

Strategic Planning and Management in Local Government in Norway:

Status after Three Decades

Published in *Scandinavian Political Studies*, 2016, 39(4): 333–365.

Doi: 10.1111/1467-9477.12077.

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5th version, 19.7.2016. (8,979 words excluding abstract, tables, figures and references.)

Acknowledgements:

This article is partly based on data collected by Elisabeth Hinderaker and Nina Nikolaisen in 2012 in their master thesis where Åge Johnsen was supervisor. I am grateful to Theodore H. Poister and Gregory Streib who gave us a copy of their survey research instrument for replication. I acknowledge the constructive comments received when an early draft of this article was presented for the 36th Annual Conference of the European Group of Public Administration (EGPA), Permanent Study Group XI Strategic Management in Government, Speyer, 8–12 September 2014. Thanks also to Sissel Hovik, Paul Joyce, and the journal's three reviewers for constructive comments. Some of the data used here are collected from 'Survey of municipal organization 1996, 2000, 2004, 2008 and 2012 – municipal sample'. The surveys were conducted by the Norwegian Institute for Urban and Regional Research (NIBR) for the Ministry of Local Government and Regional Development (KRD). The data have been arranged and made available in anonymous form by the Norwegian Social Science Data Services (NSD AS). NIBR, KRD or NSD have no responsibility for the analysis of the data or any interpretations made of these in this paper.

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Abstract

Strategic planning and management was introduced in the public sector more than three decades ago and has become a core component in many new public management reforms. Although strategy has been widely adopted in the public sector, the knowledge base regarding its practices and its impacts remains scarce, particularly outside Anglo-American countries. This article replicates an American and British survey by analysing the adoption and impacts of strategic planning and management in Norwegian municipalities. The results show that, in 2012, a majority of the Norwegian municipalities used strategic planning and management, and that the respondents viewed the impact positively overall. Municipalities that had chosen the strategic stance of prospector and had financial resources from positive net operating results margin adopted strategic planning and management more than other municipalities. Municipalities with a high degree of strategic management and high stakeholder involvement had better perceived impacts of strategic planning than other municipalities.

Strategic Planning and Management in Local Government in Norway: Status after Three Decades

Strategic planning and management was introduced in the public sector more than three decades ago (Eadie 1983; Berry 1994), and has been a core component in many new public management reforms since the late 1970s (Hood 1991). New public management has been a contested issue, as has strategic planning and management (Mintzberg 1994). The merits of strategic management in the public sector have been widely debated. For example, Eadie (1983) advocated the use of strategic management, while Goldsmith (1997) cautioned uncritical adoption of business strategy in public administration. Ferlie (2002) developed the idea of 'quasi-strategy', which involves customising some strategic management models used in the private sector to fit public management. Despite the subsequent widespread adoption of strategic management in the public sector in many countries, the knowledge base remains scarce, both with regard to its practices and its impacts, particularly outside the United States and the United Kingdom.

Strategic management has also been a contested issue in Scandinavian local government. Two decades ago, Nylehn (1996) took a critical stance towards the adoption of strategic management in the Norwegian local government. He argued that strategy was a model from the private sector that, due to its competitive aspect, was not appropriate for wider use. However, Johnsen (1998) disputed Nylehn's assertion of the strategic management's model failure in local government, that Nylehn's assertions were based on case studies with observations from only a small number of small

municipalities in Norway and from an early stage in the local governments' adoption of strategy. Moreover, the assertions were based on theoretical reasoning of the strategy processes without having empirically considered the processes or contents of the strategies in practice or the associated costs and benefits. Nevertheless, descriptive studies indicated that many local politicians seemed to experience a 'puzzling role' when their traditional detailed input and single-issue orientation were replaced with more strategic outcome and general-issue orientation during the late 1990s (Vabo 2000). Accordingly, it is interesting to study the status of strategic planning and management in local government after three decades in the making.

If strategic management, was deemed inappropriate and inadequate 20 and 30 years ago, it was likely to not be adopted or only to a limited degree. However, new public management and strategic planning and management both concern pragmatic efforts to implement democratically decided policies for improving public value (Moore 1995; Mulgan 2009), so one could expect widespread adoption of practices and tools associated with strategic planning and management. To date, no empirical studies of strategic planning and management and its impacts in local government in Norway have illuminated these contested issues. This paper aims to bridge some of this gap.

Scandinavian local government is an interesting context for studying the adoption of strategic planning and management. The Scandinavian countries have large public sectors and are unitary states. Therefore, with both the motivation and opportunity to reform their public sectors, these countries have been expected to be active new public management adopters (Hood 1995). In Denmark, for example, '(e)very organization

today has to have written efficiency strategies (service strategies in local government) that state what management tools the organizations use in order to fulfill their mission from politicians and citizens' (Greve 2006, 165). At the same time, Scandinavian public management has been known for its corporatist tradition and pragmatic approach to governance and public sector reforms (Rhodes 1999; Peters & Pierre 2000). This makes the Scandinavian context an interesting test bed for understanding how strategic planning and management – as a doctrinal component of many new public management reforms emphasising decentralisation, self-regulation and outcome orientation (Baldersheim & Ståhlberg 1994) – has been practised outside the Anglo-American contexts. Studies of strategic planning and management are also interesting for the wider debate on the merits of new public management because the practices, tools and impacts of strategic planning and management are manageable for empirical studies.

However, strategy is a broad concept, which helps explain the lack of consensus on the meaning of strategy among researchers and practitioners in public management. For example, strategy in the public sector can be conceptualised as 'a means to improve public services' (Boyne & Walker 2004, 231). Mulgan (2009, 19) defined public strategy as 'the systematic use of public resources and power, by public agencies, to achieve public goals'. Joyce (2012, 2) argued that strategy in public services involves 'looking ahead and planning ahead when making decisions' and making use of strategic thinking, planning and management techniques to support public leaders decision making and action planning. Vabo (2000) described strategic political leadership in municipalities as dealing with pivotal issues of a general nature, in contrast to local politicians' traditional concern with details and single issues. By contrast, Knutsson,

Mattisson, Ramberg and Tagesson (2008, 296) pointed out that ‘municipal strategy is not about any single major decision, but rather about series of many small decisions, which taken together, create a pattern of good municipal resource management’. In sum, strategy in public management is a broad concept that serves different actors, spans different management processes and encompasses several management tools.

Strategic planning has been defined as ‘[...] a systematic process for managing the organization and its future direction in relation to its environment and the demands of external stakeholders including strategy formulation, analysis of agency strengths and weaknesses, identification of agency stakeholders, implementation of strategic actions, and issue management’ (Berry & Wechsler 1995, 159). Strategic planning is distinct from traditional long-range planning in that it sees ‘the big picture’ and focuses on purpose, values and priorities. Fundamental and conflicting organisational issues have to be identified and handled. Attention to the environment is important, and *realpolitik* and stakeholders must be addressed. The planning is largely dependent on top management. In order to build commitment, the planning focuses on critical issues, actions and implementation (Poister & Streib 1999). Therefore, strategic planning is intertwined with strategic management.

According to Vinzant and Vinzant (1996, 140), strategic management consists of three core processes: planning, resource allocation, and control and evaluation. Strategic planning is the corner stone in strategic management, but it must be integrated with other management processes. Poister and Streib (1999) added performance management as a fourth core process and argued that strategic management aims to implement plans

by coordinating various high-level management processes in a way that fulfils the organisation's purpose and vision. Coordinating the management processes ensures a positive impact because the processes supplement and enforce each other. Conceptually, we know a lot about strategy, but there have been relatively few empirical studies of strategy practice and its impacts.

Therefore, the purpose of this article is to describe the adoption and impacts of strategic planning and management in the Norwegian local government, as perceived by the practitioners themselves, after three decades in the public sector. The article has a rationalistic, organisational perspective on strategic management and is based on top management's perception of the practices and the impacts of internal strategic processes and management tools on the organisation. We ask the following questions: How have local governments adopted strategic planning and management? How do elected politicians and other stakeholders participate in the strategic management processes? How do local governments adopt strategic management tools? Are these tools customised to the public sector context as quasi-strategy or are common strategic management tools adopted as a one-size-fits-all business model solution? What determines the adoption of strategic management? What are the impacts of the strategic planning and management, and what determines strategic planning and its impacts?

The remainder of this article is structured as follows. The second section reviews theory on strategic planning and management in local government and presents a conceptual framework. The third section documents the research design and data, before the fourth

section analyses the results. We discuss our findings in the fifth section and offer some conclusion in the final section.

Strategic Planning and Management

Since the early 1980s, there have been many studies of strategic management in the public sector (Bryson, Berry & Yang 2010; Poister, Pitts & Edwards 2010). This research has produced valuable knowledge on strategic planning and management. Nevertheless, there is still a need for studies originating from outside the UK or the US, process studies other than case studies, more studies on the use and effects of strategic management tools (Hansen 2011; George & Desmidt 2014), and studies of the contents and impacts of strategies (Boyne & Walker 2010; Hodgkinson & Hughes 2014).

In the UK and US contexts, there have been conceptual and empirical studies of strategy in local government for three decades. In an early study, Greenwood (1987) explored how strategy affected structure in English and Welsh local government and found that strategic style did influence structural arrangements. Worrall, Collinge and Bill (1998) identified key issues for strategy practitioners in strategy formation in UK local government. They found that local authorities wanted to become more 'strategic' when there were fewer resources, and that politicians wanted to ensure that their priorities were met. At the same time, there was no consensus about what being strategic meant. In North America, Poister and Streib (1999) discussed the importance and meaning of strategic management in government. They followed up this issue in an empirical study of the use of strategic planning and management in US municipal governments with

more than 25,000 inhabitants (Poister & Streib 2005). That study found that many local governments had used strategic planning and that there seemed to be increasing use of links to different decision-making activities in the strategic management processes. Moreover, the administrators assessed the impacts of the strategic planning positively overall. Hansen (2011) found that new public management reforms in Danish upper secondary schools increased the use of strategic management tools, but that more research is needed on areas such as how local governments use such tools.

According to Bryson, Berry and Yang (2010), strategic management theory and also practice, to some degree, has evolved from emphasising strategic planning to a more all-encompassing framework where the strategic planning is framing for budgeting, performance and initiatives for improvement. Strategic management theory emphasises the formulation of objectives and goals and the development of new projects and services. The theory also pays close attention to performance measurement and stakeholders' importance for the management processes as well as for the organisations' performance and outcomes. By acknowledging participative and communicative processes strategic, management theory is congruent with major streams of thought in public management and governance that emphasise open processes and collaborative management processes in the development, provision and evaluation of public sector services (Denhardt & Denhardt 2000; Osborne 2006; Mulgan 2009). This development in strategic management theory has forced empirical studies to address strategic planning and management as processes that may involve more stakeholders than managers and top leadership only.

Although strategic planning was criticised for neglecting learning (Mintzberg 1994), continual learning is also relevant in contemporary strategy theory for strategic management. Bryson (1988) and Poister and Streib (1999) argued that strategic management is a *continuous* process that integrates strategic planning and implementation. The most important elements in strategy practice are thinking, acting and learning. Strategic planning is only a tool for supporting these activities. Bryson, Berry and Yang (2010, 495) wrote that ‘Strategic management may be defined as “the appropriate and reasonable integration of strategic planning and implementation across an organization (or other entity) in an on-going way to enhance the fulfilment of its mission, meeting of mandates, continuous learning, and sustained creation of public value”.’ Therefore, strategic planning and management consists of several elements and is a continuous learning process that can involve adopting performance management and evaluation.

Adoption of Strategic Planning and Management

Vinzant and Vinzant (1996) developed a model with four progressive levels for assessing public sector organisations’ successful adoption of strategic planning and management. This model consists of three core processes: planning, budgeting, and performance management. *Level 1* is the completion of a strategic planning process. *Level 2* is the completion of a strategic planning process and the production of a planning document. *Level 3* is the completion of a strategic planning process, the production of a planning document, and subsequent changes in the resource allocation process, typically budgeting. *Level 4* incorporates the other three levels as well as

changes in the control and evaluation processes that provide feedback on the implementation of the strategic plan. Poister and Streib (2005) adapted and employed this model and also measured stakeholder involvement, the use of strategic management tools and certain impacts of strategic planning and management. These are valuable research instruments to replicate in future empirical studies.

Figure 1 presents the theoretical framework for the analysis.

Figure 1 here

Determinants of Strategic Planning and Management

Poister, Pitts and Edwards (2010) highlighted the degree of environmental stability in politics, environmental issues and trends as examples of factors that could influence strategic management (and strategy content) in the public sector. For municipalities, the political regime, political competition, growth or decline in population and ethnic diversity may be important environmental factors that create uncertainty for their strategic management. Socialist policies traditionally favour central planning and in-house delivery, while liberalist regimes prefer decentralised solutions and market contracting. A large amount of political competition may increase uncertainty and require relatively more stakeholder involvement in planning, more performance management in implementation, and more evidence-based evaluation. Factors such as regulation of the organisational tasks and degree of organisational autonomy are also important determinants. All municipalities in Norway have similar regulations. (Oslo is

both a municipality and a county, but is not included in the empirical analysis.)

Therefore, we have excluded these latter two factors in our analysis.

Vinzant and Vinzant (1996) held that perhaps the two most important factors for an organisation's autonomy, and hence its ability to choose strategy content and strategic management, are statutory and fiscal requirements. While minimal financial resources may provide the motivation for strategic management, slack financial resources may provide organisations with an opportunity to adopt certain strategic stances and select a high level of strategic management adoption, which may improve impacts. According to Berry (1994) and Boyne and Walker (2004), organisations with slack financial resources are more likely to act proactively and devote resources to strategic planning than organisations with little slack.

Organisational traits such as administrative organisation, organisational culture, human resources and complexity may be important for strategic management. For example, large organisations may be more complex and require more formal management processes and more management tools than small organisations (Poister, Pitts & Edwards 2010). Adoption of many elements in strategic planning and management, such as performance management and evaluation, may require competence and capacity that are more prevalent in large organisations than in small ones (Vinzant & Vinzant 1996). Administrative organisation could also influence performance management (and impacts). Decentralised organisations may adopt more performance management and centralised organisations may adopt more planning than other organisations. Andrews, Boyne, Law and Walker (2009a) found no direct effect of centralisation on

organisational performance, but did find that administrative organisation worked through strategy content. Strategy content is related to organisational adaptation of internal capabilities to the environment, and hence organisational performance (Miles & Snow 1978; Hodgkinson & Hughes 2014). Miles and Snow's (1978) classical framework consisted of four strategic types: defenders, prospectors, analysers, and reactors. Boyne and Walker (2006) discarded the analyser category because they felt it was actually a combination of the defender and prospector types and therefore conceptually redundant. Defenders used centralisation to rationalise in order to achieve high service performance, while prospectors used decentralisation to innovate in order to achieve high service performance.

Strategy content is about adapting internal capabilities to the environment, which means that strategy content could also influence strategic management. For example, because prospectors are often innovative within their domains, they could adopt more strategic management than other types and would, in particular, adopt many processes and management tools for scanning the environment and stakeholder involvement.

Prospectors would typically also use decentralisation in order to innovate and adapt rapidly. Defenders could adopt many processes and tools for planning and control and evaluation as well as choose a centralised structure. Reactors would only adopt strategic planning and management tools that are mandated and therefore have a lower level of strategic management adoption than other strategic types. Such relationships have only attracted scant attention in the literature.

Determinants of Strategic Planning and Management Impacts

Poister and Streib (2005) found that the respondents' satisfaction with the implementation and achievement of their organisations' strategic goals and objectives was positive overall. Moreover, several strategic planning elements had positive relationships with an index of the items measuring impacts. In particular, the following appeared to be important elements for perceived impact of strategic planning in the municipalities: linking strategic objectives from the strategic plan to department heads and other managers (responsibility); annually evaluating departments heads and other managers based on their accomplishment of the strategic goals (performance appraisal); and tracking performance data over time in order to determine whether performance in the strategic results area have been improved (monitoring).

In addition to strategic planning and management, strategy content should also be expected to have an impact. There have been several empirical studies of strategy content and local government organisations' performance using the Miles and Snow framework. Andrews, Boyne, Meier, O'Toole and Walker (2005) found that English local government prospectors dealt well with ethnic diversity and achieved good service performance. Andrews, Boyne and Walker (2006) found that English local authority prospectors had positive organisational performance, while defenders were neutral and reactors were negative. This relationship also held when it was controlled for strategic actions. By contrast, Meier, Boyne, O'Toole and Walker (2007) found that Texan school districts with defender stances had the highest performance. Andrews, Boyne, Law and Walker (2009b) found that both defenders and prospectors in Welsh local government service departments had positive performance; when the authors analysed

the organisational structure in these local governments, they found that defenders with a centralised and prospectors with a decentralised organisational structure had high service performance. The different results are congruent with the overall view that no strategic stance is superior in all circumstances.

Methods and Data

Many concepts in the theoretical framework, such as strategic management and strategy content, are ambiguous. Therefore, I have chosen to replicate previously used research instruments in public sector strategy research. In a review of the research on strategic management in the public sector, Poister, Pitts and Edwards (2010, 541) argued that ‘...more large-N quantitative analyses along the lines of the English and Welsh authority studies [...] are needed to test specific hypotheses regarding strategic planning processes, content, and implementation so findings can be generalized across a variety of settings. Particularly important to this line of research are studies that would specifically examine whether or not strategic planning and/or particular elements or characteristics of the strategic management process actually lead to improved performance.’ See also Boyne (2010). The ‘improved performance’ could take the form of reduced average service provision costs, better reliability in tax collection, more rapid response in ambulance or fire protection services, and higher learning outcomes in education. Therefore, we have replicated the survey instrument developed by Poister and Streib (2005) regarding strategic planning and management in US cities and questions from Andrews, Boyne and Walker’s (2006) study of strategy content in English local authorities. The US survey included questions on the impacts of strategic

planning including performance, while the UK survey included questions on strategy content.

Strategy is contingent on a complex web of factors (see Figure 1), and it is necessary to take into account different aspects of the organisational environment in empirical studies (Andrews, Boyne, Law & Walker 2009b). Norwegian municipal governments are diverse in many respects, such as polity, financial situation and size. Therefore, we also measured some environmental, institutional and organisational factors that could affect strategic planning and management and its impacts.

Variables and measurement

The Poister and Streib's (2005) survey instrument was shortened and some of the questions adapted in order to fit the Norwegian context. Single-item questions on strategy stances and actions were taken from Table 1 in Andrews, Boyne and Walker (2006). The resulting survey instrument had nine sections and asked questions regarding strategic planning documents, stakeholder involvement in strategic planning, the use of strategic management tools, strategic stances, strategic actions, strategic planning and budgeting, strategic planning and performance management, and perceived impacts of strategic planning. All but one of the variables on strategic planning and management and strategy content were measured with five-point Likert scales ranging from 'strongly disagree' to 'strongly agree' including a neutral 'neither disagree nor agree'. The survey instrument is available upon request.

We developed one index for strategic management and one for the perceived impacts of strategic planning, based on similar indexes developed by Poister and Streib (2005). We measured the strategic management index as a continuous variable by developing an unweighted additive index. We did this by combining the answers to a question on strategic planning (see Figure 2), four statements in a question on budgeting (see Table 3), three statements on a question on performance appraisal (see Table 4), and seven statements on a question performance management (see Table 5) in the survey. The answers on strategic planning were recoded to ‘no strategic plan’ (value=0), ‘has initiated one or more strategic plans’ (value=1), or ‘completed one or more strategic plans’ (value=2). The other questions were a five-point Likert scale ranging from 1 (‘disagree strongly’) to 5 (‘agree strongly’). The index for strategic management could theoretically vary from a minimum of 14 (‘no strategic plan’ in addition to the mandatory planning requirements of a four-year rolling budget and ‘disagree strongly’ on all other questions) to a maximum of 72 (‘has a plan’ in addition to the mandatory planning requirements of a four-year rolling budget and ‘agree strongly’ on all other questions). Table 2 reports statistics showing that the performance management index varied from a minimum of 23 to a maximum of 67 with mean of 50.

The impact index was computed by adding all the scores on the Likert scale for all the 19 questions on perceived impacts of strategic planning. This provided an unweighted additive index for overall impact. (Table 6 documents the 19 questions included in this index.) The impact index varied from a theoretical minimum of 19 to a theoretical maximum of 95, with 57 as a lower threshold for a positive assessment of the overall

impacts. The statistics for this index are provided in Table 2. The impact index varied from 37 to 91 with a mean of 69, indicating overall positive perceived impacts.

We used secondary data from official statistics (Statistics Norway and the Municipal Organisation Database) to measure certain independent variables in addition to the data collected in the survey.

Political regime was measured as the ratio of socialist representatives in the municipal councils in the 2007–2011 election term. Representatives from the Labour Party, the Socialist Left Party, the Red Election Alliance, the Red Party, and the Norwegian Communist Party were categorised as socialist. It should be acknowledged that even though this categorisation is common in studies of local government politics, there are some measurement issues. For example, the Labour Party is a social democratic party with a range of members, from liberalists to socialists, and many local parties are pragmatic and difficult to categorise according to the traditional left–right dimension that may suit national politics better than local politics.

Political uncertainty was measured with the Herfindahl index for party concentration in the municipal council during the 2007–2011 election term. The number takes the value 1 when a single party takes all the seats and a lower number indicates increasing party competition and hence increasing political uncertainty.

Environmental instability was measured as the average annual percentage change in the municipal population during the three latest years (1 January, 2009–1 January, 2011).

The measurement for environmental heterogeneity was similar to the measure of ethnic diversity used by Andrews, Boyne and Walker (2006). We used a measure for the 2011 municipal population of inhabitants born in Norway, or immigrants or inhabitants born to immigrants from Europe (except Turkey), Asia (including Turkey), Africa, North America, Central and South America, or Oceania. We developed a Herfindahl index to measure population diversity. We squared the proportion of each group in the municipal population and then subtracted the sum of these squares from 1. This measure gives an approximation to population fractionalisation and, therefore, environmental heterogeneity in the municipality. A high score on the index represents a high degree of heterogeneity.

Financial resources were measured as the average annual net operating results after interests and mortgages as a percentage of total operating income (net operating results margin) 2008–2010. The county governors, on behalf of the government, recommend that an annual net operating results margin of 3–5 per cent is sound municipal financial management.

Municipal size was measured as number of municipal inhabitants as of 1 January, 2011. The number of inhabitants is a common measure for municipal size in local government studies; it is unaffected by the internal organisation of the municipality (contracting out, corporatisation, partnership).

Administrative organisation concerns issues such as decentralisation, control, and sourcing, and was measured with three measures. The first variable measured decentralisation. This measure was based on a variable that originally measured the number of management levels between the chief administrative officer and the operating managers, which varied from 1 to 4. This variable was recoded in order to measure decentralisation, where three or more or varying levels between the different service areas was coded as 1 and the new scores of 2 and 3 indicated greater decentralisation. The second variable was an index measuring the ratio of performance management (benchmarking) of 14 municipal services. Each service was coded 0 for no use of monitoring of time series or benchmarking with similar services and 1 for use of monitoring of time series or benchmarking with similar services; the total sum was divided by 14. This index varied from 0 to 1. The third variable was an index measuring the ratio of contracting out for 15 municipal services. Each service was coded 0 for no contracting out and 1 for contracting out and the sum was divided by 15. This index also varied from 0 to 1. Data for the three variables were collected from the Municipal Organisation Database with data from January 2012 and recoded for this analysis.

Strategy content was measured by adapting three measures for strategic stance and five measures for strategic actions from Table 1 in Andrews, Boyne and Walker (2006). The questions on strategic stance questioned innovativeness (prospectors), focusing on core areas (defenders), and adherence to external pressure (reactors), using a five-point Likert scale. The questions on strategic actions addressed changes in markets, services, revenue, external and internal organisation. We also developed three new measures to

better capture strategic actions by asking about actions for reducing costs, improving service quality and improving service distribution.

The stakeholders that we addressed regarding involvement in the strategic planning included the municipal council, the mayor, the chief administrative officer, other municipal managers, lower-level employees, and citizens and other external stakeholders (see Figure 3). The stakeholder involvement index was calculated as the sum scores on the five-point Likert scales for the six questions about stakeholder involvement, divided by six, for the municipalities that had initiated or completed one or more formal strategic planning documents. Table 2 reports the descriptive statistics for the stakeholder involvement index. The stakeholder involvement index has a Cronbach's alpha reliability score of 0.63.

Population and Sample

The population for this study was the 430 municipalities in Norway as of November 2011. The survey was designed as a multiple-informant study and was sent by email to three senior officials in each municipality: the mayor, the chief administrative officer and the chief financial officer. After three reminders, the final responses (182 in total) were received by February 2012. One response was discarded due to technical problems. Only five municipalities gave two responses each; we averaged these responses and rounded them to integer values to provide a single score for those municipalities. The final sample consisted of 176 of the 430 municipalities, resulting in a response rate of 41 per cent.

Table 1 here

Table 1 documents an analysis of non-response. There are only small differences between the population and the sample. The municipalities in the sample are larger and use more benchmarking than the average municipality in the population.

Table 2 here

Table 2 provides descriptive statistics and a correlation analysis of the variables used in the analyses. The 143 municipalities are the ones that provided answers to all the questions in the survey. None of the independent variables had a correlation greater than 0.7, which could have caused problems with multicollinearity in regression analyses.

Using self-reported data from the same survey instrument to measure the independent and dependent variables could have introduced common source bias, in addition to the potential problem with using subjective impact data. We used Harman's one-factor test to investigate the potential for common method variance to influence the results.

Applying this test to the 143 municipalities that answered all the questions in the survey showed that one factor explained less than 30 per cent of total variance; this is below the common threshold of 50 per cent that indicates common source bias. Although Harman's one-factor test is not conclusive, it does indicate that the results are reliable with regard to common source bias.

Results

Strategic Planning

Some of the 176 municipalities that answered the survey had not started or finished any strategic plans. By including these municipalities, we can analyse how common strategic planning has become after three decades in the public sector.

Figure 2 here

Figure 2 shows that 57 per cent of the 176 municipalities that responded had initiated or completed one or more strategic planning documents. These figures indicate that strategic planning is common in local government. However, caution should be applied when interpreting these figures. Some municipalities indicated that although they had not initiated any formal strategic planning documents, they had employed strategic planning and management (either in their mandated planning documents such as the municipal plan and long-term budget or in other processes). Other municipalities may not have responded to the survey because they did not regard their mandatory planning documents or other management processes as strategic, even though these could have been used for strategic management as well. We do not know how many municipalities faced this problem. However, we have included all the responding municipalities – both with and without distinct strategic planning documents – in the analysis. Moreover, the analysis of non-response revealed that the sample of municipalities was representative for the population.

Stakeholder Involvement

Stakeholder involvement is held to be a key to successful strategic planning and management (Moore 1995; Mulgan 2009). One hundred municipalities replied that they had initiated or completed one or more formal strategic planning documents. Figure 3 documents the extent to which these municipalities assessed that different stakeholders were central in the development of their strategic plan or a typical strategic plan.

Figure 3 here

The three stakeholders that were most involved in the development of the strategic plans were the chief administrative officer (in 91 per cent of cases), other municipal managers (90 per cent) and the municipal council (79 per cent). Lower-level employees (68 per cent) and mayors (67 per cent) were also centrally involved. Citizens and other external stakeholders were also centrally involved, but less often (57 per cent).

Strategic Management Tools

Strategic planning is integral to strategic management and it is interesting to study how municipalities use other management tools in addition to strategic planning. We analysed the responses from the 143 municipalities that answered all the questions in the survey in order to study whether municipalities that use formal strategic planning use strategic management tools differently than other municipalities.

Figure 4 here

Figure 4 shows that municipalities that had not developed any formal strategic planning documents also used tools commonly associated with strategic management, while municipalities that had initiated or completed one or more formal strategic planning documents had more frequent use of strategic management tools than municipalities without formal strategic planning documents. The three most common strategic management tools were development of goals and objectives; development of action plans; and review and development of mission, vision and values. Important tools for approximately half of the municipalities with formal strategic planning documents were the evaluation of internal resources and competences, assessments of external threats and opportunities and internal strengths and weaknesses (SWOT analyses), identification of stakeholders' needs and concerns (stakeholder analysis), and feasibility assessments of proposed strategies. These tools were less important in municipalities without formal strategic planning documents. One interesting difference was that stakeholder analyses were much less common among the municipalities with no formal strategic planning than in municipalities with formal strategic planning documents. Competition analysis, market analysis and value chain analysis were the three least frequently used tools.

Budgeting and Allocating Resources

Table 3 documents the linking of resource allocation and budgeting to the strategic plans, which is important for a coherent strategy content and strategy implementation.

Table 3 here

In 71 of the 100 municipalities that reported that they had initiated or completed one or more formal strategic planning documents, the annual budget clearly reflects the objectives and priorities established in the strategic plan. Fifty-eight per cent used new money in the budget to pursue the municipal strategic goals. For 47 of these municipalities, the strategic plan had a strong influence on the budget requests submitted by department heads and other managers. Performance data tied to strategic goals and objectives played an important role in determining resource allocations in 46 per cent of the municipalities. The budgeting processes seemed to reflect the strategic direction established in the plans. The allocation of new money, as well as the anchoring of the strategic direction on performance evaluations and bottom-up processes, appeared to be less well developed in the strategic management.

Performance Management

Table 4 documents the linking of performance appraisal to strategic plans among the 100 municipalities that reported having initiated or completed one or more formal strategic planning documents.

Table 4 here

In 78 per cent of the municipalities, the city council holds the chief administrative officer responsible for implementing the strategic plan. In 70 per cent of the municipalities, objectives established for department heads and other managers come from the overall strategic plan. Annual evaluations of department heads and other managers are based largely on their accomplishment of strategic goals and objectives. Addressing responsibility for implementation and establishing objectives for performance assessments of managers is more prevalent than annual evaluations appraising managers for accomplishments of goals and objectives, which were important in only 47 per cent of the municipalities.

Table 5 here

Table 5 shows a strong link between performance measurement and strategic planning. Seventy-two per cent of the municipalities tracked performance data over time to determine whether municipal performance had improved. Sixty-nine per cent benchmarked performance measures against other municipalities to gauge the effectiveness of strategic initiatives, while 65 per cent reported performance measures associated with the strategic plan to the municipal council on a regular basis. These three elements, in addition to the formulation of goals and objectives reported in Tables 3 and 4, are commonly associated with performance management. Many municipalities also felt it was important to link other elements of performance management for following up the content (57 per cent) and outcome (48 per cent) of the strategic plan and targeting programs for more intensive evaluations based on goals and objective of

the strategic plan (42 per cent). However, only 18 per cent felt that reporting performance measures associated with the strategic plan to the public on a regular basis were important.

Levels of Adoption of Strategic Planning and Management

We used the four-level model to assess the adoption of strategic planning and management (Vinzant & Vinzant 1996). Our survey asked about the initiation or completion of formal strategic planning documents. Therefore, the survey had no direct question on levels 0 and 1 regarding whether the municipalities had initiated a strategic planning process. Many of the responding municipalities that had no formal strategic planning documents did not answer the questions on strategic management tools, which prevented us from estimating the percentage of municipalities on levels 0 and 1. Figure 5 uses the data from all the responding 176 municipalities in order to estimate what percentage of these were on levels 2, 3 and 4 in the model.

Figure 5 here

One hundred of the 176 responding municipalities replied that they had initiated or completed one or more strategic planning documents. Assuming that all of the municipalities that started the process of producing formal strategic plans also completed this task, we estimate that 57 per cent of the municipalities were on level 2. Seventy-one of these 100 municipalities also indicated that they used the annual budget to support the goals, objectives and priorities in the strategic plan; this indicates that 40

per cent of the 176 municipalities were on level 3. Cross-tabulation showed that 38 municipalities that had completed one or more strategic plans used the annual budget to support the goals, objectives and priorities in the strategic plan, and also used performance measures for tracking the content of the strategic plan. Therefore, we estimate that 22 per cent of the 176 responding municipalities belonged to level 4.

Strategic Planning and Management Impacts

The survey instrument included 19 questions on possible beneficial or harmful impacts that the municipality's municipal strategic planning could have on their jurisdiction.

The questions concerned the following five issues: mission, goals and priorities; external relations; management and decision-making; employee supervision and development; and performance.

Table 6 here

Table 6 rates the municipalities that responded positively to the various dimensions of impact of strategic planning. The most positive impacts were on mission, goals and priorities, and on performance. In particular, strategic planning was assessed as having a positive impact on orienting the municipality to a genuine sense of mission (88 per cent), focusing the city council's agenda on important issues (82 per cent), enhancing employees' focus on organisational goals (81 per cent), and maintaining the municipality's overall financial condition (75 per cent). The municipalities that had initiated or completed one or more formal strategic planning documents scored higher

on impacts than those that had no formal strategic planning documents in addition to their mandatory plans, except for two issues. Municipalities with no separate formal strategic planning documents scored higher on their strategic planning improving employee cohesion and moral and managing operations in an efficient manner than those with formal strategic planning documents.

The municipalities assessed the overall impacts of strategic planning positively. There was a significant positive correlation between the strategic management index and the overall impact index, which indicates that strategic management improves impacts of strategic planning. We have pursued this issue in the regression analysis of determinants of strategic management impacts. We first analyse determinants of the adoption of strategic planning and management.

Determinants of Strategic Planning and Management

The theory section presented some factors that were hypothesised to be determinants for strategic management adoption: political regime, political uncertainty, environmental heterogeneity, environmental instability, organisation size, financial resources, administrative organisation, and strategic content. Table 7 documents the multiple regression analysis of these determinants of strategic management adoption.

Table 7 here

The model in Table 7 explains 22 per cent of the variation in the adoption of strategic management. The strategic stance of prospector was statistically significant at the 0.00 level with a positive sign in the expected direction. The average annual net operating results margin was statistically significant at the 0.05 level, indicating that slack financial resources increase strategic management. (A regression model with square root transformation of municipal inhabitants resulted in a one percentage point higher adjusted R square, minor changes in the other statistics, and slightly higher variance inflation indicators (VIF).)

Determinants of Strategic Management Impacts

In order to estimate determinants of strategic planning impacts, we used the same independent variables as used in the regression of the adoption of strategic management. We included the strategic management index and an index for stakeholder involvement in strategic planning as additional independent variables.

Table 8 here

As Table 8 shows, the model explains 43 per cent of the variation in impacts of strategic management. Because the number of variables in this model is high relative to the number of cases in the analyses, care should be taken in interpreting the figures. Four of the variables were statistically significant. Strategic management was significant at the 0.00 level, stakeholder involvement at the 0.05 level, and defender only at the 0.10 level, all three with the expected positive sign. A high percentage of socialist

representatives in the municipal council had a negative relationship, significant at the 0.05 level with impacts. (Regressing the model with a square root transformation of municipal inhabitants resulted in no change in adjusted R square, small changes in the other statistics, and slightly higher VIFs.)

Discussion

Adoption of Strategic Planning and Management

Strategic planning and management has been heavily criticised since the 1980s. However, our results indicate that strategic planning and management in municipal government is now being widely adopted. Strategic planning and management does not require the production of formal strategic planning documents. A majority of the Norwegian municipalities that responded to the survey had completed or initiated a strategic plan in addition to the mandatory planning documents required in the municipal act. However, some municipalities likely regard mandatory plans such as the municipal plan and four-year budget as their most important strategic planning documents, and have not produced distinct strategic plans in addition to the mandatory planning documents.

The analyses showed that many municipalities used several strategic management tools and linked different management processes to the planning processes, to varying extents. One-quarter of the municipalities combined different management processes

extensively and can therefore be characterised as having a fully developed (level 4) strategic management system.

The respondents, coming from the municipal top-management, may have overstated the linking of the strategic tools and processes. For example, there were loose couplings in much municipal budgeting in many Norwegian and Swedish municipalities in the 1970s and 1980s, which meant that budgets were often unrealistic and used largely for rituals and legitimacy (Czarniawska-Joerges & Jacobsson 1989; Jönsson 1972; Olsen 1970). Hence, the budgets and, presumably, the strategies were often loosely coupled to the financial accounts and actions in both small and large municipalities in the 1970s and 1980s (Høgheim, Monsen, Olsen & Olson 1989; Mellemvik, Monsen & Olson 1988; Olsen 1997). During the 1990s, however, budgeting and fiscal management seems to have been 'rationalised', partly as a result of many public management reforms, including a new municipal law in Norway in 1992. The law regulates the municipal budget and accounting process, including publication dates and decision-making powers, and the Ministry of Local Government and Modernisation monitors the municipal budgets and accounts and has certain sanctions (including a public registry) for municipalities without prudent budgets and financial management. Although the lack of realism, participation, or transparency in contemporary planning processes does not appear to be a major issue, the integration of different management processes in the strategic management is an interesting issue for future comparative research.

The American cities in Poister and Streib's (2005) study used strategic management elements to a larger extent than the Norwegian municipalities did. This difference may

be explained by the fact that the average municipal size in their study was higher than that in the Norwegian sample. Large municipalities may need more formal strategic management than small municipalities. The Norwegian municipalities used comparisons and benchmarking a lot, perhaps because many local government reforms in Norway since the 1980s have invested heavily in the development of performance measurement and reporting. Performance management seems to have gained relatively extensive usage in the Norwegian municipal sector compared to US cities.

Acknowledging that the data are not directly comparable, it is interesting to note that 22 per cent of the Norwegian municipalities had adopted strategic management on level 4, similar to what Poister and Streib (2005) found for the American cities. Due to research design issues, there are several reasons why the results in this analysis are not directly comparable to the results reported by Poister and Streib (2005). For example, that study surveyed US cities with 25,000 or more inhabitants in the early 2000s, one decade prior to our survey, which was conducted in 2011/2012 encompassing municipalities of all sizes in Norway.

Stakeholder Involvement in Strategic Planning

The analysis indicates extensive stakeholder involvement in the strategic planning. According to the respondents, the municipal management was the most central in the practical work concerning the strategic planning. Other stakeholders, such as the municipal council and lower-level employees, were also highly involved in the process, albeit to a lesser extent than the municipal management.

Contexts matter in public management (Meier, Andersen, O'Toole, Favero & Winter 2015). The importance of stakeholder involvement may vary both over time and between places. In the 1980s and 1990s, many Scandinavian municipalities experimented with and adopted new organisational solutions (Baldersheim & Ståhlberg 1994), including reforms for strengthening their strategic leadership and management. In the 1980s and 1990s, there were reports that politicians were estranged to strategic thinking (Nylehn 1996) and were puzzled about the transition from a traditional political to a more strategic role (Vabo 2000). In the early 2010s, local politicians' relatively active involvement in the strategic planning processes indicates that the current roles may be less puzzling for the politicians.

In the Norwegian municipalities, lower-level employees were important stakeholders in 68 per cent of the municipalities that developed strategic plans. In the US study from a decade earlier, lower-level employees were important stakeholders in only 46 per cent of the cities (Poister and Streib, 2005). Employee involvement may be particularly important in Scandinavian local government, which takes place within a corporatist governance tradition.

The 'Nordic model' relies heavily on co-operation between trade organisations, labour unions and the government, which on a local level may translate to involvement, especially from management, employees and elected politicians in the strategic planning processes. However, there is also variation within the Nordic model and between the Scandinavian countries. Hofstad (2013) compared planning models in urban planning between Norway and Sweden and found that the Norwegian system and practice

combined hierarchical and interactive governance more than the Swedish system and practice did. Due to its high involvement of different stakeholders and willingness to compromise as well as reconsider former decisions, the Norwegian system seemed to have higher legitimacy among many stakeholders but resulted in lower operational efficiency of its planning than in Sweden.

This analysis has only considered the involvement in the development of the strategic planning documents. However, the stakeholders could be involved in wider public policy and strategic management issues than our survey has been able to tap into. A possible trade-off between stakeholder involvement and operational efficiency in strategic planning would be an interesting area for future research.

Management Tools and Quasi-Strategy

The use of strategic management tools varied greatly. The most common methods were setting overriding objectives and specifying the way to achieve goals; this is consistent with findings on how Danish upper secondary schools used such management tools (Hansen 2011). Typical business management models such as market, competition and value chain analyses, were rarely used. This is hardly surprising given that such tools, except for value chain analysis and similar tools such as lean process management, are mostly used in direct competitive situations that are relatively rare in Norwegian local government. Therefore, the municipalities may pragmatically have selected management tools subject to context, resulting in public management seemingly adopting a quasi-strategy (Ferlie 2002).

However, the notion of quasi-strategy is questionable. Quasi-strategy assumes that public management adapts management tools from business strategy. When strategic management was new to public management, the notion of business strategy as ‘complete’ or an ideal practice, or at least the sole source for public management from which to learn from, may have been adequate. After three decades of public management reforms, resulting in widespread strategic management practices and many public organisations to learn from, the notion of quasi-strategy may no longer be a valid description of the public sector’s adaptation of strategic planning and management. Rather than describing the public sector as adopting a quasi-strategy modelled after business practices, the public sector may better be described as adapting a public management strategy. This adaptation may be pragmatic and context-bounded resulting in a distinct public sector strategic planning and management with emphasis on certain tools and processes, in particular performance management and stakeholder involvement.

Determinants of the Adoption of Strategic Management

The regression analysis indicated that both the prospector and, to some extent, the defender type increase the adoption of strategic management in municipal government. Financial resources was also an important determinant for the adoption of strategic planning and management, corroborating Berry’s (1994) conclusion that slack resources (‘agency slack’) provide capacity to undertake innovation and adoption of management models such as strategic planning and management.

Interestingly, factors that theory often holds up as potential important determinants for adoption (and impacts) of strategic planning (Boyne 2010), showed mixed results in our study. Political and financial factors were significant determinants, while traditional theoretically important contingency factors such as environmental instability and heterogeneity, as well as organisational size, were not. Hansen (2011) also found no strong support for contingency variables such as size and competitors in his analysis of the application of strategic management tools after new public management reforms in Danish schools. The versatility of strategic management, despite different states of the environment and regulations that mandate planning, may explain why environmental instability and heterogeneity did not turn out to be important determinants for strategic management.

Determinants of Impacts of Strategic Management

Our analysis has shown that many practitioners perceive the impacts of strategic planning and management positively. The analysis also indicates that the impact of strategic management can be improved by producing formal strategic planning documents in addition to other plans and linking them to other management processes, choosing a defender strategy, and achieving stakeholder involvement in the strategic planning process. This finding corroborates earlier studies that found that rational strategic planning and participation in the decision making improve public service performance (Andrews, Boyne, Meier, O'Toole & Walker 2005; Meier; O'Toole, Boyne & Walker 2007; Andrews, Boyne, Law & Walker 2009a, 2009b). Therefore,

implementation and stakeholder involvement in strategic planning and management seems to be important.

Conclusions

Strategic planning and management is now widely adopted in Norwegian local governments, often beyond what is mandatory in the planning regulation. Overall, the practitioners who responded to our survey, most of whom were top municipal managers, perceived the impacts of strategic planning and management positively. The municipalities have adopted strategic management at different levels, however. The regression analyses indicated that a prospector stance, financial slack, and a defender stance were the three most important determinants for the adoption of strategic management. The three most important positive determinants of the impacts of strategic planning were the adoption of strategic management, stakeholder involvement and choosing a defender stance.

Strategy has often been perceived as a top-down driven process aimed at improving an organisation's competitiveness and fit to the environment. Some studies have been critical of adopting a strategy in local government that is modelled after such a business practice. Our analysis showed relatively little adoption of the management tools that are typically associated with competition. The overall pattern is that strategic management tools are common as important elements in municipal governance for agenda-setting, developing action plans, analyses and reviews, and formal strategic planning seems to have an important influence on the extent and consistency in the usage of these tools.

Some earlier studies have been especially wary about the politicians' role in local government strategy. Our analysis indicates that there seems to be extensive stakeholder involvement in the Norwegian local government strategic planning processes.

Unsurprisingly, municipal management was more centrally involved than other stakeholders, but the municipal council and lower-level employees were relatively heavily involved.

This study has certain limitations in its research design and data, including obtaining predominantly single organisational responses, measuring strategic stances with single-item indicators, and employing subjective impact measurements. Despite these limitations, the study has provided new knowledge on strategic planning and management practices and strategy content in Norwegian municipal government, and corroborated many results in the Danish, UK and US studies. As a systematic replication study, therefore, the results contribute to public sector strategy research and practice both by analysing municipal government strategy outside the often-studied UK or US contexts and by facilitating international comparisons of strategic planning and management practices in public administration. Moreover, this article has analysed whether strategic management have impacts; judging by subjective data on impacts, the creation of strategic plans and stakeholder involvement in adoption does seem to matter.

This study may be replicated in other countries, providing a basis for more comparative research. The study has also revealed the need for further studies with other methods and data. For example, some of the questions in the present survey research instrument

asked about the respondents' views regarding the relationship between strategic planning and management and their impact. These answers are interesting, but need to be complemented with analyses of multiple responses from the same municipalities, responses from stakeholders other than just top management, and objective performance data. Therefore, more knowledge is still needed about the impacts of strategic planning and management in different tiers of government, in different countries and over time.

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Table 1. Analysis of Non-Response

	Population				Sample			
	N	Min	Max	Mean (st.dev)	N	Min	Max	Mean (st.dev)
Socialist representatives 2007–2011	429	.00	.81	.35 (.148)	175	.00	.68	.34 (.148)
Party concentration (HDI) 2007–2011	429	.14	1.00	.27 (.110)	175	.15	1.00	.26 (.095)
Average change in population 2009–2011	430	–.054	.050	.006 (.0112)	176	–.054	.050	.006 (.0113)
Ethnic diversity 2011 (HDI)	430	.019	.399	.143 (.0536)	176	.025	.316	.140 (.0527)
Average net operating results margin 2008–2010	429	–6.9	25.1	1.9 (3.37)	176	–4.8	25.1	1.9 (3.43)
Municipal inhabitants 1.1.2011	430	216	599230	11442 (34745.8)	176	216	260392	14297 (29020.4)
Decentralisation 2012	335	1	4	2.9 (1.06)	144	1	4	2.8 (1.09)
Benchmarking index 2012	322	.00	1.00	.45 (.405)	140	.00	1.00	.56 (.390)
Contracting out index 2012	326	.00	.73	.15 (.127)	143	.00	.73	.16 (.135)

Source: Statistics Norway and Municipal Organisation Database.

Table 2. Descriptive Statistics and Correlation Analysis (N=[100–143])

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Strategic management index															
2 Impact index	.66**														
3 Socialist representatives 2007–2011 percentage	.07	-.04													
4 Party concentration 2007–2011 Herfindahl index	-.14	-.11	.10												
5 Average annual change in population 2009–2011	.18*	.06	-.22**	-.40**											
6 Population diversity 2011 Herfindahl index	.19*	.08	-.18*	-.27**	.40**										
7 Average percentage annual net operating results margin 2008–2010	.15	.06	-.08	.21*	-.01	-.01									
8 Municipal inhabitants 1.1.2011	.24**	.12	.06	-.18*	.29**	.53**	-.12								
9 Decentralisation 2012	-.09	-.13	.11	.24**	-.11	-.08	.03	-.07							
10 Benchmarking 2012	.27**	.16	.24*	-.05	.09	.09	-.15	.29**	.06						
11 Contracting out 2012	.00	.06	-.11	-.03	.08	.12	-.01	.23*	-.09	.18					
12 Defender	.31**	.33**	-.03	-.03	.03	-.03	.11	.02	-.14	.13	.07				
13 Prospector	.50**	.42**	-.07	-.18*	.24**	.17*	.03	.19*	-.06	.15	.09	.08			
14 Reactor	-.07	-.12	.07	.08	.09	.09	.08	.07	.03	.17	.03	.06	-.08		
15 Stakeholder involvement index	.40**	.46**	-.02	-.07	.13	.13	.26**	.06	.02	-.04	.04	.24*	.32**	-.08	
N	143	143	142	142	143	143	143	143	118	115	117	143	143	143	100
Minimum	23	37	0	.15	-.054	.041	-4.8	216	1	0	0	2	1	2	2.7
Maximum	67	91	.68	1.00	.050	.300	25.1	173486	4	1.0	.73	5	5	5	5.0
Mean	49.9	69.3	.35	.26	.006	.139	1.9	13535	2.8	.54	.17	4.0	3.3	3.0	3.8
St.deviation	7.95	9.54	.142	.098	.0118	.0514	3.62	23442.4	1.11	.390	.135	.65	.78	.79	.52
Skewness	-.342	-.280	-.030	3.708	-.570	.618	3.330	4.078	-.479	-.255	1.304	-.166	-.302	.279	-.203
Kurtosis	.336	.595	.070	22.607	5.194	.340	17.748	20.431	-1.115	-1.515	2.524	-.036	.246	-.527	-.508

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

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

Table 3. Municipalities Linking Budgets to Strategic Plans (N=100)

The annual budget clearly reflects the objectives and priorities established in the strategic plan	71 %
New money in the budget is used to pursue the municipal strategic goals	58 %
The strategic plan has a strong influence on the budget requests submitted by department heads and other managers	47 %
Performance data tied to strategic goals and objectives play an important role in determining resource allocations	46 %

Note: Percentage of the 100 municipalities reporting that they had initiated or completed one or more formal strategic planning documents responding 'agree' or 'strongly agree' to each statement.

Table 4. Municipalities Linking Performance Appraisal to Strategic Plans (N=100)

The city council holds the chief administrative officer responsible for implementing the strategic plan	78 %
Objectives established for department heads and other managers come from the overall strategic plan	70 %
Annual evaluations of department heads and other managers are based largely on their accomplishment of strategic goals and objectives	47 %

Note: Percentage of the 100 municipalities reporting that they had initiated or completed one or more formal strategic planning documents responding 'agree' or 'strongly agree' to each statement.

Table 5. Municipalities Linking Performance Measurement and Evaluation to Strategic Plans (N=100)

Tracks performance data over time to determine whether the municipal performance improves	72 %
Benchmarks performance measures against other municipalities to gauge the effectiveness of strategic initiatives	69 %
Reports performance measures associated with the strategic plan to the municipal council on a regular basis	65 %
Uses performance measures to track the content of the strategic plan	57 %
Use performance measures to track outcome conditions targeted by the strategic plan	48 %
Targets programs for more intensive evaluation based on goals and objectives of the strategic plan	42 %
Reports performance measures associated with the strategic plan to the public on a regular basis	18 %

Note: Percentage of the 100 municipalities reporting that they had initiated or completed one or more formal strategic planning documents responding 'agree' or 'strongly agree' to each statement.

Table 6. Municipalities Rating Various Impacts of Strategic Planning as Beneficial to Their Jurisdiction (N=143)

	With formal strategic planning documents (N=100)	No formal strategic planning document (N=43)
Mission, goals and priorities (mean)	81 %	70 %
Orienting the municipality to a genuine sense of mission	88 %	74 %
Focusing the city council's agenda on the important issues	82 %	70 %
Enhancing employees' focus on organizational goals	81 %	67 %
Defining clear program priorities	74 %	67 %
External relations (mean)	62 %	47 %
Maintaining public support	70 %	65 %
Communicating with citizen groups and other external stakeholders	64 %	42 %
Maintaining supportive intergovernmental relations	53 %	35 %
Management and decision making (mean)	55 %	40 %
Making sound decisions regarding programmess, systems, and resources	64 %	44 %
Targeting and utilizing program evaluation tools	58 %	42 %
Maintaining a functional organizational structure	52 %	37 %
Implementing effective management systems	46 %	37 %
Employee supervision and development (mean)	60 %	53 %
Empowering employees to make decisions and serve the public	72 %	63 %
Building a positive organization culture in the municipality	67 %	52 %
Providing direction and control over employee's activities	66 %	63 %
Providing training and development opportunities for employees	51 %	37 %
Improving employee cohesion and morale	46 %	49 %
Performance (mean)	67 %	55 %
Maintaining the municipality's overall financial condition	75 %	54 %
Delivering high quality public services	72 %	54 %
Managing operations in an efficient manner	53 %	58 %

Note: Percentage of municipalities responding 'agree' or 'strongly agree'.

Table 7. Multiple Regression of the Adoption of Strategic Management (N=142)

	Standardised coefficients (beta)	Significance
Socialist representatives 2007–2011 percentage	.14	.073
Party concentration 2007–2011 Herfindahl index	-.05	.560
Average annual change in population 2009–2011	.07	.412
Population diversity 2011 Herfindahl index	.09	.364
Average annual percentage net operating results margin 2008–2010	.20	.013
Municipal inhabitants 1.1.2011	.10	.299
Defender	.15	.053
Prospector	.37	.000
Reactor	-.11	.148

Notes: Dependent variable: strategic management index, adjusted R²=.22, F-value=5.396***, highest VIF=1.669.

Table 8. Multiple Regression of Strategic Management Impacts (N=99)

	Standardised coefficients (beta)	Significance
Socialist representatives 2007–2011 percentage	-.20	.024
Party concentration 2007–2011 Herfindahl index	.20	.215
Average annual change in population 2009–2011	-.08	.409
Population diversity 2011 Herfindahl index	.01	.916
Average annual percentage net operating results margin 2008–2010	-.12	.180
Municipal inhabitants 1.1.2011	-.04	.686
Defender	.16	.059
Prospector	.10	.249
Reactor	-.11	.217
Strategic management index	.49	.000
Stakeholder involvement index	.23	.019

Notes: Dependent variable: strategic management impact index, adjusted R2=.43, F-value=7.772***, highest VIF=1.866.

Figure 1. Theoretical framework

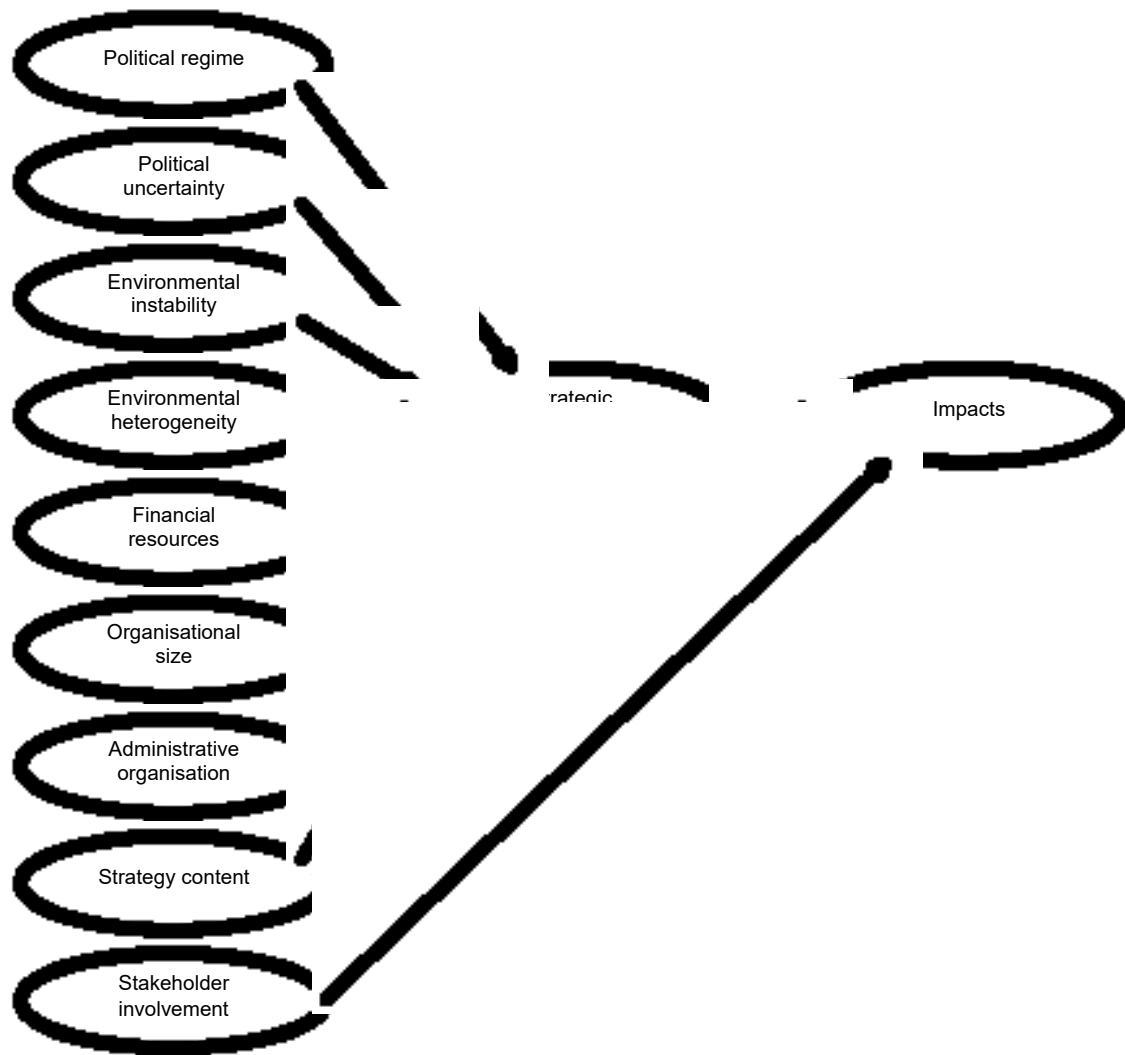


Figure 2. Municipal Formal Strategic Planning Documents in Addition to Mandatory Plans (N=176)

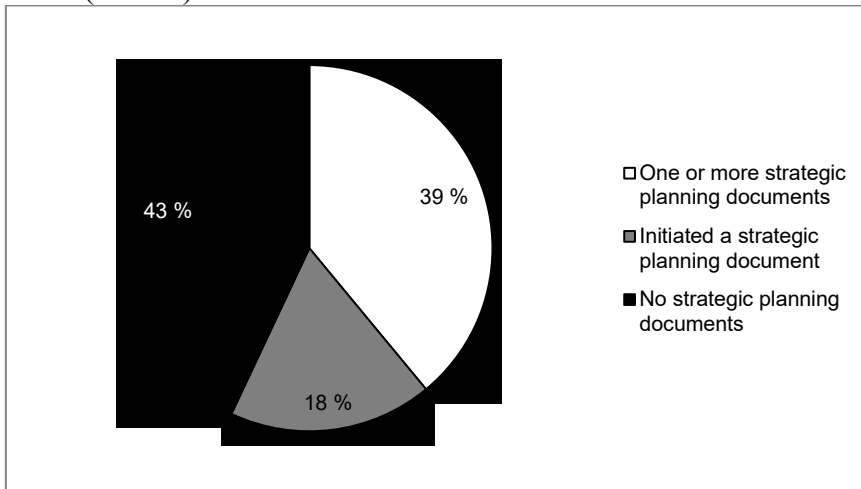
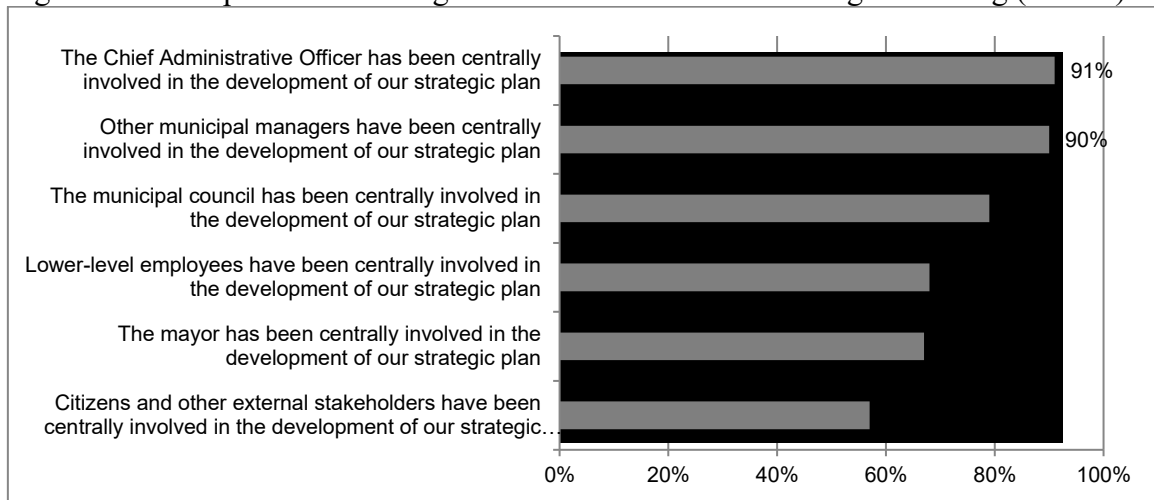


Figure 3. Municipalities Involving Various Stakeholders in Strategic Planning (N=100)



Note: Percentage of municipalities responding 'agree' or 'strongly agree'.

Figure 4. Reported Use of Strategic Management Tools Among Municipalities With No Formal Strategic Planning Documents and Municipalities That Have Initiated or Completed One or More Formal Strategic Planning Documents (N=143)

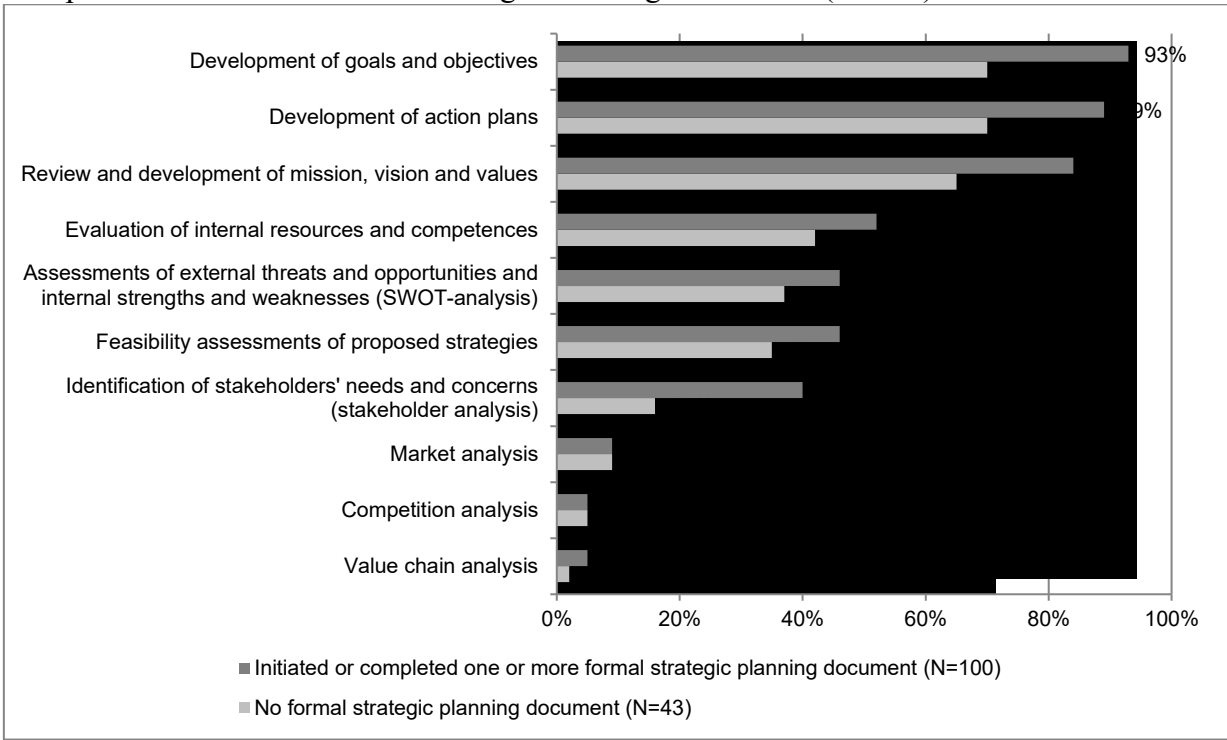


Figure 5. Per Cent Municipalities Reporting Successive Levels of Strategic Management (N=176)

