

# Strategic Management in Public Administration

Sorina-Cristina Marin

*Valahia University of Targoviste, Romania*

The work entitled "Strategic management in public administration" focuses mainly on a documentary research of the strategic management's general aspects in public administration. The strategic vision, based on the currently reforming administrative system, aims to achieve the set goals and targets, the administrative institutions and employees being those who will undertake the formation of strategies, objectives and priorities as part of a managerial activity. In order to make the results more efficient, the strategic management in public administration represents an approach specific to every entity, an approach which includes a rational effort of integrating the strategic perspective on all managerial levels, in order for the system to function coherently.

**Key words:** public administration, management, strategic management

**EL Classification:** D73, H1, H83

## Introduction

Romania's public administration has dealt in the past few years with significant changes regarding its own functioning, every government came up with its own administrative strategy, more or less applicable, having expectations from politics and, obviously, citizens, and having roles and responsibilities. But the strategic aspect of the specific activity was less highlighted. One of the most frequent criticism brought to the public administration's traditional pattern was the existence of the administrative tasks which were fulfilled without any long term perspective.

Due to the fact that the need of having a strategic perspective was ignored, the lack of the administration officer's managerial training put and continues to put its mark on some administrative institutions which are far less focused on what should be promoted, meaning initiative and flexibility.

We witness every day an extremely competitive environment, the strategic and culturally organizational way of thinking prefers change and performance, because the strategic management process is a dynamic and permanent one, and a change brought to any of the pattern's major elements will automatically lead to changes in all of the other elements.

The respective entity becomes more efficient through strategic management, with its own identity, leads to changes in the management staff's way of thinking and attitude, but especially involves permanently all the decision factors from all levels. But the most important advantage is that the organization's activity is directed long-term, through consistent and coherent correlation of all the activities, allowing itself to adapt to the rapid changes that occur in the system, to anticipate and solve them.

Of course, there are other organizations which don't use strategic management or, however, if they use it, it's possible that it doesn't enjoy the full support from behalf of that specific entity's management or staff.

Why? There could be multiple reasons. From the fact that those certain entities believe that the process of strategic planning is a waste of time, that it involves high costs in the process of strategic planning, and most of all the fact that they need to implement elaborate strategies, they fear the unknown, the comfortable staff doesn't want to put time, resources and effort into an elaborate plan, to the fact that the staff gets suspicious and lacks faith in the entity's management, previous experiences that did not have the expected result and, last but not least, the staff's fear of being poorly rewarded due to a previous success through fulfilling the set goals and the rise of a possible failure to penalize the culprits.

The process of strategic management means defining the organization's strategy, through which the managers make a choice linked to a strategic thinking, which they will further put in practice, in order to reach a better performance. At the same time, the objectives are set in order to

satisfy as many of the current and future needs, after which every strategy and tactics used will be reevaluated.

## 1. Strategic management in public administration

An organization's management success, regardless of its profile and activity, is shaped and supported by the promotion of strategic management. The organization's leaders determine, through strategic management, its long term evolution and performances, ensuring a rigorous formulation, proper application and continuously evaluating the set strategy. (Fred.R.David, 2000)

The administrative institutions and workers are required to undertake the formation of strategies, objectives and priorities as part of the managerial activity.

The strategic management takes into account the public workers situated in responsible positions, the workers who don't just need to mechanically fulfill their day to day work, but to also refer to the organization's general objectives.

But, most of all, it is directly linked to the public workers from the higher levels, where the strategic decisions are being conceived.

We can think that the strategic management describes that part of a public manager's activity which consists of widening the immediate horizon in order to offer the entity that he leads a "perspective way of thinking". It contains the definition of the objectives, the strategy, the structure and the functioning principles of this entity, as well as the measure of impact, through space and time, of an applied action.

A good starting point, in order to understand the strategic approach, is offered by the definition given by Chandler (1989): "The strategy means determining the organization's long term goals and objectives, adopting determined politics and assigning resources to achieve these goals". This definition shows, practically, the major problems to which the strategic process should respond:

- Where does it want to move forward?
- What parameters can translate the organization's goals?
- What certain politics will these goals imply?
- What human and financial measures will need to be taken?

The strategic management is attractive because it focuses on setting goals, identifying strengths and weaknesses and it highlights the importance of foreign opportunities and threats through the perspective of an optimal forces deployment in order to achieve the set goals.

### 1.1. Strategic-managerial approaches in public administration

In the public administration, different levels and approaches have been identified within the general concept of managerial strategy: (J.M.Bryson, 1995)

1. *The strategic planning system* which put forward models for formulating and implementing strategic decisions and for allocating the necessary resources to found them on all of the organization's levels. The strategic analysis and planning represent a widely spread step for private companies, aiming to help the leadership to achieve its mission of strategically coordinating the organization.

Thus, the strategic planning is tightly linked to the leeway and competitive strength.

It is also believed that, in general, an organization must put in practice a strategy in order to obtain as many advantages as possible from an environment marked by the presence of competitive forces which risk to question its survival.

Thus, the strategic step can appear too little relevant, within the public sector, taking into account the theoretical absence of the strategic leeway and the competition's illegitimate character.

The public organization's *leeway* in terms of damage done to resources is significantly restricted by the statutes; if a public organization intends to diversify its activity, there is a high possibility that a negative appreciation can occur from behalf of the control bodies.

*The existence of a decisional leeway* for the managers represents a prerequisite of the strategic step. We can't talk about a real strategy when it comes to an organization in which the activity perimeter is totally limited, or in which the "products" are defined by law.

*The competition* may deal, within the public organizations, with two aspects: a vis-à-vis competition with a public organization; a vis-à-vis competition with a private organization.

2. *The management of participants* analyzes the way in which the key participants evaluate the organization and form strategies of treating all the participants (the participants include individuals or groups who present a major interest for the organization, syndicates, clients, suppliers, etc.).

3. *The competitive analysis* which analyses the major forces present in a particular sector – the buyers and suppliers' power, replaceable products, competition – in order to gain a significant advantage through some strategies, such as differentiating from the competition and selecting the industrial fields where there are high chances of control.

4. *The strategic problems' management* – aims to identify the crucial problems for the organization's capacity to reach its objectives and take decisions regarding the method in which a group from inside the organization will solve these problems;

5. The approaches based on *strategic negotiations* treat the strategy of taking decisions as a deeply politicized process and offers methods of approaching these continuous negotiations;

6. *The logic incrementalism* highlights the incremental nature of strategic decisions.

Different studies have approached the method in which the public organizations define and implement their strategic objectives in reality, thus observing a significant influence of the public sector's distinctive elements over this field. Wechleser and Backoff (1986) have identified *four types of distinctive strategies promoted by the public institutions*:

1. *The development strategy* in public institutions which have independent objectives and sources of funding; the managers have a relative independence in structuring the organization's capacities, resources and performance;

2. *The transformation strategy* in institutions which, because of the budgetary pressures and of the pressures from behalf of the external groups, modify their way of functioning from the simple management of a public institution to promoting a performant management subsumed to the customers and the community;

3. *The protection strategy* in institutions which have to deal with strong criticism from behalf of mass-media and the legislature and with the public's rising needs and possible decreases in public allocations. These institutions will strengthen their internal control, will try to reduce the organization's "public profile", to strengthen the relationship with the legislature and to protect their levels of financing;

4. *The political strategy* in institutions which try to take decisions favorable to a certain type of participants, depending on the changes brought to the groups or individuals' configuration, which could decisively influence the organization.

In order to provide a systematic and covering frame to better understand the notion of strategic management in the public sector, we need a rational pattern of strategic planning.

The strategic planning is part of the strategic ruling, and the essence the strategic planning consists in analyzing the external environment, identifying the opportunities and threats brought to the public administration and exploiting or dealing with these through decisions taken in the present.

The strategic planning influences the public administration's entire activity, being the process through which an entity defines its strategy or strategic direction. In order to create the strategic directions, the key feature is that of taking decisions regarding the resource allocation. If it aims to determine where it's headed, the organization must know exactly where it stands, where it wants to go and then, if it wants to proceed in the set direction, it must also determine how it will arrive there. The document that results from this analysis is called a strategic plan.

The making of a rational planning requires 5 steps:

1. Identifying the problem/problems that need to be solved, as well as the opportunities of the external environment;

2. Elaborating some alternative solutions or courses of action (politics, programs, plans) which will solve the identified problems or measure the identified opportunities; in this step, stating the consequences and efficiency of each and every one of these alternative solutions must be taken into account;

3. Comparing and evaluating the alternative solutions and choosing the one whose impact is the closest to the initial desired conditions;

4. Developing an action plan to implement the selected alternative, including the allocated budget, the activities' program or the necessary regulations;

5. Evaluating the action plan as it carries out.

Applying the strategic management in the public sector could create problems similar to those identified in applying the management in the public sector in general; its applicability to public organizations represents a problem debated by papers which take into consideration the strategic approach in administration:

- Setting clear objectives and aims represents an extremely difficult process in the public sector, thus the building of strategies could appear as an effort which lacks finality;

- Another danger refers to how the strategic approach will be treated as a symbolic act (Montanari, Daneke and Bracker, 1989, p. 314) without any impact at the managerial level;
- The politics-administration relationship might be another impediment for implementing strategic management in the public sector;
- The lack of information or capacity of analyzing and interpreting the information, the difficulty of setting measurable results for the public sector or the human resource's lack of a needed qualification (Hughes, 1998).

Obviously all these criticisms do not convey the hopelessness of applying in the public sector the strategic planning and management. The strategic approach must be understood at its true value, without seeing it as a miraculous remedy and without neglecting its importance: "any strategic planning process is justifiable only if it helps the decision factors to think and act in a strategic manner". The strategic planning isn't a purpose by itself, but more of a set of concepts which helps the leaders take important decisions and initiate important actions. (Bryson, 1988, p.56)

The strategic approach finds different ways of applying in the public administration, at a state-level, the existence of a *strategic planning* under the influence of the practices in force in the great industrial groups, the planning at a state-level has assimilated an increasing strategic dimension.

*The cooperation strategies* have developed, aimed at sharing between multiple entities an investment too high for a single organization to handle; these cooperations can occur both within the public sector and between the public and private sector.

*The local strategic approach* can allow the identification of a development possibility for the strategic approach within the local organizations.

## 2. Do we need strategic management in the public administration?

Starting from the question: Do we need strategic management in the public administration?, the answer is definitely affirmative. That is because the public administration from the contemporary society must take into account the impact that a dynamic, continually-changing environment can have on it, because identifying the entity's aims and objectives represents not only a managerial strategy, but also a short, medium or long-term way of survival.

Even if the strategic management will suffer important pressures when it comes to entering the public domain, its potential of changing the tradition administrative patters remains extremely high.

Even if its application won't automatically ensure success, it will certainly create an atmosphere of rationality in a public administration often too less interested in the objectives placed beyond its mere existence and perpetuation (Călin Hînțea, Cristina Mora, 2002). In order to satisfy the social needs, through the corresponding creation of new values (public services), the public administration's authorities must act according to and applying principles, methods and techniques specific to the managerial science.

Any public authority, under the formal meaning, as an organization, in its mission to create final values of public interest (service benefits, public services), depending on the situation (conditions, instruments, rules), in a perspective vision, thus strategic, approaches scenario-projects, programs, whose fulfillment happens through activities of decision, ruling and command. These will come together as one and change the old values into new and final ones, which correspond to the community's needs.

## Conclusions

It is important for the strategic management to be perceived on all of its three existent levels: *strategic, tactical and operational* (Bozeman and Straussman, 1990).

*Strategy* refers to determining the organization's missions and vision; for example, a government agency responsible for promoting regional cooperation must define the significance of this term, which are the set goals, which are the instruments of achieving these objectives and which is the cost of the required operations.

*The tactical level* refers to choosing from a package of alternatives a single way of achieving an objective, and it represents the typical activity in which the public managers are involved.

*The operational level* refers to the daily activities made by the organization in order to achieve its objectives. The most significant problems appear at the strategic level, where the public sector is more vulnerable to the external influences and pressures than the private sector.

It is also important to take risks, starting from the significant difference between the public and private sector when it comes to the tactical decisions-level. When public managers take disastrous

decisions, the organization's level of disappearance is minimum, from this point of view there is a significant pressure of accounting by law the public workers in case they commit acts considered to be illegal. On the other hand in the private sector, through the manager's disastrous decisions, there is a high risk of an imbalance to appear, which could threaten the organization's existence.

We need to understand the fact that adopting the strategic management in the public sector means much more than creating documents with strategic objectives and aims. This aspect includes a rational effort of integrating the strategic perspective on all managerial levels, in order to ensure that that certain entity functions coherently and fulfills the desired expectations.

The strategic management in public administration could be understood as being a management of change, because it comes with a know-how infusion in the traditional management, which is so reluctant to form and base changes. The public administration's new method of ruling the public, which highlights the strategic plans, objectives, aims, deadlines and results, could also be considered a tridimensional process, because it involves an analytical and rational process, which refers to the economic dimension, a socio-political process which covers the human dimension and a bureaucratic process, made by some that organization/entity's dimension.

The three dimensions could be complementary, meaning that the economical one could be the base for the social and political ones, and the both of them could be oriented towards the organizational as a guarantee of applying the strategic management.

In the public administration, change occurs especially when we talk about restructuring/reorganizing the system, a change imposed through which the entity's representatives are constrained to support the consequences of such an approach, consequences which are often negative, thus the reluctance to generate a change in the public management's system.

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