

Departmental Strategic Planning:  
Examining the Institutional and Organizational Linkages that Influence Departmental  
Strategic Planning Processes in Local Government

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## Abstract

This paper seeks to provide enhanced knowledge on organizational and institutional factors that contribute to strategic planning efforts within the specific context of municipal government departments. The research processes used a mixed-methods approach consisting of a quantitative and qualitative analysis. The qualitative data was collected through personal interviews with department heads from two municipalities that demonstrated enhanced strategic management processes. The quantitative data was collected through a questionnaire that measured the perceptions of department heads employed by mid-sized Ontario municipalities. A dataset was generated through the results of a survey that was codified into a Strategic Management Processes Index. The same survey was used to measure organizational and institutional variables against the Strategic Management Processes Index. Department Heads from 46 municipal departments agreed to participate in the questionnaire. The Strategic Management Processes Index was used as the dependent variable, which is explored through univariate, bivariate and multivariate analyses which consists of 13 independent variables. The study finds that 'policy diffusion', 'agency leadership', 'fiscal capacity', 'experience of department head', 'technical expertise' and the 'external orientation' explain a proportion of the variance in the strategic management processes in the context of municipal departmental strategic planning.

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## Chapter 1: Introduction

Strategy, strategic planning, strategic management and long term planning have all become “buzz” words within local government. These terms are vague, used interchangeably and are not clearly defined, yet are often used by practitioners. Municipalities have devoted considerable time, fiscal and human resources to develop and implement strategic plans across their organizations. While this trend may be considerably strong, municipalities often do not understand the factors that influence strategic planning and the outcomes of such management processes. Strategic planning and strategic management literature within public sector literature evolved significantly over the past twenty years (Poister, Pitts, and Edwards 2010). Poister, Pitts and Edwards (2010) conducted a review and synthesis of 34 research journals in the area of strategic planning and strategic management in the context of public administration. The authors found significant empirical evidence linking the impacts of internal institutional and organizational factors on strategic planning and strategic management. However, the research examining such linkages is typically conducted at the organization level, rarely looking beyond top levels of the organization and rarely considering front-line strategic management processes. This causes a significant problem in the context of Ontario municipalities that are often fragmented and decentralized into departments aligned with extremely unique and diverse municipal services. One can often find an entirely different institutional and organizational context when evaluating each department. It is unclear if strategic management research on institutional and organizational determinants is significant throughout different levels of the management hierarchy or within a specific context.

This research paper explores empirical findings that link institutional and organizational factors to strategic management at the organizational level as a basis to do a similar exploration at the departmental level. The central question for this paper is what institutional and organizational factors contribute to the presence of departmental strategic management processes within local government?

The structure for this paper is as follows; first, Chapter 2 will present a focused *Literature Review* on the link between organizational and institutional factors and their influence on strategic management processes. This Chapter will use the strategic planning and management framework developed by Poister, Pitts, and Edwards (2010) in their review and synthesis of strategic management literature. The Chapter will also include a review of strategic management literature relevant to departmental level planning and management. *Chapter 3* will present the authors' *Hypotheses* followed by *Chapter 4*, Methodology. The *Analysis in Chapter 5* will present the findings of the research followed by Chapter 6, *Discussion*. The paper will conclude with Chapter 7, *Conclusion and Next Steps*.

## Chapter 2: Literature Review

### 2.1 Strategic Planning, Strategic Management and Strategic Management Processes

The terms strategic planning and strategic management, often used interchangeably, can be confusing for practitioners. What exactly is strategic planning, strategic management and a strategic management process? Bryson's (2004) widely used model of strategic planning defines the planning process as:

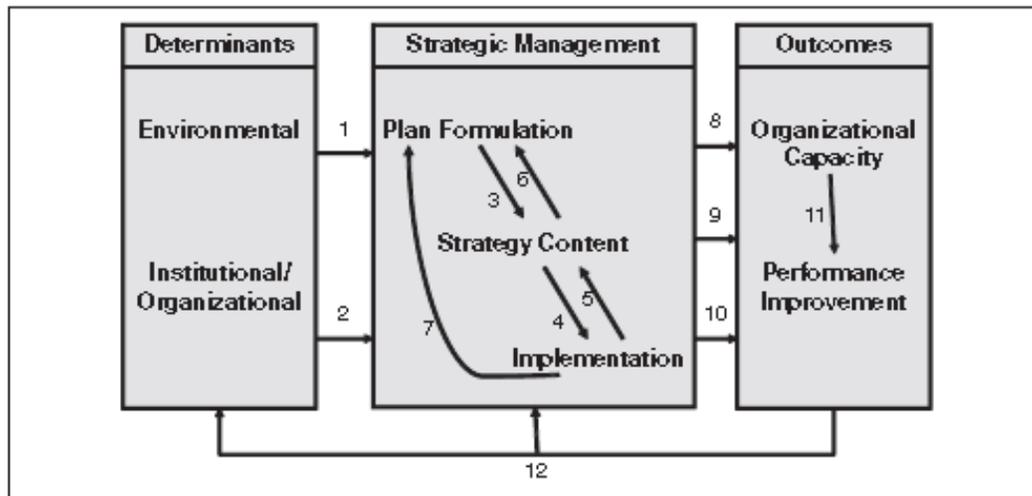
*A disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it. These decisions typically concern the organization's mandates, mission, product or service level and mix, cost, financing, management or organizational design. (pg 6)*

Strategic management is a broader term used to describe the formulation, development and implementation of strategy all with the purpose of achieving the goal of an organization (Bryson 2004). Hannagan (2002) articulates strategic management as "the decisions and actions used to formulate and implement strategies that will provide a completely superior fit between the organization and its environment, to enable it to achieve organizational objectives." The two terms can be differentiated by effectively examining their relationship and how they co-exist. Strategic planning is a long term (often formal) process of incorporating strategic management tools and thinking into business processes. Where strategic management may include strategic planning, strategic planning cannot effectively exist without strategic management (Hannagan 2002). Kabir (2007) is quick to point out that practitioners likely do not differentiate between these two terms; it is more a question of semantics. It is necessary to have some general distinction between strategic planning and strategic management. A strategic management process is simply one specific and tangible technique that can be used in the broader scope of strategic management. For example, a strategic management process may be the act of instituting performance indicators to measure a particular area of success within a municipal department.

## *2.2 Connections in Strategic Planning and Management Literature*

The general framework of this paper is based on a model developed by Poister, Pitts, and Edwards (2010) in their review and synthesis of strategic management literature over the past twenty years. The authors divide the literature on strategic management into three categories; determinants, strategic management and outcomes (see figure 1.1). The literature examines the external and internal institutional/organizational that influence strategic management under the determinants category. The literature examines the variation of planning processes including plan formulation, the content of strategic plans, the implementation of strategic plans and strategy under the strategic management category. Poister, Pitts, and Edwards (2010) not only provide a descriptive analysis of each category, they synthesize the linkages between these categories instead of providing a descriptive analysis of each category within their framework. However, little empirical evidence exists to link internal and external determinants with strategic planning and management according to their review. Little empirical evidence exists to link strategic management to the desired outcomes of increased organizational capacity and improvement. The figure that follows is a pictorial diagram developed by Poister, Pitts, and Edwards (2010) explaining the previously described categories and their various linkages:

Figure 2.1 - Strategic planning and management conceptual framework



Specific attention will be devoted towards understanding the institutional and organizational determinants however environmental determinants will be largely ignored. Though environmental factors are of strong significance, they primarily explain why an organization engages in strategic planning. This paper only examines municipalities that already have an organizational strategic plan, thus environmental factors will be consistent between all selected cases. In addition, though the outcomes category is of significance, it is beyond the scale and scope of this paper. A review of specific literature regarding strategic planning and management at the department level will be reviewed next. The last section will be tied together through an analysis of general gaps in the empirical evidence that links institutional/organizational factors to strategic management.

### *2.3 Institutional Linkage to Strategic Management*

Poister, Pitts, and Edwards (2010) identified studies that link institutional characteristics to strategic planning and management. This category predominantly focuses on explaining why organizations engage in strategic planning efforts, which primarily focuses on the link between internal and external factors and plan formulation. Berry (1994) found that public organizations

are more likely to engage in strategic planning when similar organizations are engaging strategic planning, thereby reacting through policy diffusion. Berry (1994) also found that agency leadership plays a key role, where governors or directors (in the context of the United States) often engage in planning and achieve support early in their administration as they pursue new policy goals. The agencies proximity and relationship with the private sector and their internal resource capacity (such as human fiscal resources) are also of importance. Kissler *et al* (1998) identified a positive correlation between an institutional mandate and the strategic planning process. They found that a strong executive mandate (through state legislation) had a positive influence on strategic management processes, specifically strategic plan development and the adoption of performance measures In their study of the state government in Oregon. Berry and Wechler (1995) identify several key factors that lead to the development of strategic plans. Factors that positively influenced plan formulation include a department head with previous experience with strategic planning, typically gained outside the organization; the recommendation of (strategic) planners; and a mandate from another level of government (the Governor in their study). Franklin (2001) examines the impact of public participation on strategic planning through the US federally legislated *Results Act*. The Act mandates all state agencies embark on consultation process with relevant stakeholders in the strategic planning process. Franklin's findings conclude that while public consultation does not impact the content of strategic plans, it generally resulted in federal agencies becoming more responsive to general public interests. Poister, Pitts, and Edwards (2010) review of the link between institutional factors (of the determinants category) and strategic management is limited. An examination of institutional characteristics at a departmental level is virtually non-existent.

#### *2.4 Organizational Linkage to Strategic Management*

Poister, Pitts, and Edwards (2010) identify several studies that link organizational characteristics to strategic planning and strategic management efforts. The literature generally shows a strong link between factors within the organization and their influence on plan

formulation, strategy content and implementation. Boyne et al (2004) show a positive correlation between specific management processes that contribute to the successful adoption of planning. They show a positive relationship between senior management commitment, employee participation, organizational resources and technical expertise with successful planning processes. They found that organizational politics did not impede the planning process which is contrary to conventional thought. Bruton and Hildreth (1993) looked specifically at the individual level to determine which managers are most suitable to lead the strategic planning process. They found strong evidence that suggests managers that show a strong external orientation are more likely to be committed to the planning process. Managers with a high level of cosmopolitanism (i.e. the ability to look beyond the organization to external groups) are externally results driven, and their connection to the external professional community is of great importance. The external orientation of managers is therefore appropriate in order to build a strong strategic management team. There is some disagreement as to whether strategic planning should be bottom up or top-down. Hendrick (2003) found that strategic planning was more difficult in a decentralized environment, although decentralization environments may permit faster adaption to the external environment. Poister and Streib (1989) found that strategic planning was viewed more positively when implemented across the entire organization then when implemented by an individual unit at their discretion.

### *2.5 Department Specific Linkage to Strategic Management*

There is very little empirical evidence distinguishing strategic planning at departmental and organizational levels. Much of the general thought on strategic planning assumes that strategy percolates up and down the management hierarchy. It is unclear if this actually happens in reality. Korosec (2006) looked at the perceptions of departmental and organizational strategic plans from the viewpoint of senior management. Korosec (2006) found that 97 percent of senior managers expect department heads to develop their own plans. They also found that only 54 percent of senior managers believed they have the right types of people

involved in the process; 48.5 percent of department heads take strategic planning seriously; and only 48.5 percent agree that department heads are actively involved in organizational strategic planning. Korosec (2006) concludes that senior manager's view strategic planning at the department level as important, though it is the organizational plan that is of primary importance. Organizational planning does cause conflict between departments, whereas departmental planning causes cooperation. Conflict at the organizational level is likely to contribute to the change process and aid in developing support throughout the organization through increased dialogue. As departments are expected to develop strategic priorities and initiatives, conflict is expected. Korosec (2006) maintains that this conflict is a positive agent of change. Korosec (2006) concludes that there is a general expectation from senior management that departmental plans identify strategic issues and priorities that percolate up to the organizational plan. Department heads require expertise and must be seen as legitimate, which suggests that environmental considerations may play a stronger role at the departmental level.

In a survey of 14 departments in the City of Milwaukee, Hendrick (2003) found departments that demonstrate a higher level of comprehensive planning are more likely to have clear and measurable objectives, a commitment to planning and have high levels of monitoring activity for their environment. Such departments include the Health Department, Fire Department and the Assessor's office. Hendrick (2003) also found a correlation between high levels of comprehensive planning and strategic capacity. Bruton and Hildreth (1993) found their results to have important meaning at the departmental level, though they did not look specifically at department level strategic planning. They found that managers with external oriented behaviour and those with prior experience in the strategic planning process are more likely to be effective at strategic management process. One could interpret these results are relevant at the departmental level, whereby department heads that are externally orientated with prior strategic management experience are more likely to be effective at strategic management as a result. Edwards (2011) studied thirty-eight departments that initiated strategic planning

efforts in the United States and found departments with strategic planning experience had more comprehensive processes than those that did not have experience.

### *2.6 Strategic Management Linkage to Performance Outcomes*

Edwards (2011) investigates the relationship between strategic planning processes and performance outcomes. She uses findings from various case studies, advice from strategic planning experts and empirical findings to develop a strategic planning evaluative framework that consists of eight common dimensions. Though these may appear to be isolated to the strategic planning process, Edwards (2011) uses the term *planning* in a very broad sense. Below is a summary of Edwards's eight common dimensions of strategic planning;

- Management capacity: The technical and resource capacity to engage in strategic planning.
- Leadership: Solid leadership from those individuals leading the strategic management process. Edward's relies heavily on Bryson's (2004) model of leadership which includes a strategic sponsor, champion and facilitator.
- Participation: Involving those throughout the organization in the deliberative process of planning.
- Process Elements: Organizations which are continuously scanning their internal and external environments can improve the ability to plan and adapt.
- Dissemination: Level of awareness, knowledge and access to the plan. Edward relies heavily on Vinzant and Vinzant (1996) to measure the actual usefulness of the plan.
- Integration with performance management: Linking individual and performance management systems with strategic planning. This includes a method of tracking performance results.
- Integration with financial management: Linking strategic planning with the allocation of resources. This includes prioritizing budget allocations with strategic goals.
- Integration with human resource management: Ensuring organizations have the workforce to achieve strategic goals.

Edward's analysis found several strategic process dimensions associated with better performance. Following is a summary of Edwards (2011) correlation between strategic management processes and performance measured through efficiency and productivity:<sup>1</sup>

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<sup>1</sup> Edwards (2011) also uses an index of effectiveness and service quality, though does not find as strong of an impact of strategic processes as efficiency and productivity.

Table 2.1 – Edwards (2011) Summary of Strategic Management Processes Correlated with Organization Productivity

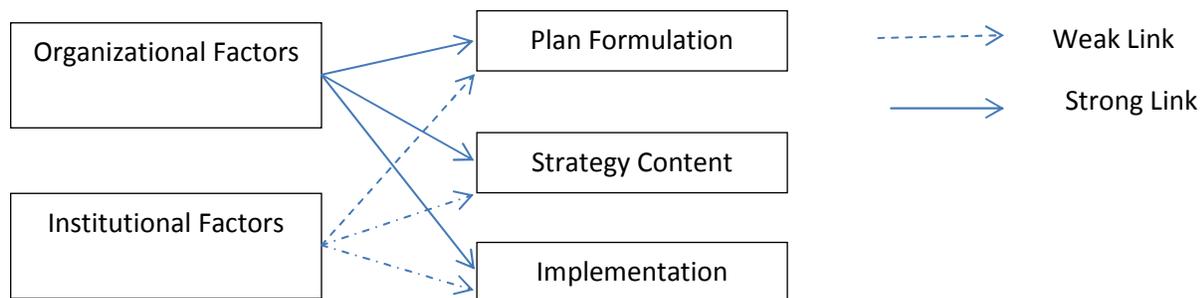
	Efficiency	Productivity
Capacity	Moderate, positive effect	Moderate, positive effect
Leadership	Moderate, positive effect	Moderate, positive effect
Participation	Large, positive effect	Moderate, positive effect
Elements	Large, positive effect	Moderate, positive effect
Dissemination	Moderate, positive effect	Moderate, positive effect
Performance Measurement	Moderate, positive effect	Moderate, positive effect
<i>Financial Management</i>	<i>Small, negative effect</i>	<i>No effect</i>
<i>HR Management</i>	<i>Moderate, negative effect</i>	<i>Large, positive effect</i>

This paper will define strategic management processes as a full range of management processes listed above that contribute to better performance (thereby excluding integration with financial and HR management) and improve the understanding of strategic processes that contribute to a moderate and positive impact on organizational performance.

### *2.7 Missing Gaps*

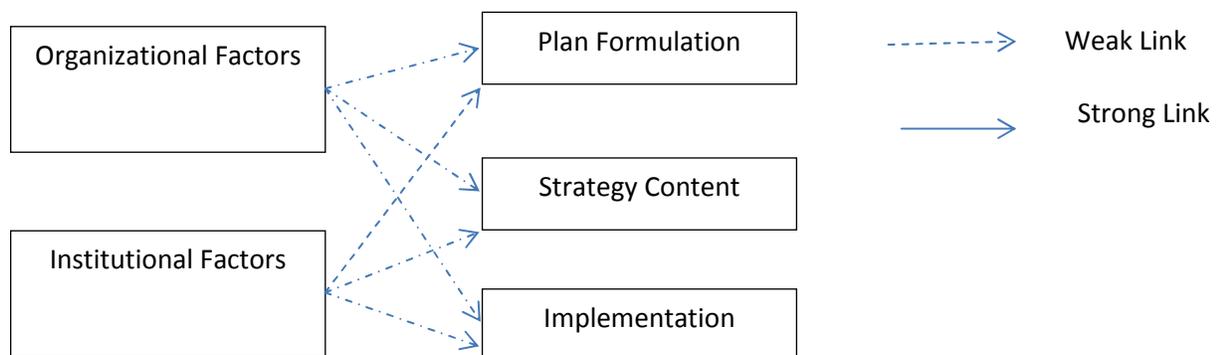
Research and empirical evidence as noted above show a strong link between organizational influences on all categories of strategic management however, the research on organizational factors that contribute to strategic management performance is sparse and limited. The figure which follows summarizes Poister, Pitts, and Edwards (2010) findings:

Figure 2.2 - Empirical Evidence Linking Internal Factors to Strategic Management at the Organizational Level



The linkage between the same organizational and institutional factors that influence strategic management at the departmental level is less clear. Though some of the linkages may translate similarly from an organizational to a departmental level, empirical evidence is currently limited. Using the same categories defined by Poister, Pitts, and Edwards (2010), Figure 2.2 summarizes the lack of empirical findings at the departmental level. The linkage shown in Figure 2.3 is weak between all categories due to the lack of empirical evidence, which is different than Figure 2.2.

Figure 2.3 - Empirical Evidence Linking Internal Factors to Strategic Management at the Departmental Level



This paper seeks to provide some enhanced knowledge on organizational and institutional factors that contribute to more departmental strategic planning processes. For the

definition of this paper, strategic management processes will include plan formulation and implementation, the content of strategy will be ignored.

### Chapter 3: Hypothesis

This section provides the hypotheses for the investigation conducted in this research paper. The central question for this research paper is “*what institutional and organizational factors contribute to the presence of departmental strategic management processes within local government?*” I hypothesize that the factors that promote the presence of strategic management processes at the organizational level will also be relevant at the departmental level. It is however believed the degree of influence within these factors will show considerable variation. The following hypotheses will be tested:

**Hypothesis #1:** When other departments are engaging in strategic planning (separate from the organizational strategic plan) departments will show higher levels of strategic management processes.

**Hypothesis #2:** Departments with a close proximity to the private sector will show higher levels of strategic management processes.

**Hypothesis #3:** Department heads who engage in strategic planning earlier in their position (as department head) will show higher levels of strategic management processes.

**Hypothesis #4:** Departments with adequate financial resources will show higher levels of strategic management processes.

**Hypothesis #5:** Departments that are required to formally engage in departmental strategic planning will show higher levels of strategic management processes.

**Hypothesis #6:** Departments where the senior management team expects strategic initiatives be brought forward to the organizational strategic plan will show a higher levels of strategic management processes.

**Hypothesis #7:** Departments with a department head who has previous experience in strategic planning will show higher levels of strategic management processes.

**Hypothesis #8:** Departments which have a senior management team that is strongly supportive of departmental strategic planning will show higher levels of strategic management processes.

**Hypothesis #9:** Departments with high level of staff engagement will show higher levels of strategic management processes.

**Hypothesis #10:** Departments with the technical expertise (internal or external) for strategic planning will show higher levels of strategic management processes.

**Hypothesis #11:** Departments with department heads that are externally orientated will show higher levels of strategic management processes.

**Hypothesis #12:** Departments that are decentralized will show higher levels of strategic management processes.

**Hypothesis #13:** Departments that have an organizational strategic plan will show higher levels of strategic management processes.

## **Chapter 4: Methodology**

### *4.1 Introduction to Methodology*

This section provides an overview of the methodology used in this research paper. The categories that make up the dependent variable and independent variables were extracted from a combination of previous research on strategic management. As these categories were extracted from several different studies, each with their own methodology, it was difficult to duplicate any one research model. A mixed methods approach, using a combination of quantitative and qualitative research strategies was utilized as a result. The quantitative investigation explored specific internal factors that contribute to strategic management at the departmental level. Though these factors were derived from previous research on the organizational level, they serve as a suitable starting point for an exploratory analysis at the departmental level. The qualitative research component looks at two specific departments and attempts to uncover factors that contribute to specific and unique departmental strategic processes.

### *4.2 Quantitative Investigation*

The quantitative research component of this paper was completed through an online survey measuring the perceptions of municipal department heads. The data collected was tabulated in a small-n statistical dataset, which was the best choice given the scope and resources for this research paper. Cases (department heads) were selected from Ontario municipalities with a population between 150,000 and 750,000 people (as of 2011). Municipalities over 750,000 residents are excluded to ensure adequate comparison between the relative sizes of local government departments. There is no differentiation between single or lower tier municipalities. Upper tier municipalities were excluded. These parameters generated eleven municipalities: Mississauga, Brampton, Hamilton, London, Markham, Vaughan, Kitchener, Windsor, Richmond Hill, Oakville and Burlington. A list of department heads and their email addresses were obtained through various internet searches and using names listed

on the 2012 Ontario Public Salary Disclosure. In total, the contact information for 187 department heads was obtained.

Data was collected through an online survey uploaded onto Interceptum.com, which is an online provider of surveys and enterprise management solutions. Each department head was sent an email requesting their assistance to complete the online tool within approximately five business days. A follow-up email was sent on day 6, requesting those (who have not completed the survey) to complete the survey within 24 hours. The survey was conducted during mid July 2013. A total of 46 respondents completed the online survey.

*(A) Dependent Variable: Strategic Management Processes*

The dependent variable, the presence of strategic management processes, was measured through an index of strategic management processes. This index relies on the six significant strategic processes developed by Edwards (2011) as they relate to moderate increases in performance capacity. Process elements was excluded, as all municipalities in the case selection have are likely to have similar process elements. The index therefore was comprised of the following five variables: management capacity, strong leadership, employee participation and performance management. The original research conducted by Edwards (2011) used a complex series of 5-10 questions that define each variable listed below. Each category below was defined through 1-2 questions given the scope of this research paper. Each variable will be understood through the following question(s):

- Management capacity (2 questions):
  - Question: You have received formal training, professional development or post-secondary education in strategic planning;
  - Question: You believe your department has adequate resources to successfully fulfill its mandate;
- Leadership:

- Question: You, or another individual within your department, has been or is the initiator of departmental strategic planning processes;
- Participation:
  - Question: The majority of full-time staff are actively involved in departmental strategic planning exercises;
- Dissemination:
  - Question: All full-time staff within your department are aware and have open access to departmental strategic planning documents;
- Integration with performance management:
  - Question: The performance evaluations of your staff are directly linked to departmental strategic planning initiatives;

Each question required the respondent to answer once: strongly agree, agree; neither agree nor disagree, disagree and strongly disagree. Each answer was given a nominal score: strongly agree (5), agree (4), neither agree nor disagree (3), disagree (2) and strongly disagree (1). Each answer was converted to the appropriate nominal figure and the results were added together to create an index of strategic management processes. Management capacity, the only practice with two questions, was weighted by .5 to ensure an equal balance with the other management processes.

*(B) Dependent Variable: Strategic Management Processes*

The independent variables, organizational and institutional determinants, were also extrapolated from the various components of the literature review and broken down into two main categories: institutional factors and organizational factors. Institutional factors extracted from the literature review include policy diffusion, proximity to private sector, agency leadership, fiscal capacity, organizational capacity, institutional mandate and a strong executive mandate. The following questions were asked for each variable:

- Policy diffusion (other similar organizations and departments are doing it);
  - Question: Other departments within the organization are actively engaged in departmental strategic planning (separate from the organizational strategic plan).
- Organizations proximity to the private sector;
  - Questions: My staff manages many relationships with the private sector organizations.
- Agency leadership of directors (strategic management often early in the Director's position);
  - Question: You engaged in more strategic planning initiatives when you started in your current position (compared to later on in your current position).
- Fiscal capacity;
  - Question: Your department has adequate financial resources to meet its mission.
- Institutional mandate;
  - Question: Your organization requires your department to formally engage in departmental strategic planning.
- Strong executive mandate;
  - Question: Your senior management team expects your department to bring strategic initiatives forward to the organizational strategic plan.
- Experience of department head (in strategic planning);
  - Question: You have previous experience in strategic planning (in your current or previous positions).

Organizational factors extracted from the literature review include senior management commitment, employee participation, organizational resources, technical expertise, external

orientation of management, level of decentralization and a consistent organization wide implementation. The following questions were asked for each variable:

- Senior management commitment;
  - Question: Your senior management team is strongly supportive of departmental strategic planning.
- Employee participation;
  - Question: All your full-time staff provide input on strategic planning initiatives.
- Technical expertise;
  - Question: You have the technical expertise available (internal or external) to properly develop strategic initiatives.
- External orientation of managers;
  - Question: You consider yourself to have significant links to your industry.
- Level of decentralization;
  - Question: Your department is decentralized.

Similar to the previous section, each question required the respondent to choose one answer: strongly agree, agree; neither agree nor disagree, disagree and strongly disagree. The results were calculated with using the same nominal score.

#### *4.3 Qualitative Investigation*

The qualitative research component of this paper was completed through personal interviews with selected department heads from two municipalities. The municipalities were selected by narrowing the original list of eleven municipalities down to two municipalities. To ensure consistency between both samples, municipalities were chosen that have similar population size, a relatively similar level of growth (all are growing municipalities) and a similar organizational structure. Using this criterion, the City of Markham and the City of Vaughan were selected. One department head from each respective municipality was selected for the

interview. Departments selected were believed to show relatively successful strategic management processes. This knowledge was gained through an analysis of documents available on the municipal website and personal knowledge (personal work experience in York Region municipalities for over ten years). With these criteria, the Planning Department was selected for the City of Markham. The Recreation and Culture and Development was selected for the City of Vaughan.

Each interview was approximately 30-45 minutes in duration and was conducted in the office of each of the department heads. Questions were slightly different than the data extracted from the online questionnaire. Questions were broad and open ended in nature and asked department heads how they engaged in departmental strategic planning, what strategic processes existed in their department and what was unique regarding their department in comparison to other departments within their organization. This approach was relatively similar to Mintzberg (1994) whereby the interviewer was a *Strategy Finder*, who attempted to uncover and reveal strategic processes that may be buried within the confines of a department.

## Chapter 5: Analysis

### 5.1 Analysis Introduction

This section reveals the data collected during the quantitative and qualitative investigations. The quantitative analysis shows the results of a Univariate and Bivariate analysis. All missing data was assigned through SPSS and assigned a value of 0. The qualitative analysis will proceed by providing a story to explain and provide the history of a unique strategic management process with chosen departments.

### 5.2 Quantitative Investigation

#### A. Univariate Analysis

Table 5.1 - Descriptive Statistics – Strategic Management Capacity

	Mean	Std. Deviation	N	Minimum	Maximum
Formal Training in Strategic Mgt/Planning	3.61	1.02	46	1.00	5.00
Adequate Departmental Resources	3.41	1.05	46	2.00	5.00

Table 5.1 summarizes the descriptive statistics of the two variables which are composed and combined to create a measure of strategic management capacity. This measure composes 1/5 of the strategic management processes index. The mean, standard deviation, the number of department heads and range who responded and the response range (minimum and maximum) is shown.

Table 5.2 - Descriptive Statistics for Strategic Management Processes Index

	Mean	Std. Deviation	N	Minimum	Maximum
Management Capacity	3.51	0.74	46	2.00	5.00
Leadership Capacity	4.11	0.71	46	2.00	5.00
Employee Participation	2.74	1.12	46	1.00	5.00
Integration with Performance Management	3.39	1.11	46	1.00	5.00
Information Dissemination	4.09	0.76	46	2.00	5.00

Table 5.2 summarizes the descriptive statistics of the variables which compose the strategic management processes index. Each variable is weighted by 1/5 to develop an index of strategic management processes (following table) as the dependent variable. The mean, standard deviation, the number of department heads who responded and the response range is shown.

Table 5.3 - Descriptive Statistics

	Mean	Std. Deviation	N	Minimum	Maximum
<b>Strategic Management Processes (Dependent Variable)</b>	<b>3.57</b>	<b>0.55</b>	<b>46</b>	<b>2.30</b>	<b>4.80</b>
Policy Diffusion	3.70	0.89	46	1.00	5.00
Proximity	3.61	1.06	46	1.00	5.00
Private Sector Agency Leadership	2.74	1.10	46	1.00	5.00
Fiscal Capacity	3.13	1.00	46	1.00	5.00
Institutional Mandate	3.98	0.77	46	2.00	5.00
Executive Mandate	4.33	0.76	46	2.00	5.00
Experience of Dept Head	3.93	0.90	46	1.00	5.00
Senior Management	4.33	0.70	46	3.00	5.00
Commitment					
Technical Expertise	3.93	0.61	46	2.00	5.00
External Orientation	4.13	0.50	46	3.00	5.00
Decentralization	2.87	1.09	46	1.00	5.00
Organizational Strategic Plan	4.65	0.82	46	0.00	5.00

Table 5.3 summarizes the descriptive statistics of the dependent variable and independent variables. The mean, standard deviation, the number of department heads who responded and the response range is shown.

Table 5.4 - Strategic Management Processes Index

Index Score	Frequency	Percent
2.30	1	2.2
2.60	2	4.3
2.70	1	2.2
2.80	1	2.2
3.00	3	6.5
3.20	3	6.5
3.30	4	8.7
3.40	5	10.9
3.50	3	6.5
3.60	3	6.5
3.70	3	6.5
3.80	6	13.0
3.90	1	2.2
4.00	3	6.5
4.10	2	4.3
4.30	1	2.2
4.50	1	2.2
4.70	2	4.3
4.80	1	2.2
Total	46	100.0

Table 5.3 and 5.4 shows the results for the strategic management processes index. The Strategic Management Processes Index averaged 3.57 out of 5 and a range of 2.3 (minimum) to 4.8 (maximum).

Table 5.5 - Policy Diffusion – Other Departments are Engaged in Departmental Strategic Planning

	Frequency	Percent
Strongly Disagree	1	2.2
Disagree	2	4.3
Neither Agree nor Disagree	15	32.6
Agree	20	43.5
Strongly Agree	8	17.4
Total	46	100.0

Table 5.3 and 5.5 shows the results for 'Policy Diffusion' where 'other departments are engaged in departmental strategic planning.' The variable on average was 'Agree' when

rounded up as a result of score of 3.7. The frequency table demonstrates that 43.5 percent (20) of respondents 'Agree' with the statement in the questionnaire and 15 (32.6%) of the respondents 'Neither Agree nor Disagree'. Eleven people outside this range responded differently which represents 23.4 percent of the respondents collectively.

Table 5.6 - Proximity to the Private Sector

Response	Frequency	Percent
Strongly Disagree	1	2.2
Disagree	8	17.4
Neither Agree nor Disagree	8	17.4
Agree	20	43.5
Strongly Agree	9	19.6
Total	46	100.0

Table 5.3 and 5.6 shows the results for 'Proximity to the Private Sector.' The variable on average was 'Agree' rounded up with (3.61). The frequency table demonstrates that 43.5 percent (20) of respondents 'Agree' with the statement in the questionnaire.

Table 5.7 - Agency Leadership

Response	Frequency	Percent
Strongly Disagree	2	4.3
Disagree	25	54.3
Neither Agree nor Disagree	6	13.0
Agree	9	19.6
Strongly Agree	4	8.7
Total	46	100.0

Table 5.3 and 5.7 shows the results for 'Agency Leadership' where department heads engage in strategic planning early in their current position. The variable resulted on average with a response of 'Neither Agree nor Disagree', which is signified through a score of 2.74. The frequency table demonstrates that 12 percent (6) of respondents 'Neither Agree nor Disagree' with the statement in the questionnaire and 25 (54.36%) of the respondents 'Disagree'. Only 13 people responded they 'Agree' or 'Strongly Agree' representing 28.3 percent.

Table 5.8 – Fiscal Capacity

Response	Frequency	Percent
Strongly Disagree	2	4.3
Disagree	13	28.3
Neither Agree nor Disagree	9	19.6
Agree	21	45.7
Strongly Agree	1	2.2
Total	46	100.0

Table 5.3 and 5.8 shows the results for adequate 'Fiscal Capacity.' The variable on average was 'Neither Agree nor Disagree' rounded down with a score of 3.13. The frequency table demonstrates that 19.6 percent (9) of respondents 'Neither Agree nor Disagree' with the statement in the questionnaire and 21 (45.7%) of the respondents 'Agree'. 15 people responded they 'Disagree' or 'Strongly Disagree' representing 32.6 percent.

Table 5.9 - Institutional Mandate

Response	Frequency	Percent
Disagree	4	8.7
Neither Agree nor Disagree	2	4.3
Agree	31	67.4
Strongly Agree	9	19.6
Total	46	100.0

Table 5.3 and 5.9 show the results for departments that have an 'Institutional Mandate' to formally engage in departmental strategic planning. The variable on average was 'Agree' as a result of a rounded score of 3.98. The frequency table demonstrates that 67.4 percent (31) of respondents 'Agree' with the statement in the questionnaire and 9 (19.6%) of the respondents 'Strongly Agree'. Only 4 people responded they 'Disagree' representing 8.73 percent.

Table 5.10 - Executive Mandate

Response	Frequency	Percent
Disagree	2	4.3
Neither Agree nor Disagree	2	4.3
Agree	21	45.7
Strongly Agree	21	45.7
Total	46	100.0

Table 5.3 and 5.10 shows the results for adequate departments that have a strong 'Executive Mandate' where senior management expects department's heads to bring strategic initiatives up the organizational hierarchy. The variable on average resulted in 'Agree' when rounded down (4.33). The frequency table demonstrates that 47.5 percent (21) of respondents 'Agree' with the statement in the questionnaire and 21 (45.7%) of the respondents 'Strongly Agree'. Only 2 people responded that they 'Disagree' representing 4.3 percent.

Table 5.11 - Experience of Department Head

Response	Frequency	Percent
Strongly Disagree	1	2.2
Disagree	4	8.7
Neither Agree nor Disagree	2	4.3
Agree	29	63.0
Strongly Agree	10	21.7
Total	46	100.0

Table 5.3 and 5.11 shows the results which measure 'Experience of the Department Head.' The variable on average was 'Agree' (3.93) when rounded up. The frequency table demonstrates that 63 percent (29) of respondents 'Agree' with the statement in the questionnaire and 10 (21.7%) of the respondents 'Strongly Agree'. Only 5 people responded that they 'Disagree' or 'Strongly Disagree' with the statement representing 10.9 percent.

Table 5.12 - Senior Management Commitment

Response	Frequency	Percent
Neither Agree nor Disagree	6	13.0
Agree	19	41.3
Strongly Agree	21	45.7
Total	46	100.0

Table 5.3 and 5.12 shows the results that measure 'Senior Management Commitment.' The variable on average was 'Agree' (4.33) when rounded down. The frequency table demonstrates that 41.3 percent (19) of respondents 'Agree' with the statement in the questionnaire and 21 (45.7%) of the respondents 'Strongly Agree'. No respondents indicated 'Disagree' or 'Strongly Disagree.'

Table 5.13 - Technical Expertise

Response	Frequency	Percent
Disagree	2	4.3
Neither Agree nor Disagree	4	8.7
Agree	35	76.1
Strongly Agree	5	10.9
Total	46	100.0

Table 5.3 and 5.13 shows the results that measure 'Technical Expertise' (internal or external) to develop strategic planning initiatives. The variable on average was 'Agree' (3.93) when rounded up. The frequency table demonstrates that 76.1 percent (35) of respondents 'Agree' with the statement in the questionnaire and 5 (10.9%) of the respondents 'Strongly Agree'. Only 2 respondents indicated 'Disagree' representing 4.3 percent.

Table 5.14 - External Orientation

Response	Frequency	Percent
Neither Agree nor Disagree	3	6.5
Agree	34	73.9
Strongly Agree	9	19.6
Total	46	100.0

Table 5.3 and 5.14 shows the results that measure the 'External Orientation' of department heads. The variable on average was 'Agree' (4.13) when rounded. The frequency table demonstrated that 73.9 percent (34) of respondents 'Agree' with the statement in the questionnaire and 9 (19.6%) of the respondents 'Strongly Agree'. No respondents indicated 'Disagree' or 'Strongly Disagree.'

Table 5.15 - Decentralization

Response	Frequency	Percent
Strongly Disagree	3	6.5
Disagree	18	39.1
Neither Agree nor Disagree	10	21.7
Agree	12	26.1
Strongly Agree	3	6.5
Total	46	100.0

Table 5.3 and 5.15 shows the results that measure the level of 'Decentralization' of departments. The variable on average was 'Neither Agree nor Disagree' (2.87) when rounded up. The frequency table demonstrates that 21.7 percent (10) of respondents 'Neither Agree nor Disagree' with the statement in the questionnaire, 18 (39.1%) of the respondents 'Strongly Disagree' and 12 (26.1%) 'Agree.'

Table 5.16 - Organizational Strategic Plan

Response	Frequency	Percent
No response	1	2.2
Agree	11	23.9
Strongly Agree	34	73.9
Total	46	100.0

Table 5.3 and 5.16 show the number of departments that operate in a municipality with a 'Organizational Strategic Plan.' All respondents except 1 indicated they 'Agree' or 'Strongly Agree' with the statement in the questionnaire. One person did not answer the question.

*(B) Bivariate Analysis: Dependent and Independent Variables*

Table 5.17 – Bivariate Analysis

Variable	Strategic Management Processes Index		
	Pearson Correlation	Sig. (2-tailed)	N
Strategic Management Processes Index(Dependent)	1		46
Policy Diffusion	.025	.871	46
Proximity Private Sector	.269	.071	46
Agency Leadership	.295*	.046	46
Fiscal Capacity	.501**	.000	46
Institutional Mandate	.035	.819	46
Executive Mandate	-.180	.231	46
Experience of Dept Head	.423**	.003	46
Senior Management Commitment	.017	.913	46
Technical Expertise	.250	.094	46
External Orientation	.129	.395	46
Decentralization	-.103	.494	46
Organizational Strategic Plan	-.183	.224	46

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* . Correlation is significant at the 0.01 level (2-tailed).

A Bivariate Analysis was conducted using the tools available in SPSS. Table 5.17 shows the relationship between the dependent and independent variables: One independent variable was significant at the .05 level and three independent variables at the .01 level for a total of four significant variables. The Pearson Correlation (coefficient), is referred to in this context through the '*r*' which ranges between 1.0 and – 1.0. An *r* of 1 or -1 indicates a direct relationship; an *r* of -1 equals a direct inverse relationship. Agency leadership shows a positive

and weak correlation of .295 when measured against strategic management processes.<sup>2</sup> This suggests that department heads that engage in strategic planning early or shortly after commencement of their management position have a greater tendency to show strategic management processes in the long term. Fiscal capacity shows a positive and moderate correlation of .501 when measured against strategic management processes. This suggests that departments with adequate fiscal resources will have a greater tendency to show strategic management processes. The third independent variable is the experience of the department head, which demonstrates positive and moderate correlation of .423 when measured against strategic management processes. This suggests that department heads with previous strategic planning experience are more likely to demonstrate strategic management processes within their department. The last independent variable, staff participation, shows a positive and moderate correlation with strategic management processes. This suggests that a department that has staff that are engaged in the strategic planning process, they are more likely to demonstrate strategic management processes. A Bivariate analysis which correlates independent variables can be found in Appendix 2.

*(C) Multivariate Analysis: Dependent and Independent Variables*

Using SPSS to perform a multivariate analysis, a model was generated explaining the variation of the dependent variable by the independent variables. The model presented below generated an Adjusted R Square value of .380, suggesting that 38.0 percent of the variation in the dependent variable is explained through the independent variables. The same regression model generates a level of significance through ANOVA at the .004 level, which signifies that this regression model is a very good measure of fit.<sup>3</sup> The null hypothesis can be rejected as a result of this high value of good fit.

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<sup>2</sup> The author is using the guide that Evans (1996) suggests describing the value of the Pearson Correlation (.00-.19=very weak/.20-.39=weak/.40-.59=moderate/.60-.79=strong/.80-1.0=very strong)

<sup>3</sup> A good measure of fit is defined as a Sig. value above the .05 level.

Table 5.18 - Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.607	.849		3.071	.004
Policy Diffusion	.085	.091	.138	.934	.357
Proximity Private Sector	.116	.073	.224	1.581	.124
Agency Leadership	.100	.069	.199	1.437	.160
Fiscal Capacity	.160	.079	.291	2.019	<b>.052</b>
Institutional Mandate	.188	.116	.263	1.621	.115
Executive Mandate	-.243	.120	-.335	-2.028	<b>.051</b>
Experience of Dept Head	.184	.085	.301	2.173	<b>.037</b>
Senior Management Commitment	-.060	.127	-.076	-.471	.641
Technical Expertise	.075	.131	.083	.575	.569
External Orientation	-.136	.171	-.123	-.795	.433
Decentralization	-.103	.068	-.202	-1.511	.141
Organizational Strategic Plan	-.073	.115	-.093	-.633	.531

a. Dependent Variable: Strategic Management Processes Index

Table 5.18 shows the Regression Coefficients for all thirteen variables used in this analysis. The experience of the department head (.037) is significant at the .05 level; the variables of executive mandate and fiscal capacity are significant at the .051 and .052 levels of significance. When comparing the variables of agency leadership and staff participation which are significant in the Bivariate analysis, they are not in the Multivariate analysis.

### 5.3 Qualitative Investigation

Different from the quantitative investigation, the qualitative investigation attempts to uncover both tested and untested variables that may contribute to the development of strategic planning processes. In this sense, the investigator is playing the role of '*Strategy Finder*', a term coined by Mintzberg (1994) in search for unique departmental practices which are only present within the departments analyzed. In each of the case studies, a different strategic process was found. The data and insight that follows was collected through four personal interviews with each department head.

(A) *City of Markham Planning Department*

In May 2010 The City of Markham Planning Department drafted an internal and confidential document entitled *Identify and Align Resources to Meet Future Council, Stakeholder and Community Expectations*. Though the title does not appear very strategic, the document closely resembles a departmental strategic plan. It contains a mission and vision (for the department), an internal and external assessment, a review of corporate literature and specific recommendations to guide the department for the next 3-5 years. According to the Director (R. Mosticci, personal interview, July 20, 2013), this document is the only departmental plan which exists in the corporation, and perhaps the only internal confidential (not public) document. The development and implementation of this plan served as a tool for change management and it enhanced strategic processes within the department. The Director of Planning gave a historic sketch regarding the launch of such a project. The Director previously held a similar position with a slightly smaller municipality in Southern Ontario during the interview. He is an extremely professionally connected individual, active in professional associations in both the United States and Canada. He would appropriately fit the definition of 'externally orientated' as previously identified in this paper. Accordingly, the Director was attending a conference in Colorado where he took part in a session on department strategic planning, which was led by an industry consultant that resides in San Diego, California. The Director was impressed with the content and presentation, and hired the same consultant upon his arrival in Markham. The departmental strategic plan was the final product of this interaction. The Director appeared to have a strong knowledge and awareness of strategic planning and management practices. He traced his broader business approach to a style he developed early in his career, directly from his undergraduate degree in Business Administration. The chart which follows summarizes the levels of strategic management processes that were evident during the personal interview:

Table 5.19 – Summary of Enhanced Strategic Management Processes for City of Markham Planning Department

Strategic Management Practise	Evidence
Management Capacity	The Director has formal education in strategic management through his undergraduate degree and professional development conferences.
Employee Participation	The strategic planning document which guides the Department was developed with significant levels of employee engagement.
Leadership	The Director is clearly the sponsor and champion of strategic management issues. The Director is competent engaging and facilitating in strategic planning initiatives.

This case demonstrates a department that displays high levels of strategic management processes, above the minimum threshold mandated by the organization. Three variables appear to enhance strategic management processes of ‘Experience of Department Head’, ‘Agency Leadership’, and ‘External Orientation.’ His level of experience in strategic management was firmly rooted in a business undergraduate degree, industry experience and a strong ambition to stay current in leading industry practices (from a North American perspective). This variable was significant in both the Bivariate and Multivariate analyses. ‘Agency Leadership’ was certainly present, as this exercise was the first major project facilitated by the new Department Head, one which served as a tool for change management. This variable was also significant during the Bivariate analysis. The ‘External Orientation’ of the Department Head showed significant influence as well. Without the strong connections to the planning industry, it is difficult to imagine the Department Head attending a conference in Colorado, engaging the services of a consultant from San Diego and developing a departmental strategic plan. This variable was not significant in the Bivariate of Multivariate analysis interestingly.

*(B) City of Vaughan Recreation and Culture Department*

In mid-2012 the City of Vaughan Recreation and Culture Department developed a unique strategic management process in the areas of 'Information Dissemination,' 'Employee Participation' and 'Integration with Performance Management.' The Department developed a performance dashboard that regularly reports in a creative and visually attractive manner on performance indicators within the Department. The performance dashboard reports on other smaller indicators which are deemed important by staff, though the Department has 2-3 key performance indicators reported to the organization on a broader scale.. Each community centre has a live performance dashboard to report on program registrations, revenue, salary expenses and other areas of business importance for example. Though each manager has the ability to customize for their operation the visual appearance of each dashboard maintains consistency across the organization. The chart below outlines increases in strategic management processes as a result of the performance dashboard;

Table 5.20 - Summary of Enhanced Strategic Management Processes for City of City of Vaughan Recreation and Culture Department

Strategic Management Process	Evidence
Dissemination	The performance dashboard reports on information key to departmental operations. The document is simple, visually attractive and actively used by staff.
Employee Participation	All departmental staff participated in the development of key performance indicators relevant to their section. Staff had the ability to customise their dashboards.
Integration with Performance Management	The Director is clearly the sponsor and champion of strategic management issues. The Director is competent, engaging and facilitating strategic planning initiatives.

The Department Head (M. Reali, personal interview, July 16, 2013) explained the roots of such an initiative, arising from a conversation she had with the City Manager. She had a meeting with the City Manager who explained a future aspiration he had for the organization according to the Department Head. The City Manager visualized coming to work, logging into his computer

and quickly glancing over a dashboard that contained vital organizational information. In the words of the Department Head, he could “*see how recreation was doing today.*” This concept was never developed further at the organizational level; in fact the same City Manager is no longer with the organization. The Department Head was however intrigued, and after further research decided to pilot such a project at the departmental level. This explanation does not perfectly fit into any of the analysed variables, however for the purposes of this analysis it will be placed into ‘policy diffusion.’ It is not necessarily that other departments are engaging in such a concept, but rather another department (in this case the City Manager’s Office) was considering such an idea. The variable ‘policy diffusion’ was not significant during the Bivariate or Multivariate analysis. The variable of ‘technical expertise’ is considerably influential in this case as well. A small division exists within their Department called Business Services, according to the Department Head. The function of this division is to engage staff to assist with business development, budgets and general departmental strategy. This division engaged staff through the development process and turned the department heads idea into a practical reality. The Department Head stated “*this likely would only been an idea without the help of staff (Business Services Division).*” The variable of ‘Technical Expertise’ was not significant during both the Bivariate and Multivariate analysis.

#### *5.4 Conclusion*

The quantitative and qualitative analysis provides some insight into variables that may contribute to strategic management processes. The chart that follows summarizes the quantitative and qualitative findings from this investigation:

Table 5.21 – Summary of Significant Variables in the Quantitative and Qualitative Investigation

<b>Variable</b>	<b>Quantitative</b>	<b>Qualitative</b>
Policy Diffusion		Positive, Strong
Proximity to Private Sector		
Agency Leadership	Positive, Weak	Positive, Strong
Fiscal Capacity	Positive, Moderate	
Institutional Mandate		
Executive Mandate	Positive*	
Experience of Department Head	Positive, Moderate	Positive, Strong
Senior Management Commitment		
Organizational Resources		
Technical Expertise		Positive, Strong
External Orientation of Managers		Positive, Strong
Level of Decentralization		
Organization Wide Implementation		

*\*Shown close to significant in the Regression model.*

## Chapter 6: Discussion and Interpretations

The quantitative and qualitative analysis above provides different insights regarding the current state of strategic management processes in Ontario as well as the variables that contribute to the presence of the same processes. Variables shown to be insignificant and that did not show any surprising results are excluded from discussion.

In general terms, each measure contained within the Strategic Management Processes Index demonstrates a relatively healthy level of management processes in Ontario. Surprising low however is the variable of 'Employee Participation' where only 28.3 percent of department heads indicated the majority of full-time staff is actively involved in departmental strategic planning exercises. This suggests relatively low rates of employee engagement at the departmental level, perhaps where one would expect the highest rates of engagement.

Several observations can be extracted from the descriptive statistics within the independent variables. Table 5.7 which measured the variable 'Agency Leadership' suggests that the majority of department heads do not engage in more strategic planning early in their management position. Considering that the Bivariate Analysis shows 'Agency Leadership' as significant with a correlation (though weak) to strategic management processes, this is quite interesting. This may suggest that the small minority of department heads who engage in strategic planning early in their position tend to have higher levels of strategic management processes, though the evidence is weak. This also may explain why the department head for the Planning Department in Markham has shown high levels of strategic management processes; he engaged in significant strategic planning immediately after hire. Table 5.8 shows a significant range of the variable 'Fiscal Capacity' where only 47.9 percent of department heads believe their department has the financial resources to meet their mission. This may reflect the extent to which governments have become "lean" and this may impact their core service level and ability to delivery on their basic mission. The bivariate analysis demonstrates that this variable is significant with a positive and moderately strong correlation with strategic

management processes. This suggests that though less than half of municipal departments have adequate financial resources, those that have the fiscal capacity tend to show higher levels of strategic management processes.

Table 5.9 measured the variable 'Institutional Mandate' which demonstrates that departments are generally expected to formally engage in strategic planning. Table 5.10 which measures 'Executive Mandate', demonstrates that senior management generally expects department heads to bring strategic issues forward to the organizational strategic plan. This suggests that the senior managers in the organization as a whole are strongly supportive of strategic planning at the departmental level, and generally expect strategy to percolate up the organizational hierarchy. It is however unclear if this process actually occurs. The Regression Model shows a negative correlation with the variable 'Executive Mandate.' This might suggest that senior management strategic planning expectations may actually hinder strategic management processes at the departmental level. This suggestion correlates well with the personal interviews conducted with department heads. It appeared relatively abnormal for a department to engage in a strategic management process that was separate or unique from the rest of the organization. This might suggest that department heads are generally expecting the organization to set the standard for strategic management processes, rather than the department heads.

Table 5.11 measured the variable 'Experience of Department Head' in terms of strategic planning, which demonstrated that department heads generally have experience with strategic planning. This variable demonstrated a positive and moderate influence on strategic management processes in both the qualitative and quantitative analysis. Considering that the strategic management initiatives present in the two case studies were both initiated by the department head, the result is not surprising.

Table 5.13 measured the variable 'Technical Expertise' which shows that an overwhelming majority of departments have the technical expertise (internal or external) to

engage in strategic planning initiatives. This variable is influential through the development of the Performance Measurement Dashboard within the City of Vaughan Recreation and Culture Department.

Table 5.14 demonstrated that the overwhelming majority of department heads are externally orientated. The qualitative analysis indicated this was a significant factor in the development of the Planning Department's strategic plan, though significance of this variable was not shown in the quantitative analysis. This suggests that department heads who show strong connections to their professional associations demonstrate a greater tendency to engage in strategic planning.

## Chapter 7: Conclusion and Next Steps

This paper seeks to explore previous empirical data that links internal organizational and institutional factors to strategic management efforts within a very specific context, an operational department within a mid-sized Ontario municipality. The central question of this paper was “*what institutional and organizational factors contribute to the presence of departmental strategic management processes within local government?*” I hypothesized that the factors which promote the presence of strategic management processes at the organizational level will also be relevant at the departmental level. The results of this research project are as follows:

Table 7.1 Hypotheses Testing – Independent Variables on Strategic Management

### Processes Index

<b>Hypothesis #1:</b> When other departments are engaging in strategic planning (separate from the organizational strategic plan) departments will show higher levels of strategic management processes.	Reject Null Hypothesis <i>Qualitative Evidence</i>
<b>Hypothesis #2:</b> Departments with a close proximity to the private sector will show higher levels of strategic management processes.	Accept Null Hypothesis
<b>Hypothesis #3:</b> Department heads who engage in strategic planning earlier in their position (as department head) will show a higher levels of strategic management processes.	Reject Null Hypothesis <i>Quantitative and Qualitative Evidence</i>
<b>Hypothesis #4:</b> Departments with adequate financial resources will show higher levels of strategic management processes.	Reject Null Hypothesis <i>Quantitative Evidence</i>
<b>Hypothesis #5:</b> Departments which are required to formally engage in departmental strategic planning will show higher levels of strategic management processes.	Accept Null Hypothesis
<b>Hypothesis #6:</b> Departments where the senior management team expects strategic initiatives be brought forward to the organizational strategic plan will show a higher levels of strategic management processes.	Reject Null Hypothesis <i>Quantitative Evidence</i>
<b>Hypothesis #7:</b> Departments with a department head who has previous experience in strategic planning will show higher levels of strategic management processes.	Reject Null Hypothesis <i>Quantitative and Qualitative Evidence</i>

<b>Hypothesis #8:</b> Departments which have a senior management team who is strongly supportive of departmental strategic planning will show higher levels of strategic management processes.	Accept Null Hypothesis
<b>Hypothesis #10:</b> Departments with the technical expertise (internal or external) for strategic planning will show higher levels of strategic management processes.	Reject Null Hypothesis <i>Qualitative Evidence</i>
<b>Hypothesis #11:</b> Departments with department heads who are externally orientated will show higher levels of strategic management processes.	Reject Null Hypothesis <i>Qualitative Evidence</i>
<b>Hypothesis #12:</b> Departments who are decentralized will show higher levels of strategic management processes.	Accept Null Hypothesis
<b>Hypothesis #13:</b> Departments which have an organizational strategic plan will show higher levels of strategic management processes.	Accept Null Hypothesis

Based on this research, seven of the thirteen analyzed variables have a positive impact; one variable ('Executive Mandate') has a negative impact on strategic management practices. Four of these six variables suggest that the null hypothesis can be rejected because of statistical significance; the remaining three can reject the null hypothesis due to the qualitative investigation which is not statistically significant. Together, these variables explain 38 percent of the overall variation in departmental strategic management processes and provide richer understanding of what contributes to strategic management practices at the department level.

This research project has several limitations that detract from the general findings. Most obvious, only 46 department heads replied out of a total of 187 contacts. This was likely due to a combination of submitting the survey during the summer months (32 out of office replies were received) and a long, time-consuming survey. Secondly, the data collected was testing several variables at the same time. This made it difficult to generate questions that could precisely measure each variable. It is suggested that any future work that references this study should use a scaled down survey model; that focuses on the seven variables that are significant in this research model. This may explain why some variables were significant in the Bivariate Analysis but not the Regression Model. The regression model explained 38 percent of the variation

shown in the dependent variable which is explained through independent variables. This demonstrates that other variables may contribute to the variance in departmental strategic management processes. The precise variables to be explored are worth further study appropriate for a larger scale quantitative analysis.

This research paper provides valuable insight into the linkage between organizational and institutional factors and strategic management processes despite the methodological limitations. The previous literature on internal organizational factors typically explains why organizations engage in strategic management and how such factors impact the content and implementation of strategy. As future empirical research strengthens the link between strategic management and performance outcomes, a more refined strategic management index can be developed. Such an index would most appropriately isolate factors relevant to increased organizational performance. This research paper surveys individuals often neglected in the broader strategic management literature, department heads which are important stakeholders in this discourse. This is particularly important considering the recent findings of Edwards (2011) which demonstrate a negative correlation between comprehensive planning and performance outcomes. If comprehensive planning is less important in regards to increasing organizational outcomes, then daily operations and process become more strategically important as a general focus for practitioners. As such, front line staff particularly at the departmental level may be an appropriate unit for future analysis.

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## Appendix 1: Survey Instrument

### Introduction

Greetings, My name is Adam Mobbs. I am a Masters Graduate Student at Western University in London, Ontario. I am investigating relevant internal organizational factors which contribute to the presence of department level strategic management practices within the context of Ontario local government. This questionnaire will take only 5-10 minutes of your time and will be greatly appreciated.

### Questions

What Department do you work for? (insert text below)



Your municipality has an organization strategic plan:

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly Disagree

Your department engages in strategic planning independent from the organizational strategic plan;

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly Disagree

Your department contributes effectively to the organization's strategic plan;

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly Disagree

You have received formal training, professional development or post-secondary education in strategic planning:

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree

- Strongly Disagree

You feel comfortable facilitating strategic planning initiatives within your department:

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly Disagree

You believe your department has adequate resources to successfully fulfill its mandate;

- Strongly Agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly Disagree

You, or another individual within your department, has been or is the initiator of departmental strategic planning processes:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

The majority of full-time staff are actively involved in departmental strategic planning exercises;

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

The performance evaluations of your staff are directly linked to departmental strategic planning initiatives;

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

All full-time staff within your department are aware and have open access to departmental strategic planning documents;

- Strongly Agree

- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Budget allocations are prioritized according to strategic planning initiatives;

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Staff within your department have the capacity to accomplish the departmental strategic planning initiatives;

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Other departments within the organization are actively engaged in departmental strategic planning (separate from the organizational strategic plan);

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

My staff manage many relationships with the private sector organizations;

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

You have the required skills to facilitate strategic planning within your department:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

You engaged in more strategic planning initiatives when you started in your current position

(compared to later on in your current position):

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Your department has adequate financial resources to meet its mission:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Your department has adequate organizational resources to meet the departmental planning priorities:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Your organization requires your department to formally engage in departmental strategic planning:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

You have previous experience in strategic planning (in your current or previous positions):

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Your senior management team is strongly supportive of departmental strategic planning:

- Strongly Agree
- Agree
- Neither Agree nor Disagree

- Disagree
- Strongly Disagree

Your senior management team expects your department to bring strategic initiatives forward to the organizational strategic plan:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

You have the technical expertise available (internal or external) to properly develop strategic initiatives:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

All your full-time staff provide input on strategic planning initiatives:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

You consider yourself to have significant links to your industry :

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Your department is decentralized:

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategic planning has been implemented organization-wide at the department level:

- Strongly Agree

- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

What would you consider the most important document in your department which articulates strategy (aside from the organization strategic plan)?



### **Conclusion**

Thank you for your help! If you are interested in this research you can email me at amobbs@uwo.ca and I will ensure you receive a digital copy of my paper in September, 2013. By the end of August, 2013, my Interceptum account and the data stored on it will be deleted. The research results and final paper will be stored on my personal cloud storage solution which is password protected. Additionally, this account requires authorization from my personal email account if the device accessing the information is not already verified. Lastly, if you are interested in being interviewed for my research, please let me know at amobbs@uwo.ca. Thank you for your patience and time. Have a great day! Regards, Adam Mobbs

### **Privacy Policy**

The data collected for my research is aggregate and will not be used to identify any respondent or municipality. The data collected here is securely stored and I alone hold the password for the account and access to the collected data. The data will be available publically in the form of my completed research paper. This questionnaire is entirely voluntary.

Appendix 2: Bivariate Analysis		Strategic Management Practices	Policy Diffusion	Proximity Private Sector	Agency Leadership	Fiscal Capacity	Institutional Mandate	Executive Mandate	Experience of Dept Head	Senior Management Commitment	Technical Expertise	External Orientation	Decentralization	Organizational Strategic Plan
Strategic Management Practices	Pearson Correlation Sig. (2- tailed)	1	.025	.269	.295 <sup>+</sup>	.501 <sup>**</sup>	.035	-.180	.423 <sup>**</sup>	.017	.250	.129	-.103	-.183
Policy Diffusion	Pearson Correlation Sig. (2- tailed)	.025	1	-.011	-.082	-.079	.409 <sup>**</sup>	.280	.058	.234	.126	.441 <sup>**</sup>	.004	.158
Proximity Private Sector	Pearson Correlation Sig. (2- tailed)	.871	.941	1	-.070	.320 <sup>+</sup>	.016	.325 <sup>+</sup>	.250	.175	.028	.098	-.007	.004
Agency Leadership	Pearson Correlation Sig. (2- tailed)	.071	.941	.644	1	-.009	-.085	-.161	.116	.055	.238	.305 <sup>+</sup>	-.233	-.141
Fiscal Capacity	Pearson Correlation Sig. (2- tailed)	.046	.586	.644	.644	1	-.025	-.086	.230	-.094	.232	.054	.077	-.223
Institutional Mandate	Pearson Correlation Sig. (2- tailed)	.501 <sup>**</sup>	-.079	.320 <sup>+</sup>	-.009	1	-.025	-.086	.230	-.094	.232	.054	.077	-.223
Executive Mandate	Pearson Correlation Sig. (2- tailed)	.000	.602	.030	.954	.870	1	.502 <sup>**</sup>	.030	.341 <sup>+</sup>	.044	.295 <sup>+</sup>	.181	.109
Experience of Dept Head	Pearson Correlation Sig. (2- tailed)	.035	.409 <sup>**</sup>	.016	-.085	-.025	1	.502 <sup>**</sup>	.030	.341 <sup>+</sup>	.044	.295 <sup>+</sup>	.181	.109
Senior Management Commitment	Pearson Correlation Sig. (2- tailed)	.819	.005	.914	.575	.870	.000	.845	.020	.772	.047	.228	.469	
Technical Expertise	Pearson Correlation Sig. (2- tailed)	-.180	.280	.325 <sup>+</sup>	-.161	-.086	.502 <sup>**</sup>	1	.161	.379 <sup>**</sup>	.047	.236	-.082	.245
External Orientation	Pearson Correlation Sig. (2- tailed)	.231	.059	.027	.286	.570	.000	.286	.009	.758	.114	.590	.100	
Decentralization	Pearson Correlation Sig. (2- tailed)	.423 <sup>**</sup>	.058	.250	.116	.230	.030	.161	1	.245	.233	.118	.036	.141
Organizational Strategic Plan	Pearson Correlation Sig. (2- tailed)	.003	.704	.094	.442	.124	.845	.286	.101	.119	.436	.810	.350	
	Pearson Correlation Sig. (2- tailed)	.017	.234	.175	.055	-.094	.341 <sup>+</sup>	.379 <sup>**</sup>	.245	1	.362 <sup>+</sup>	.257	-.147	.493 <sup>**</sup>
	Pearson Correlation Sig. (2- tailed)	.913	.118	.245	.717	.537	.020	.009	.101	.013	.085	.330	.001	
	Pearson Correlation Sig. (2- tailed)	.250	.126	.028	.238	.232	.044	.047	.233	.362 <sup>+</sup>	1	.320 <sup>+</sup>	-.180	.261
	Pearson Correlation Sig. (2- tailed)	.094	.404	.852	.112	.121	.772	.758	.119	.013	.030	.231	.080	
	Pearson Correlation Sig. (2- tailed)	.129	.441 <sup>**</sup>	.098	.305 <sup>+</sup>	.054	.295 <sup>+</sup>	.236	.118	.257	.320 <sup>+</sup>	1	-.254	.061
	Pearson Correlation Sig. (2- tailed)	.395	.002	.516	.039	.721	.047	.114	.436	.085	.030	.088	.688	
	Pearson Correlation Sig. (2- tailed)	-.103	.004	-.007	-.233	.077	.181	-.082	.036	-.147	-.180	-.254	1	-.086
	Pearson Correlation Sig. (2- tailed)	.494	.979	.965	.120	.611	.228	.590	.810	.330	.231	.088	.569	
	Pearson Correlation Sig. (2- tailed)	-.183	.158	.004	-.141	-.223	.109	.245	.141	.493 <sup>**</sup>	.261	.061	-.086	1
	Pearson Correlation Sig. (2- tailed)	.224	.295	.980	.350	.137	.469	.100	.350	.001	.080	.688	.569	

