

Empirical evaluation of the strategic planning effectiveness in the public sector

Pevcin Primož

University of Ljubljana, Faculty of Public Administration, Ljubljana, Slovenia

Abstract: Researching the effectiveness of strategic planning is challenging. Even though strategic planning has been used in various public sector organizations for many years, little is known about its effectiveness. Several empirical studies have been conducted to assess the effectiveness of strategic planning in the public sector. Following previous studies, strategic planning effectiveness is conceptualized as a multidimensional construct, where effectiveness is in terms of strategic planning capability. Thus, strategic planning effectiveness refers to the ability of an organization's strategic planning process to develop a clear vision and mission, identifying opportunities and threats, assessing strengths and weaknesses, setting priorities, long-term goals and objectives. It also involves preventing unpleasant surprises, meeting citizens demands, anticipating future workforce needs, and improving decision-making. Other dimensions of the strategic planning construct are organizational context, strategic planning process, management and stakeholders' involvement, performance management and strategy implementation. This study aims to replicate previous research on the effectiveness of strategic planning. The survey instrument is adapted to fit the recent global development context and the context of Kosovan public organizations. Since the post-conflict period in 1999, Kosovo has been building a new public administration system based on the Weberian model. However, the pressure to adopt popular policies has led to adopting features from the New Public Management model, such as reorganization, decentralization, privatization, and performance management. As regards strategic planning, the main challenges for Kosovo's public organizations include lack of alignment of strategic planning with national priorities, poor implementation, and a lack of effectiveness. The decentralized planning process lacked an effective system for monitoring progress towards stated goals and objectives. In 2016, the Government of Kosovo introduced a centralized strategic planning system to enhance its ability to achieve public policy goals and deliver efficient services to its citizens. This study employs purposive sampling and online surveying of senior and middle-level managers in charge of strategic planning and implementation. It utilizes exploratory factor analysis to identify relationships between independent variables (dimensions), followed by SEM to assess how these factors affect the effectiveness of strategic planning. The results indicate that organizational context, formal planning processes, management and stakeholder involvement, performance management, and strategy implementation positively influence strategic planning effectiveness.