficulties experienced when undertaking strategic planning. Those agencies closer to the top of the organizational hierarchy experienced more difficulties than those several layers below, and the difficulties were more severe. Difficulty scores were clearly higher for executive-branch cabinet departments than for field activities of the DoD. This hierarchical effect provides support for the proposition that political authority (e.g., Congress) is a major source of difficulties that are more pronounced for agencies in closest organizational proximity to this authority.

Question 3: Did all the difficulties have a basis in the literature?

Even though all the difficulties extracted from the literature were reported by the agencies, three additional difficulties were identified that did not have a basis in the literature, including one of the top-scoring difficulties: *Diversity and autonomy among organizational subunits makes it difficult to achieve buy-in and produce a coherent plan.*

Clearly, from the viewpoint of the agencies participating in this study, strategic planning has numerous difficulties and pitfalls. It appears that some federal agencies are struggling with strategic planning, and the GPRA in particular. The data indicate that this struggle emanates mostly from efforts to address stakeholder diversity and dispersion, establish performance measures, overcome lack of consistent support from the organization's leader, work within complex organizational structures and authority mechanisms, overcome the lack of an established or supporting culture within the organization, and accommodate mismatches between the strategic intentions and direction of the agency and those in its political authority network. Among the most severe difficulties, problems with alignment between the agency and political authorities stand out as particularly vexing for the agencies studied.

Question 4: Was the degree of publicness of the organization related to the difficulties experienced?

Statistical correlation indicated a moderate strength in the relationship between the variables *publicness* and *difficulties*. Grouping the organizations according to their median publicness and difficulty scores shows that all but two fall into either low publicness/low difficulty or high publicness/high difficulty categories. Overall, the results of the analysis indicate that the variables *publicness* and *difficulties* are related in a meaningful way, therefore providing support to propositions that the degree of publicness of the organization is an important factor to be considered when introducing strategic planning in federal agencies. The small sample size suggests caution when interpreting results for the relationship between *publicness* and *difficulties*.

Strategic planning appears to be especially difficult for federal agencies with high degrees of publicness, and although most of the attention for the research has been devoted to consideration of process, content issues are also problematical for federal

agencies. Many of these agencies, such as HHS and Education, have missions, strategic plans, and programs directed at making broad societal improvements. One agency respondent captured the content difficulty in the following quotation: “The federal sector has a social mission. It must pay attention to those that fall through the cracks (e.g., the aged, handicapped, and minorities). Our responsibility is to serve the national interest—to strengthen the economy, social structure, and democracy. Strategic planning in the public sector must address these concerns and must address questions of who is being served.” Another respondent summed up the problem with strategic planning as follows: “It is very difficult to get clarity in the social service field—the targets involve improving people’s lives and well-being—How do you measure that?” Of course, issues with content or substance of the plan have an effect on the planning process. Goals that are value-laden—such as implied by the quotations above—prove to be difficult to specify and translate into programs and actions.

Question 5: Did all the agencies use special techniques to overcome the difficulties?

All the agencies reported that they employed techniques to overcome difficulties. All the techniques derived from the literature were reported used, and others not found in the literature were reported. Grouping *techniques* scores according to the degree of the agencies’ *publicness* did not produce as pronounced an organizational hierarchy effect as that demonstrated for *difficulties*.

Question 6: Did all the techniques have a basis in the literature?

Although all the techniques derived from the literature were reported used at least once, five techniques were reported that did not have a basis in the literature including one of the top-scoring techniques: *Closely link strategic planning to appropriations structure and financial performance system*. The lowest score reported was 1 and the highest 17.

Question 7: Which techniques were the most widely employed?

The most widely used techniques were related to:

- Maintaining an open strategic planning process and building into the process negotiating and bargaining opportunities.
- Developing a coalition of interests to keep the process on track.
- Understanding the beliefs and demands of people in the agencies’ authority networks and accounting for these beliefs and demands in the process.

- Engaging the organization's leader to gain internal support.
- Linking the planning to the agency's budget structure and performance measures.

One of these top-scoring techniques—linking the plan and the budget—does not have a basis in the literature.

Conclusions

The majority of the techniques suggest that to be successful, agencies must build into their planning processes linkages and access points to allow information to flow between the agency and groups in its external and internal environments. The challenge for agencies is to build process elements that provide for this access, and methods to deal with and adjudicate the information gained. All this suggests that the strategic planning must be democratic in character—it should allow for representation by legitimate interests and reflect the pluralistic character of its environment. Moreover, the catalyst for enacting such a process is the leadership of the agency. Leaders are vested with the authority and responsibility to embed democratic values in the process, and the agencies' managers look to leaders to pave the way and establish the norms underlying how planning will be conducted.

The research for this dissertation suggests that the organization's leaders need to understand the dynamics of strategy in order to establish a viable plan and steer the organization to a future state. The dynamics of public sector strategic planning are largely a function of external and internal forces that bear on the organization. Strategies in public organizations are formed from complex interactions set in the context of constitutional government, in contrast to business strategies, which are developed in response to the demands of markets. This research suggests that the forces in the external environment generated by interactions with political authorities and stakeholders shape the organization's strategic intention in very significant ways and that without providing processes that allow this shaping to occur, the strategic planning effort encounters barriers that cannot easily be overcome. Forces are also generated internally and challenge the agency's ability to achieve integration among its subunits and gain the support of its managers.

Dealing with these constraining forces requires close examination of the planning process. The rational planning model that has emerged from the market-driven environment of corporations has several crucial weaknesses when applied to public organizations, mainly because it is based on analysis to determine market needs and internal capacity, and the task at hand is to close any gap so that the firm can prosper. Public sector planning is much less systematic because what the organization undertakes for activities and programs that deliver products and services is a result of complex interactions with myriad players who have varying degrees of influence. This influence

has several important dimensions that must be recognized during the strategic planning process. First, some influence is more legitimate than others, based on normative and legal considerations; second, the form and degree of influence changes over time; third, the influence is multi-dimensional and often comes in forms that have conflicting values and preferences.

The idea that there are political authorities and stakeholders who have a legitimate interest in the organization's plans, programs, and practices is much stronger in the public sector. This argument has a normative dimension that calls for attention to the political legitimacy of processes, goals, and strategies over demands for economic efficiency and a legal dimension that requires planning include consultation with political authorities and stakeholders.

Many of the difficulties encountered by agencies relate to meeting their normative and legal mandates, and agencies should emphasize negotiations, cooperation, and collaboration as key factors to their successful resolution. In the strategic planning process, agencies can, and should, exercise democratic leadership in meeting these mandates. Such leadership encourages opportunities to seek inputs from stakeholders, build consensus around competing demands, develop and deploy internal specialized competencies, and establish a vision and goals that are visible and defensible on normative grounds for content, outcome, and process.

Such a high road may satisfy the requirement for a democratically based process to meet normative and legal tests, but it may still fail to gain key congressional support that translates into funding allocations for the agency in the appropriations process. This research indicated that agencies are skeptical of GPRA, mainly, because of their concern that Congress will not make a fresh, objective evaluation of the agency and its strategic direction. Instead, their fear is that congressional reaction to their strategic plan will be based more on traditional perceptions about the agency derived from arbitrary political considerations. Although such an outcome is possible, many agencies were optimistic. They felt that meeting GPRA's legal requirements can, if done smartly and sincerely, improve the democratic process through the increased dialogue with all claimants to the agency's business and enhance the overall quality of the agency as an organization. This organizational development aspect was important for the agencies because they saw in strategic planning opportunities to improve communications inside and outside the organization by explaining its mission, purpose, and programs; gain the participation of managers in policy decisions, thereby obtaining their buy-in and commitment to the plan; and obtain feedback on the needs of constituents and how well the agency is fulfilling its mission and delivering its products and services.

Directions for Further Research

Further research in the area of public sector strategic planning is indicated by the limitations and results of this research. Sampling limitations suggest that additional

research include additional agencies and government corporations to provide data to further explore the relationship between the variables *publicness* and *difficulties*. By including government corporations such as the Export-Import Bank, Federal Prison Industries, Inc., and the Federal Deposit Insurance Corporation in the sample, the research would be extended along the private dimension of the public-private continuum. Worthwhile research can also be done to determine the long term effects of GPRA. Among topics to be explored are: Does experience with several GPRA strategic planning cycles affect *difficulties* and *techniques*? How has GPRA affected the appropriations process? Has GPRA built a culture of strategic planning in federal agencies? and, Did GPRA foster a more democratic process for selecting what an agencies does and how these things are done?

APPENDIX A

STRATEGIC PLANNING IN PRIVATE ORGANIZATIONS

The notion of strategy applied to management came on the scene during the 1950s and grew rapidly during the 1960s and 1970s. Large commercial firms emerged after World War II and faced a complex environment and opportunities brought about by the advances in technology during the war. The 1960s produced the earliest written works in strategic planning: Alfred Chandler's *Strategy and Structure: Chapters in the History of the Industrial Enterprise* and Igor Ansoff's *Corporate Strategy*. Chandler defined strategy as "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals" (Chandler, 1962 p. 13). His basic concern was how companies should grow and how their administrative structures should be fashioned to meet that growth. Chandler showed how executives in major corporations such as General Motors and DuPont made fundamental shifts in the direction the organization pursued and, as a result, improved financial performance. Ansoff was general manager of the Lockheed Company in New Jersey and introduced the idea that strategy is linked to financial gain through achieving competitive advantage (Ansoff, 1965)—a key theme throughout the literature of business strategy.

Andrews advanced the concept of strategy as applied to organizations in his classic book *The Concept of Strategy*, focusing on strategy as the match between what a company can do within the universe of what it might do, particularly given an uncertain environment surrounding the firm (Andrews, 1971). Andrews introduced the idea that strategy is formulated by examining the opportunities and threats in the external environment along with the internal strengths and weaknesses of the firm. The objective is to exploit strengths and opportunities and overcome weaknesses and threats. Suggesting that strategy provides the purpose and identity of the organization, Andrews defined strategy as: "the pattern of objectives, purposes, goals and major policies and plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is to be" (Andrews, 1971 p. 15).

Most of the contributions to the field of strategic planning in the 1960s were prescriptive. They offered new management constructs and suggestions about how best to improve a firm's performance through strategic planning. The concept of strategy and strategic planning was launched as a way for managers to better control the course of development of the firm—not simply in the classical incremental fashion of traditional long-range planning, which laid out a course based on the current state, but in ways that potentially involved sweeping changes that altered the purpose of the institution, the products that were produced, and the systems used to support their production. There was virtually no empirical data to support the propositions advanced in these early works,

mainly because the historical roots of strategic planning were planted in the world of the practitioner.

For these early pioneers, strategic planning was the basis for making decisions that were intended to make the firm more profitable in the future. This future orientation geared to the economic well-being and expansion of the firm is a cornerstone of strategic planning throughout contemporary writing and practice. Later writers would categorize the focus on financial performance as achieving a competitive advantage underscoring the profit-making purpose of strategic planning in business. Terms embraced by the later writers, such as mission, vision, and organizational culture, communicated the idea that fundamental change is the core objective of strategic planning. These terms convey the idea that strategic planning is more than long-range planning, which extrapolates the current position of the company into the future—rather than reinventing the company based on a comprehensive strategy that includes modifications to all the organization's systems: financial, human resources, etc.

As business-based strategic planning found its way into the public sector, the underlying assumptions about improved efficiency and effectiveness would remain, but the purpose would shift from profitability to, as the National Performance Review dictum challenges agencies, “deliver more for less.” Or in terms of GPRA: “toward a smaller, smarter, common sense government.” Strategic planning evolved from concerns about the mismatch between the capabilities of the firm and the opportunities and demands of the marketplace (Ansoff, Declerck, & Hayes, 1976). Planning systems are methods to establish control over the direction of an organization using rationally derived decision processes to establish goals and direct their implementation. The notion of strategy has been applied to military science, economics, politics, and organizations. “Strategy” conveys the notion of a “grand plan” or holistic approach to managing that synchronizes actions across the entire spectrum of variables in the organizational system. Strategic planning for public organizations is usually associated with policy analysis (Quade, 1989), but this is not the classical competitive strategy development usually associated with private sector firms. Policy analysis and strategic planning have common elements, such as the reliance on analytical methods, but where policy analysis addresses the best design and evaluation of programs, strategic planning is done primarily for the organization as a whole and addresses broad goals and objectives that encompass the program level.

Strategic planning research generally takes one of two forms: The research investigates either the process of strategic planning or the content. The former addresses questions of how the planning was undertaken, and the latter, the subject of strategic decisions. Processes are divided into two stages: formulation and implementation. Research into these stages has taken either a normative approach or a descriptive approach. Underlying process research are assumptions about the rationality of strategic planning processes. One basic assumption is that the process is sequentially rational and analytical. Another assumption suggests the process is more dependent on the individuals

involved and subject to unpredictable political forces in the organization (Huff & Reger, 1983). In practice, there is a mix of these two rationales (Pennings, 1985). Strategic planning processes can also vary by the type of organization. Recent trends in the literature draw distinctions about the process of strategic planning in public organizations as opposed to private organizations. For example, Bryson advocates a process that emphasizes the identification and management of strategic issues as a way to deal with the political forces in public organizations (Bryson & Roering, 1988).

At the heart of the early strategic planning works was strong belief that the practice of management was a fundamentally rational, systematic process. Later scholars found this assumption about rationality unsatisfactory and would offer alternative theories and approaches based on different assumptions. But in its early form, which persists as the mainstream today, strategic planning required collecting and analyzing data about the internal and external environments, generating and evaluating alternative courses of action, and providing the methods for monitoring progress in regard to the strategy. The rationality of strategic planning attracted some criticism, somewhat because of disappointing results in its application in business. Nevertheless, the synoptic form of strategic planning remains very popular in academia and widely applied in practice (Hurst, 1986). Michael Porter renewed the call for firms to achieve a competitive advantage through developing a strategy that concentrates on achieving a close “fit” between each activity or function of the organization and the overall strategy (Porter, 1996). In a tight “fit,” activities and functions are highly coordinated and enhance the firm’s competitive advantage by emphasizing the uniqueness of the company.

One of the earliest attempts at empirical research was the brewing studies done in the early 1970s at Purdue University. Aimed at examining the relationship between strategy and environment and the performance of major U.S. brewing companies, the study reinforced the notion that strategy did indeed affect performance. The Purdue research was important because it demonstrated that the strategy concept could be represented by variables that were measurable, leading to the verification of hypotheses about the usefulness of the concept of strategy (Hatten & Schendel, 1977; Hatten, Schendel, & Cooper, 1978).

As the environmental context of businesses becomes more complex, the use of strategic planning techniques increases, primarily to organize information and decision making. Analysis of this information leads to setting goals, objectives, and plans that change the organization to better meet the projected demands of customers. Businesses engage in strategic planning to improve their competitive position in the market, or to achieve major improvements in efficiency that boost the “bottom line” (Migliore, 1990; Pearce, Robbins, & Robinson, 1987). Strategic planning in business is fundamentally about creating wealth for the company. Most corporate strategic planning and management processes are deliberate and deterministic and rely on forecasts and analysis to predict future events. The product of the process is a vision and set of strategic goals that describe how the organization should change. Strategic or broad action plans are

then developed to fashion the organization’s operational systems and culture to achieve the strategic goals (Hax & Majluf, 1984). In their most common form, strategies consist of broad goals that set the direction for the organization and outline the decisions and actions for achieving these goals.

Strategies set the future state for the private organization in terms of what mix of products and services will be offered, what procedures and policies will be used to achieve an advantage over competitors, and what configuration of organizational structure and administrative systems will support the strategy. Traditionally, strategic planning processes are directed at adapting the organization to its environment through a series of linear sequential steps that identify external threats and opportunities and internal strengths and weaknesses. The intention is to deliberately steer the organization in a particular direction (Pennings, 1985). Figure A-1 below is an outline of the mainstream strategic planning process—what Mintzberg refers to as the basic “design school” model (Mintzberg, 1990).

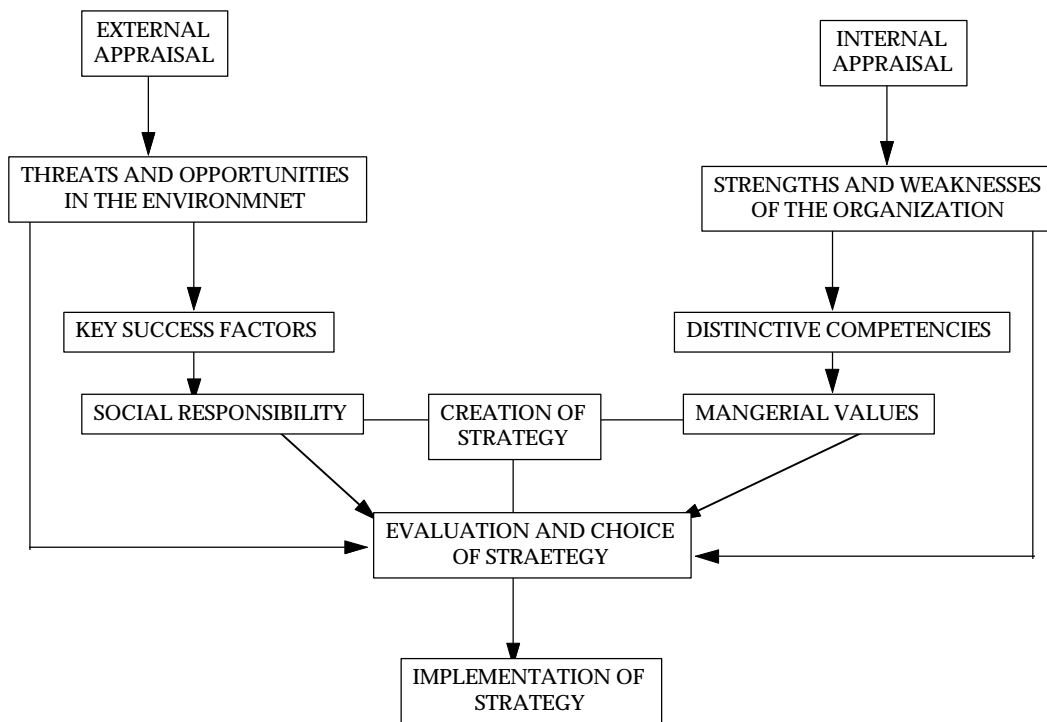


Figure A-1. “Design School” Model of Strategic Planning (Mintzberg 1990).

A basic premise associated with the design school of strategic planning is the close linkage of the organization and its environment. The primary emphasis is on appraisals of the external and internal environments of the firm. Social responsibility—based on the ethics of the society—and managerial values—the beliefs and preferences of

the leaders—enter the process of formulating strategy, but play a secondary role to environmental considerations. The design school emphasizes the evaluation of alternative strategies as a key element leading to the choice of the one best approach. Implementation is considered a separate activity flowing from the strategy formulation. Mintzberg critiques the design school model from several viewpoints. He takes issue with the design school's formalism and reliance on a planning process that consists of a set of sequential steps. Mintzberg argues for a process-based learning and for the development of fuzzy strategies to promote flexibility (Mintzberg, 1990). He does not intend to reject the design school as a useful model for strategic planning, rather his objection is to its advancement as the one best approach. Organizations face different circumstances when planning, and different premises and approaches should be employed based on the context. For example, a less structured approach may be more useful when there is considerable uncertainty and complexity embedded in the context for strategy formulation—this is Mintzberg's point about the need for learning and the need for strategies that are by nature more emergent and that have more involvement from actors deep within the organization (Mintzberg & Waters, 1985).

The strategic planning literature offers a wide choice of approaches, techniques, models, and methods. Within this array, there are two fundamental rationality assumptions that frame how the enterprise of strategic planning is undertaken. One stream is based on a rational decision model frequently referred to as synoptic planning. Here the objective is to be comprehensive, deliberate, and systematic in the planning process, which is designed to develop a series of actions that achieve a “best fit” with the anticipated environment of the organization (Frederickson, 1983). The strategic decision maker seeks to uncover all important information about the organization and its environment, now and in the future, in order to lay out an elaborate strategy that maps how the organization will align its internal processes and structure to the anticipated future. The other stream characterizes strategic planning as less logical and reasoned and more opportunistic and emergent (Frederickson, 1983). The objectives of these approaches are similar to those in the synoptic version—achieving a match between internal strengths and weaknesses and external opportunities and constraints—but there is no effort made to manage this adaptation in an integrated fashion (Hofer, 1973). Variations of these approaches create a spectrum of processes with elements of each.

Braybrooke and Lindblom criticize the synoptic, sequential, deliberate version of strategic planning. Their analysis of decision-making focuses mainly on the public arena, where conflicting and changing values, limitations on the information-processing abilities of decision makers, and the cost of a comprehensive analysis are constraints that limit the usefulness of synoptic models of decision-making. They suggest a method called “disjointed incrementalism” to deal with the realities of political and organizational decision-making (Braybrook & Lindblom, 1963). This is an adaptive strategy approach that deals with marginal differences based on preferred changes to the current conditions.

Quinn (1980) advocates an incremental approach to managing strategic change and suggests managers should pursue this course consciously and proactively. According to Quinn, this would:

- Improve the quality of information
- Cope with varying lead times
- Deal with resistance and political pressures
- Build organizational awareness, understanding, and psychological commitment
- Decrease uncertainty and allow for interactive learning between the organization and its environment
- Improve the quality of decisions by involving those with specific knowledge
- Obtain participation of the implementers
- Avoid premature closure

Chaffee proposes three models for classifying strategy: linear (deterministic), adaptive, and interpretive (Chaffee, 1985). He contends that complex organizations exhibit properties associated with all three models. Linear strategies consist of integrated decisions, plans, and actions that set and achieve viable organizational goals. Adaptive strategies call for the organization to continually assess external conditions and make adjustments to change internally along with changes in the environment. Interpretive strategies are rationalizations or social constructions that give meaning to prior activities.

The diagram in Figure A-2 is offered as a summary of the various strategic planning approaches. The diagram is a framework that locates the basic strategic planning approaches on axes with their opposites and in close proximity to natural neighbors.

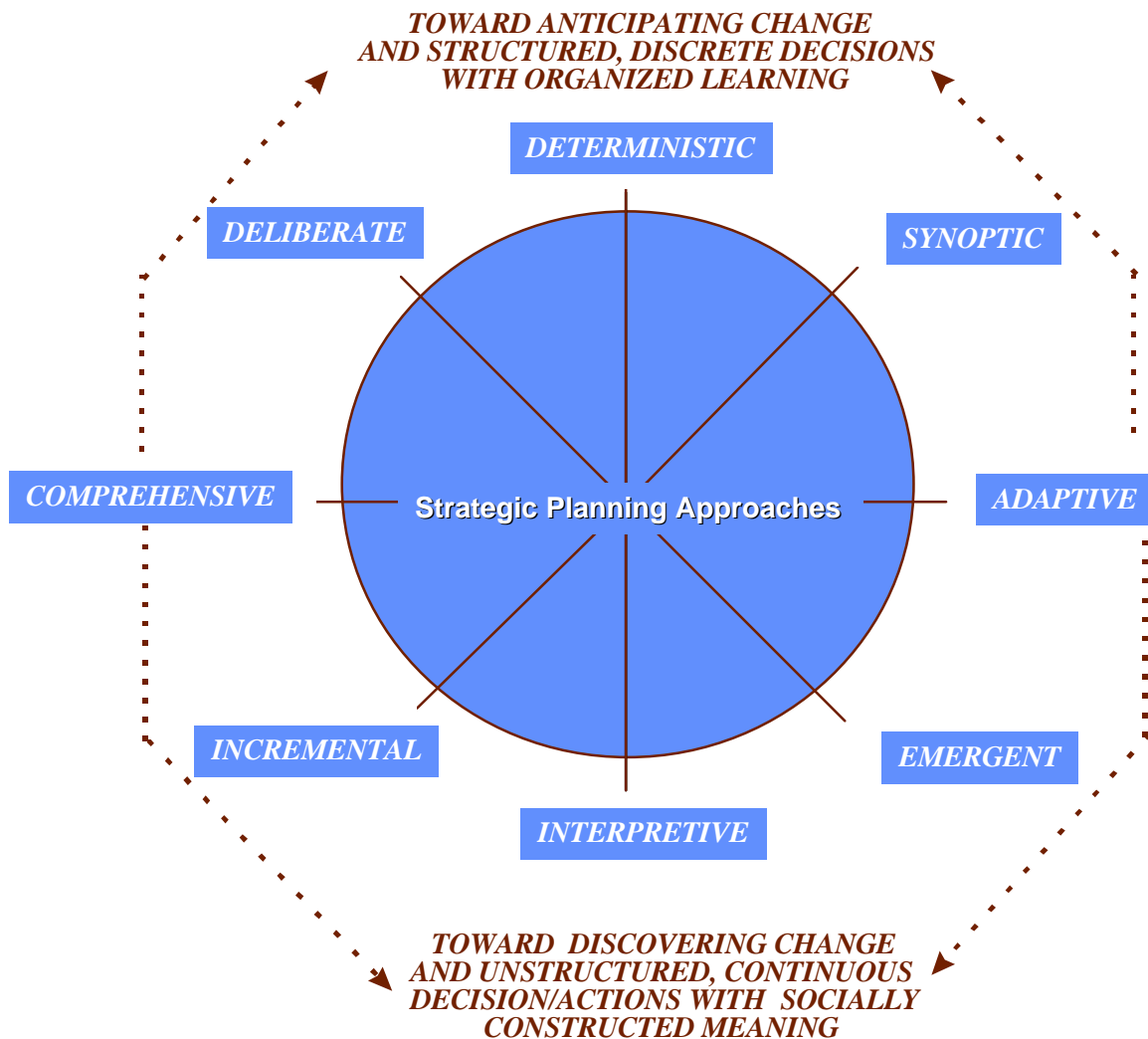


Figure A-2. Summary of Various Strategic Planning Approaches.

The literature indicates a lack of consensus about the meaning of strategic decision-making and, consequently, about the best way to undertake a strategic planning process (Pennings, 1985). Strategies can encompass a continuum from a conscious, deliberate, sequential, knowledge-precedence-action paradigm, to a fluid, continuous flow of events that are emergent and socially constructed. Adopting a strategic planning process involves choosing a starting point and emphasis, rather than declaring exclusive allegiance to a particular planning process. Not all processes and strategies fit neatly into a single category. Mintzberg proposes a “crafting” metaphor to emphasize the difference between strategy as a mechanistic enterprise and the more emergent aspects (Mintzberg, 1989). Decision makers do not always employ think-then-act rationales associated with mechanistic processes. Instead, action can occur as a stimulus to strategy. This approach accounts for the uncertainty in complex organizations and allows for information

undiscovered in the deliberate formulation to influence the strategy. Lindblom advocates the virtues of a “muddling through” or incremental approach to strategic planning. He argues that attempts to capture all relevant information in a comprehensive approach are unrealistic because relevant information changes, rapidly testing the limits on human cognition (Braybrook & Lindblom, 1963; Lindblom, 1959). Herbert Simon echoes Lindblom’s concerns about the individual’s limitations to act on the basis of complete and perfect information. He introduced the concept of “satisficing” where the decision-maker is content to deal with a picture of the situation that encompasses only the more relevant information and plausible alternatives (Simon, 1976).

Clearly, the literature provides a variety of ways to conceptualize strategic planning. As a summary, Hax and Majluf provide the following contrasting approaches (Hax & Majluf, 1996).

Formal-Analytical Vs. Power-Behavior Approaches

There is controversy in the literature about whether strategy formulation should be formalized. On the one hand, many writers and practitioners believe in an integrated decision-making process that relies on analytical tools and methodologies. Here strategy formulation is considered as a formal, deliberate, and disciplined process that is intended to mobilize the entire organization to achieve a specific set of goals. Taking an opposite view, others espouse a power-behavior approach to strategy formulation. This group views the process of strategy formulation mostly as bargaining and negotiation among players with conflicting goals and intentions.

Strategy As A Pattern Of Past Actions Vs. Forward-Looking Plans

There is no agreement about how to treat time in the strategic planning process. Some authors view strategy as shaping the future direction of the firm. Strategy is the process of adapting the organization to expected conditions, and managers focus on dealing with how to change the organization according to a set of goals and action programs. Alternatively, strategy is also viewed retrospectively, as a pattern of decisions and actions emerging (intended or not) from decisions that have already been made (Mintzberg & Waters, 1985). Hax and Majluf (1996) contend that considering strategy only as a historical artifact denies the real possibility of intended change in organizations, albeit not exclusively. They advocate a delicate balance of learning from the past and steering the organization to a future state that may involve significant managed change.

Deliberate Vs. Emergent Strategy

“A strategy is considered deliberate when its realization matches its intended course of action, and emergent when the strategy is defined from the patterns or consistencies observed in the past, despite, or in the absence of, intention” (Hax & Majluf, 1996 p. 9). Most strategy formulation processes fall on a continuum between deliberate

and emergent—depending on the nature of the organization’s environment. Managers need deliberate strategies to provide for a sense of purposeful action—a “game plan” for the organization. On the other hand, managers manage mostly in the “near term” focused on events occurring now or in the immediate future, creating a strategy defined by the actions they take.

Synoptic Vs. Incremental Strategy

Some strategic planning scholars argue that a highly formal, disciplined planning process stifles creative thinking. James Brian Quinn questions the validity of the “grand strategy” approach that attempts to capture information about the organization and its environment in the most comprehensive way possible (Quinn, 1980). He argues that the actual practice of developing strategy is evolutionary, fragmented, and mostly intuitive. The actual process of evolving strategy relies on incremental processes spread throughout the organization. Lindblom’s notion of organizational decision making as a “muddling through” process is similar to Quinn’s incremental planning idea. Lindblom contends that a “muddling through” approach is most suited to government organizations because it fosters responsiveness and continual adjustment to evolving policy mandates. Hax argues that the synoptic and incremental views are compatible in practice. Formal approaches to planning are not single-minded attempts to control the organization so that all parts advance in lockstep fashion. Instead, the most appropriate process expresses a sense of desired long-term direction built on organizational values and vision and developed through participatory processes. Progress is made incrementally toward this desired future state, and strategic course may be adjusted along the way according to opportunities and constraints that arise unexpectedly.

Although the approaches to strategic planning vary considerably, there are three elements they all have in common. Methe' and Perry identify these components as the environment; organizational capabilities; mission, goals, and objectives; strategy; and cognitive factors (Methe' & Perry, 1989). The environment includes sensitivity to social, economic, legal, ecological, and technical change, and the degree of competition. Environmental factors also include the outside network that helps produce the products and services of the organization. Key factors for strategic planning are the degrees of complexity and turbulence associated with the organization’s environment. Organizational capabilities include resources, skills, procedures, and culture—the capability to do work and change to meet demands for new products and services and ways of conducting business. Mission, goals, and objectives set the future direction for the organization and state its purpose. They are developed in concert with stakeholders through a process of negotiation. Strategy links the mission, goals, and objectives and the capabilities of the organization. It is a road map consisting of a series of decisions that results in change in the near-term to realize the long-term vision and goals. As Mintzberg argues, the setting of strategy can be an implicit process in organizations, the results of a political process that involves various actors who have different expectations about what the organization should do and how these things should be done (Mintzberg & Waters, 1985). Finally,

cognitive factors are the knowledge, perceptions, and limitations of organizational actors. These may bias strategic processes with preconceived beliefs and preferences, and limit the ability of participants to assimilate and process information. Rather than providing extensive direction and control, strategies are frameworks that loosely bind the behavior of individuals and groups. This view encourages discretion and flexibility and underscores the need for decision makers throughout the organization to acquire and interpret information and take action directed toward the strategic goals (Hamel & Prahalad, 1989).

APPENDIX B

RAINEY'S *DISTINCTIVE CHARACTERISTICS OF PUBLIC MANAGEMENT AND PUBLIC ORGANIZATIONS*

TABLE B-1. DISTINCTIVE CHARACTERISTICS OF PUBLIC MANAGEMENT AND PUBLIC ORGANIZATIONS: A SUMMARY OF COMMON ASSERTIONS AND RESEARCH FINDINGS

I. Environmental Factors	
I.1.	Absence of economic markers for outputs; reliance on governmental appropriations for financial resources.
I.1.a.	Less incentive to cost reduction, operating efficiency, and effective performance.
I.1.b.	Lower allocational efficiency (weaker reflection of consumer preferences, less proportioning of supply to demand).
I.1.c.	Less availability of relatively clear market indicators and information (prices, profits, market share) for use in managerial decisions.
I.2.	Presence of particularly elaborate and intensive formal legal constraints as a result of oversight by legislative branch, executive branch hierarchy and oversight agencies, and courts.
I.2.a.	More constraints on domains of operation and on procedures (less autonomy of managers in making such choices).
I.2.b.	Greater tendency to proliferation of formal administrative controls.
I.2.c.	Larger number of external sources of formal authority and influence, with greater fragmentation among them.
I.3.	Presence of more intensive external political influences.
I.3.a.	Greater diversity and intensity of external informal political influences on decisions (political bargaining and lobbying, public opinion, interest-group, and client and constituent pressures).
I.3.b.	Greater need for political support from client groups, constituencies, formal authorities, in order to attain appropriations and authorization for actions.
II. Organization-Environment Transactions	
II.1.	Public organizations and managers are often involved in production of public goods or handling of significant externalities. Outputs are not readily transferable on economic markets at a market price.
II.2.	Government activities are often coercive, monopolistic, or unavoidable. Government has unique sanctions and coercive powers and is often sole provider. Participation in consumption and financing of activities is often mandatory.
II.3.	Government activities often have a broader impact and greater symbolic significance. There is a broader scope of concern, such as for general public interest criteria.
II.4.	There is a greater public scrutiny of public managers.
II.5.	There are unique public expectations for fairness, responsiveness, honesty, openness, and accountability.
III. Organization Roles, Structures, and Processes	
(The following distinctive characteristics of organizational roles, structures, and processes have been frequently asserted to result from the distinctions cited in I and II above. More recently, distinctions of this nature have been analyzed in research with varying results.)	

III.1.	Greater goal ambiguity, multiplicity, and conflict.
III.1.a.	Greater vagueness, intangibility, or difficulty in measuring goals and performance criteria; the goals are more debatable and value-laden (for example, defense readiness, public safety, a clean environment, better living standards for the poor and unemployed).
III.1.b.	Greater multiplicity of the goals and criteria (efficiency, public accountability and openness, political responsiveness, fairness and due process, social equity and distributional criteria, moral correctness of behavior).
III.1.c.	Greater tendency of the goals to be conflicting, to involve more trade-offs (efficiency versus openness to public scrutiny, efficiency versus due process and social equity, conflicting demands of diverse constituencies and political authorities).
III.2.	Distinctive features of general managerial roles.
III.2.a.	Recent studies have been finding that public managers' general roles involve many of the same functions and role categories as those of managers in other settings, but with some distinctive features: a more political, expository role involving more meetings with and interventions by external interest groups and political authorities, more crisis management and "fire drills," more of a challenge to balance external political relations with internal management functions.
III.3.	Administrative authority and leadership practices.
III.3.a.	Public managers have less decision-making autonomy and flexibility because of elaborate institutional constraints and external political influences. More external interventions, interruptions, constraints.
III.3.b.	Public managers have weaker authority over subordinates and lower levels as a result of institutional constraints (for example, civil service personnel systems, purchasing and procurement systems) and external political alliances of subunits and subordinates (with interest groups, legislators).
III.3.c.	Higher-level public managers show greater reluctance to delegate authority and a tendency to establish more levels of review and approval and to make greater use of formal regulations to control lower levels.
III.3.d.	More frequent turnover of top leaders due to elections and political appointments causes more difficulty in implementing plans and innovations.
III.3.e.	Recent counterpoint studies describe entrepreneurial behaviors and managerial excellence by public managers.
III.4.	Organizational structure.
III.4.a.	Numerous assertions that public organizations are subject to more red tape, more elaborate bureaucratic structures.
III.4.b.	Empirical studies report mixed results, some supporting the assertions about red tape, some not supporting them. Numerous studies find some structural distinctions for public forms of organizations, although not necessarily more bureaucratic structuring.
III.5.	Strategic decision processes.
III.5.a.	Recent studies show that strategic decision processes in public organizations can be generally similar to those in other settings but are more likely to be subject to interventions, interruptions, and greater involvement of external authorities and interest groups.
III.6.	Incentives and incentive structures.
III.6.a.	Numerous studies show that public managers and employees perceive greater administrative constraints on administration of extrinsic incentives such as pay, promotion, and disciplinary action than do their counterparts in private organizations.
III.6.b.	Recent studies indicate that public managers and employees perceive weaker relations between performance and extrinsic rewards such as pay, promotion, and job security. The studies indicate that there may be some compensating effect of service and other intrinsic incentives for public employees and show no clear relation to performance of the differences in perceived reward-performance relations.

III.7.	Individual characteristics, work-related attitudes and behaviors.
III.7.a.	A number of studies have found different work-related values on the part of public managers and employees, such as lower valuation of monetary incentives and higher levels of public service motivation.
III.7.b.	Numerous highly diverse studies have found lower levels of work satisfaction and organizational commitment among public than among private managers and employees. The level of satisfaction among public-sector samples is generally high but tends consistently to be somewhat lower than that among private comparison groups.
III.8.	Organizational and individual performance.
III.8.a.	There are numerous assertions that public organizations and employees are cautious and non-innovative. The evidence for this is mixed.
III.8.b.	Numerous studies indicate that public forms of various types of organizations tend to be less efficient in providing services than private counterparts, although results tend to be mixed for hospitals and utilities. (Public utilities have somewhat more often been found to be more efficient.) Yet other authors strongly defend the efficiency and general performance of public organizations, citing various forms of evidence.

Source: Rainey (1989).

APPENDIX C

SUMMARY OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT

Source: GAO/GGD-96-118 Executive Guide to Effectively Implementing the Government Performance and Results Act, June 1996.

Source: Online. Available: <http://conginst.org>. April 7, 1998

The Government Performance and Results Act (GPRA) is legislation through which agencies are required to develop a strategic plan and performance measures no later than by the end of fiscal year 1997. Strategic plans which consist of mission statements, goals, and strategies are the basis for agencies to set annual program goals and measures of performance. Beginning in fiscal year 1999, each agency is required to submit to OMB an annual performance plan which links near term activities to strategic goals. OMB will develop an overall federal government performance plan and submit it to Congress with the President's budget. GPRA also requires that each agency submit to the President and to the appropriate congressional committees an annual report on program performance for the previous fiscal year. Performance under GPRA focuses on outcomes—the differences programs make in people's lives rather than traditional output measures. The first performance report is due March 31, 1999 for fiscal year 1999. According to GAO:

“Congress's determination to make agencies accountable for their performance lay at the heart of two landmark reforms of the 1990's: the Chief Financial Officers (CFO) Act of 1990 and the GPRA of 1993. With these two laws, Congress imposed on federal agencies a new and more businesslike framework for managerial accountability. The CFO and GPRA acts apply to the 24 largest federal departments and agencies.”

GAO's research in results-oriented management led to an Executive Guide that established key practices deemed important to successful implementation of GPRA. This guide spells out three steps and associates practices linked to GPRA and leadership practices that encompass the entire endeavor.

- Step 1: Define Mission and Desired outcomes
 - Practices
 - 1. Involve stakeholders
 - 2. Assess environment
 - 3. Align activities, core processes and resources
- Step 2: Measure Performance
 - Practices
 - 4. Produce measures at each organizational level that:

demonstrate results
are limited to the vital few
respond to multiple priorities
link to responsible programs

5. Collect data
- Step 3: Use Performance Information
6. Identify Performance gaps
7. Report information
8. Use information

Leadership practices

9. Devolve decision making with accountability
10. Create incentives
11. Build expertise
12. Integrate management reforms

GPRA LEGISLATION

SOURCE: Online. Available: . April 8, 1998

S.20

One Hundred Third Congress
of the
United States of America
AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday,
the fifth day of January, one thousand nine hundred and ninety-three

An Act

To provide for the establishment of strategic planning and performance measurement
in the Federal Government, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of
America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Government Performance and Results Act of 1993”.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS- The Congress finds that--

- (1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government’s ability to address adequately vital public needs;
- (2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and
- (3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES- The purposes of this Act are to--

- (1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
- (2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- (3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- (4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
- (5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and
- (6) improve internal management of the Federal Government.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

Sec. 306. Strategic plans

- (a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities. Such plan shall contain--
 - (1) a comprehensive mission statement covering the major functions and operations of the agency;
 - (2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;
 - (3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;
 - (4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

(f) For purposes of this section the term "agency" means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS- Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.

(b) PERFORMANCE PLANS AND REPORTS- Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

Sec. 1115. Performance plans

(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall--

- (1) establish performance goals to define the level of performance to be achieved by a program activity;
- (2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);
- (3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;
- (4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;
- (5) provide a basis for comparing actual program results with the established performance goals; and
- (6) describe the means to be used to verify and validate measured values.

(b) If an agency, in consultation with the Director of the Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall--

- (1) include separate descriptive statements of--
 - (A)(i) a minimally effective program, and
 - (ii) a successful program, or
 - (B) such alternative as authorized by the Director of the Office of Management and Budget,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

- (2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

(c) For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that--

(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

(2) is properly classified pursuant to such Executive order.

(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

(f) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term--

(1) "agency" has the same meaning as such term is defined under section 306(f) of title 5;

(2) "outcome measure" means an assessment of the results of a program activity compared to its intended purpose;

(3) "output measure" means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

(4) "performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

(5) "performance indicator" means a particular value or characteristic used to measure output or outcome;

(6) "program activity" means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

(7) "program evaluation" means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

Sec. 1116. Program performance reports

(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

(d) Each report shall--

(1) review the success of achieving the performance goals of the fiscal year;

(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)--

(A) why the goal was not met;

(B) those plans and schedules for achieving the established performance goal; and

(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.

Sec. 1117. Exemption

The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 of this title and section 306 of title 5, any agency with annual outlays of \$20,000,000 or less.

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

(a) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY- Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

Sec. 9703. Managerial accountability and flexibility

(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

(e) A waiver shall be in effect for one or two years as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed

for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

(f) For purposes of this section, the definitions under section 1115(f) shall apply.

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS- Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

Sec. 1118. Pilot projects for performance goals

(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall--

(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of 1993;

(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and 9703 of this title, and this section.

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY- Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

Sec. 9704. Pilot projects for managerial accountability and flexibility

(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal

years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under section 1118(c)--

(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

(d) For purposes of this section the definitions under section 1115(f) shall apply.

(c) PERFORMANCE BUDGETING- Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

Sec. 1119. Pilot projects for performance budgeting

(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall--

(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9703 of this title, and this section.

(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105.

SEC. 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

CHAPTER 28--STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

Sec.

2801. Definitions.

2802. Strategic plans.

2803. Performance plans.

2804. Program performance reports.

2805. Inherently Governmental functions.

Sec. 2801. Definitions

For purposes of this chapter the term--

(1) "outcome measure" refers to an assessment of the results of a program activity compared to its intended purpose;

(2) "output measure" refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

(3) “performance goal” means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

(4) “performance indicator” refers to a particular value or characteristic used to measure output or outcome;

(5) “program activity” means a specific activity related to the mission of the Postal Service; and

(6) “program evaluation” means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

Sec. 2802. Strategic plans

(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain--

(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

(c) The performance plan required under section 2803 shall be consistent with the Postal Service’s strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

Sec. 2803. Performance plans

(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall--

- (1) establish performance goals to define the level of performance to be achieved by a program activity;
- (2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);
- (3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;
- (4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;
- (5) provide a basis for comparing actual program results with the established performance goals; and
- (6) describe the means to be used to verify and validate measured values.

(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Postal Service may use an alternative form. Such alternative form shall--

(1) include separate descriptive statements of--

- (A) a minimally effective program, and
- (B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, except that

any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation.

(d) The Postal Service may prepare a non-public annex to its plan covering program activities or parts of program activities relating to--

(1) the avoidance of interference with criminal prosecution; or

(2) matters otherwise exempt from public disclosure under section 410(c) of this title.

Sec. 2804. Program performance reports

(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

(d) Each report shall--

(1) review the success of achieving the performance goals of the fiscal year;

(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))--

(A) why the goal was not met;

(B) those plans and schedules for achieving the established performance goal; and

(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

Sec. 2805. Inherently Governmental functions

The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.

SEC. 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL- Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO REPORT- No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

SEC. 9. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 10. APPLICATION OF ACT.

No provision or amendment made by this Act may be construed as--

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE- The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

306. Strategic plans.

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE-

(1) AMENDMENT TO CHAPTER 11- The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

1115. Performance plans.

1116. Program performance reports.

1117. Exemptions.

1118. Pilot projects for performance goals.

1119. Pilot projects for performance budgeting.

(2) AMENDMENT TO CHAPTER 97- The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

9703. Managerial accountability and flexibility.

9704. Pilot projects for managerial accountability and flexibility.

(c) AMENDMENT TO TITLE 39, UNITED STATES CODE- The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

2801

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.

END

APPENDIX D

AN EXCERPT FROM THE NATIONAL OCEANOGRAPHIC AND ATMOSPHERIC ADMINISTRATION'S STRATEGIC PLAN FOR THE GOAL: SUSTAIN HEALTHY COASTS

Source: NOAA Strategic Plan available Online http://www.server.conginst/results/plans_noaa.html

Vision

By 2005, the Nation's coasts will have more productive and diverse habitats for fish and wildlife, and cleaner coastal waters for recreation and the production of seafood. Coastal communities will have thriving, sustainable economies based on well-planned development and healthy coastal ecosystems.

The Challenge

The coast, where the land and rivers meet the sea and Great Lakes, is a special, valuable, and complex place. Fish, marine mammals, shorebirds, and other wildlife make their home in coastal watersheds, estuaries, or the deeper waters of the continental shelf. Access to coastal recreation, maritime commerce, and resource-based jobs such as fishing make the coast an attractive place for people to live. While progress has been made in the last twenty years in protecting coastal resources, many areas and resources continue to experience environmental decline. Information about the causes, effects, and interactions among multiple stresses to coastal ecosystems is largely unavailable, despite the critical need to develop comprehensive management solutions. Unless specific steps are taken to restore and protect the health of the Nation's coastal ecosystems, the long-term prognosis is continued decline with serious economic and environmental consequences for current and future generations.

Summary Of Objectives

NOAA will position itself to act effectively as one of the primary stewards for the Nation's coastal resources and as a leader in coastal stewardship efforts worldwide. The challenge is to make maximum use of limited financial resources, available information, and shared management authority among many decision makers. NOAA will take a leadership role to sustain healthy coasts by working towards three objectives:

- Protect, conserve, and restore coastal habitats and their biodiversity.
- Promote clean coastal waters to sustain living marine resources and ensure safe recreation, healthy seafood, and economic vitality.

- Foster well-planned and revitalized coastal communities that sustain coastal economies, are compatible with the natural environment, minimize the risks from natural hazards, and provide access to coastal resources for the public's use and enjoyment.

These three related objectives comprise the elements of a healthy coast. Moreover, the interaction between living resources, habitat, water quality, and human activity are recognized, though not fully understood, especially at regional or ecosystem scales. This Sustain Healthy Coasts plan is NOAA's strategy to understand the interaction and design and implement effective management solutions, in partnership with other Federal, tribal, state, territorial, and local government agencies, and the private sector. Partnerships will be sought with countries and regions where cooperative efforts are necessary to effectively address problems facing shared coastal ecosystems.

Objective 1. Protect, conserve, and restore coastal habitats and their biodiversity.

To improve stewardship of coastal habitats and biodiversity, NOAA will increase its efforts to identify and assess habitat requirements of key species, build the capability to use biodiversity as an indicator of coastal health, and better understand habitat function, threats, and the consequences of change to living resources. NOAA and its partners will use this information to implement and enhance protection, damage assessment, and restoration solutions to problems threatening living marine resources and the habitats that sustain them.

The stewardship of coastal ecosystems calls for scientific understanding and management strategies that often cross local, state, and national boundaries. While resource-specific and site-specific assessments are common on both the local and regional levels, the national capability to integrate this information to better understand cumulative effects and larger ecological and social systems is limited. Addressing this problem requires resource planners and managers at all levels of government to have the best available information on the abundance, distribution, and condition of our natural resources; the value of these resources in ecological, social, and economic terms; and an indication of future trends and conditions given various management and policy decisions. NOAA will work closely with its regional, state, and local partners to develop and implement science-based regional approaches to better manage natural resource systems at the appropriate spatial and temporal scales.

Objective 2. Promote clean coastal waters to sustain living marine resources and to ensure safe recreation, healthy seafood, and economic vitality.

To promote clean coastal waters, NOAA must increase decision makers' understanding of factors that affect water quality and how water quality affects ecosystem functions. NOAA, working with the U.S. Environmental Protection Agency (EPA), will conduct research on the transport, fate, and effects of contaminants, nutrients, and other pollutants. NOAA also will monitor and assess changes in coastal water quality. NOAA will

work with EPA, state, and local governments to implement solutions to coastal pollution problems, particularly for nonpoint source pollution. NOAA will inform the public and coastal decision makers about the problems and the best possible solutions.

Objective 3. Foster well-planned and revitalized coastal communities that are compatible with the natural environment, minimize the risks from natural hazards, and provide access to coastal resources for the public's use and enjoyment.

A healthy coast is essential to a strong economy and better quality of life. To foster sustainable coastal communities and conserve coastal resources, NOAA and its partners in Federal, state, territorial, tribal, and local government must better understand the physical processes and cumulative impacts of development affecting coastal shorelines and the economic value of coastal resources and recreational activities. NOAA and its partners will conduct research on coastal processes (e.g., beach and bluff erosion) and NOAA will assess the value of coastal resources and economies. NOAA's partners in coastal states, territories, and local governments need this information to achieve well-planned development and redevelopment through improved project reviews; to enhance public access and recreational opportunities in coastal states and protected areas; and to support appropriate economic development. NOAA will make the information and solutions available to the public and coastal decision makers in a useable and timely fashion.

Benefits

Support Of National Goals

Numerous Administration policy and research efforts confirm the critical need for this Sustain Healthy Coasts initiative. Sustain Healthy Coasts directly supports the environmental research and development priorities of the National Science and Technology Council and the Department of Commerce mission to ensure and enhance sustainable economic opportunities for all Americans by working in partnership with businesses, communities, and workers. NOAA efforts to advance watershed and regional approaches to coastal resource management will provide significant contributions in an area identified as a top priority for further work by the Council on Environmental Quality, the General Accounting Office, the President's Council on Sustainable Development, the National Performance Review, and the National Research Council.

Benefits To The Nation

The Nation's economic prosperity is closely linked to the ecological and economic health of the coasts. Between one-third and one-half of all American jobs are located in coastal areas, and about one-third of the Nation's gross national product is produced there. Most of this commercial activity is directly or indirectly dependent on healthy coastal ecosystems. In 1994 alone, U.S. consumers spent an estimated total of \$39.4 billion for fishery products, including expenditures at food service establishments, such as restaurants,

carryouts, and caterers, retail sales for home consumption, and industrial fish products. By producing and marketing a variety of fishery products for domestic and foreign markets, the commercial marine fishing sector contributed \$20.2 billion (in value added) to the U.S. Gross Domestic Product.

NOAA's stewardship of coastal resources includes work with neighboring country, regional, Federal, state, tribal, and local partners to protect the nation's 95,000 miles of coastline bordering three oceans, two other countries, and over 5000 miles of shoreline along the Great Lakes. Effective stewardship of these coastal areas during the next decade will ensure that they continue to function as an important and sustainable resource base for the Nation's economy and future generations. Full achievement of the Sustain Healthy Coasts objectives will result in:

- Healthier coastal and Great Lakes habitats for sustainable use of coastal and marine resources and improved productivity of commercial and recreational fisheries.
- Reduced risks to public health and lower cleanup costs for contaminated areas of coastal and Great Lakes waters and sediments.
- Sustained natural diversity within coastal ecosystems and potential for biotechnology applications for medicinal, industrial, and other uses.
- Development of novel industrial materials, processes, and uses of living marine resources, for new bioindustries with enhanced economic growth and international competitiveness.
- Reduced costs for property damages from coastal storms, erosion, and other hazards.
- Improved ability to assess market and non-market values of coastal resources and recover resource damage and restoration costs.
- Enhanced marine tourism, recreational opportunities, and public access to the coast.
- More informed public that will make better decisions about its use of and involvement in coastal areas.

The Strategy

Relationship To NOAA Mission

The NOAA mission statement challenges the agency to promote global environmental stewardship and describe and predict changes in the Earth's environment. Promoting and sustaining the health of coastal ecosystems is the cornerstone of NOAA's environmental stewardship activities and essential to sustainable economic development of the Nation's coasts. NOAA's other stewardship goals to Build Sustainable Fisheries and Recover Protected Species depend on healthy coastal ecosystems for their success. Without adequate

habitat and clean coastal waters, commercial and protected species and the ecosystems on which they depend will not be sustained or restored.

The Sustain Healthy Coasts initiative is the most complex of the seven elements of NOAA's Strategic Plan. It integrates activities across six of NOAA's seven line and program offices and derives its legislative mandates from thirteen separate statutes, including the Clean Water Act, Coastal Zone Management Act, Fish and Wildlife Coordination Act, Marine Protection, Restoration, and Sanctuaries Act.

Through this initiative, NOAA has an opportunity to coordinate among these laws and their related local agencies in coastal and ocean areas to strengthen the management of coastal resources. International or bilateral partnerships also are required as coastal ecosystems often transcend national boundaries. Cooperative efforts will be necessary with neighboring countries or regions to successfully implement solutions where these resources are shared. NOAA also has a unique opportunity to make the best use of protected areas wholly or jointly managed by NOAA (e.g., marine sanctuaries and estuarine research reserves) and other protected areas (e.g., Endangered Species Act critical habitats, ecologically significant areas under the Marine Mammal Protection Act, habitat areas of particular concern and essential fish habitats under the Magnuson Fisheries Conservation and Management Act, and special management plan areas under the Coastal Zone Management Act) to improve the understanding of coastal ecosystems. These protected areas provide ideal locations for research and for testing innovative management solutions.

NOAA's strategy to reach the three objectives involves: (1) providing greater understanding of interactions among the components of healthy ecosystems; (2) designing and implementing management solutions that are comprehensive, integrated, and geographically-focused over a variety of scales; and (3) synthesizing and communicating information about coastal environmental problems and solutions to coastal decision makers and the public. NOAA will provide regional or place-specific information and solutions for managers as an effective and efficient means of integrating efforts across disciplines, among partners, and towards specific geographic areas.

APPENDIX E

QUESTIONNAIRE RESPONSES FOR THE COMPONENTS OF PUBLICNESS FOR EACH ORGANIZATION

A list of responses to questions about the organization’s publicness is shown in Table E-1 below. This table shows the components of *publicness* and the corresponding response from the questionnaire for each organization.

Table E-1. Questionnaire Responses to Publicness for Each Organization

ARL	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	TO A LARGE EXTENT
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	SOMEWHAT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	NOT AT ALL
NIMA	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	SOMEWHAT
PERFORMANCE	TO A LARGE EXTENT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	NOT AT ALL

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

NAVAIR	
FUNDS	SOMEWHAT
OVERSIGHT	NOT AT ALL
COMPETITION	TO A LARGE EXTENT
MANDATES	SOMEWHAT
GOALS	VERY LITTLE
PERFORMANCE	SOMEWHAT
CHANGE	VERY LITTLE
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	VERY LITTLE
NOC	
FUNDS	VERY LITTLE
OVERSIGHT	VERY LITTLE
COMPETITION	VERY LITTLE
MANDATES	TO A LARGE EXTENT
GOALS	SOMEWHAT
PERFORMANCE	SOMEWHAT
CHANGE	NOT AT ALL
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	NOT AT ALL
NAVSEA	
FUNDS	SOMEWHAT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	TO A LARGE EXTENT
MANDATES	SOMEWHAT
GOALS	SOMEWHAT
PERFORMANCE	TO A LARGE EXTENT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	VERY LITTLE
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	VERY LITTLE

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

NOAA	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	SOMEWHAT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	VERY LITTLE
CHANGE	SOMEWHAT
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	SOMEWHAT
HHS	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	SOMEWHAT
COMPETITION	VERY LITTLE
MANDATES	TO A LARGE EXTENT
GOALS	SOMEWHAT
PERFORMANCE	TO A LARGE EXTENT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	SOMEWHAT
NSWCDD	
FUNDS	VERY LITTLE
OVERSIGHT	SOMEWHAT
COMPETITION	SOMEWHAT
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	VERY LITTLE
CHANGE	SOMEWHAT
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	SOMEWHAT

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

ENERGY	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	SOMEWHAT
COMPETITION	VERY LITTLE
MANDATES	TO A LARGE EXTENT
GOALS	SOMEWHAT
PERFORMANCE	SOMEWHAT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	SOMEWHAT
NSWC	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	SOMEWHAT
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	SOMEWHAT
CHANGE	VERY LITTLE
POLITICAL INFLUENCE	SOMEWHAT
STAKEHOLDER INFLUENCE	VERY LITTLE
CITIZEN INFLUENCE	VERY LITTLE
EDUCATION	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	VERY LITTLE
PERFORMANCE	SOMEWHAT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	SOMEWHAT

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

TREASURY	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	SOMEWHAT
PERFORMANCE	TO A LARGE EXTENT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	SOMEWHAT
INTERIOR	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	SOMEWHAT
COMPETITION	VERY LITTLE
MANDATES	TO A LARGE EXTENT
GOALS	SOMEWHAT
PERFORMANCE	TO A LARGE EXTENT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	SOMEWHAT
EPA	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	VERY LITTLE
PERFORMANCE	SOMEWHAT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	TO A LARGE EXTENT

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

ACF	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	SOMEWHAT
MANDATES	VERY LITTLE
GOALS	NOT AT ALL
PERFORMANCE	SOMEWHAT
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	VERY LITTLE
CITIZEN INFLUENCE	SOMEWHAT
FDA	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	VERY LITTLE
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	VERY LITTLE
PERFORMANCE	SOMEWHAT
CHANGE	VERY LITTLE
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	SOMEWHAT
OSM	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	TO A LARGE EXTENT
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	SOMEWHAT
CHANGE	VERY LITTLE
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	SOMEWHAT
CITIZEN INFLUENCE	VERY LITTLE

Table E-1. Questionnaire Responses to Publicness for Each Organization (Continued)

WEATHER SERVICE	
FUNDS	TO A LARGE EXTENT
OVERSIGHT	VERY LITTLE
COMPETITION	VERY LITTLE
MANDATES	SOMEWHAT
GOALS	NOT AT ALL
PERFORMANCE	VERY LITTLE
CHANGE	TO A LARGE EXTENT
POLITICAL INFLUENCE	TO A LARGE EXTENT
STAKEHOLDER INFLUENCE	TO A LARGE EXTENT
CITIZEN INFLUENCE	TO A LARGE EXTENT

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Education

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 Seton Hall University
- M.S. Physics, 1969,
 University of Kansas
- M.A. Political Science/Public Administration, 1983
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Graduate of the Federal Executive Institute, Executive Development Program, 1983

Honors and Awards

Member, Sigma Pi Sigma, National Physics Honor Society

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John Dahlgren Award (highest award granted by the Naval Surface Warfare Center Dahlgren Division)

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Held technical and management positions at the Naval Surface Warfare Center, Dahlgren Division

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