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Strategic Planning Models and Public Sector Governance

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ABSTRACT

Traditionally, the evolutionary process has catapulted "from long range planning to strategic planning in the 1960s, from strategic planning to strategic management in the 1980s and from strategic management to strategic leadership in the 1990 (Taylor, 1997). However, the planning, organizing, and strategizing that form the foundation of strategic planning must be related to the various theoretical constructs that is behind the concept of strategy (Rudd, Greenly, Beatson & Lings, 2008). Wright, Pringle & Kroll (1994) introduced the theories behind the various business strategic models by articulating that strategic management is always evolving and hinges upon a variety of theoretical frameworks. Following a critical review of seminal studies relevant to strategic management, this paper presents a framework depicting an analysis of the role of planning as an essential part of organizational strategy. It looks at the theoretical constructs that contributed to the field of strategic management. A comparison was made of the strategic planning models that were developed over the past 50 years. The paper examines the implications of the strategic model (s) to determine an appropriate framework that would be most effective in public organizations.

Keywords: **S**trategic, Planning, Models, Public Governance.

INTRODUCTION

The question "What is strategy?" has spurred numerous doctoral dissertations, countless hours of research, and hearty disagreement among serious management thinkers. Perhaps this is why many scholars and executives also struggle with the phenomenon of business strategy. Nonetheless, decision makers seeking to steer a business to sustained success need a succinct and pragmatic response. A comprehensive understanding of the meaning and use of strategy can only help persons in charge of organizational governance to have a shared definition when they are creating, communicating, and implementing a strategy for their organizations. What is a business or organizational strategy? Strategy is different from vision, mission, goals, priorities, and plans. It *is* the result of choices executives make, on where to play and how to win, to maximize long-term value.

Beard & Dess (1981) asserted that a strategy typically is a document that clearly articulates the direction a business will pursue and the steps it will take to achieve its goals. In a standard business model, the business strategy results from goals established to support the stated mission of the business. A typical business strategy is developed in three steps: analysis, integration and implementation. In the analysis step of business strategy development, one of several methods is used to analyze a firm's market, resources, challenges and opportunities. The goal of strategic analysis is to identify what an organization wants to accomplish, the strengths it can bring to bear on accomplishing the goal and weaknesses that need to be addressed prior to integration and implementation. Strategic assessment methodologies can include evaluating the business internal and external environments, developed various competitive scenarios, determining what market forces are at work and rating competitors, among others (Beard & Dess, 1981).

Shrader, Taylor & Dalton (1998), argued, however, that formulating business policy and strategic planning as a means to improving organizational performance play a key role in the competitive advantage of a business life cycle. The argument articulated by Shrader et al., (1998) collectively represents the diversified and varied strategic planning techniques that have been implemented in organizations to achieve both long term and short term goals. Taylor (1997) echoed Shrader et al., (1998) conceptualization of strategic planning when he asserted that there has been an evolutionary process of strategic planning that appeared in many guises. According to Taylor (1997), its evolutionary process has catapulted "from Long Range Planning to Strategic Planning in the 1960s, from Strategic Planning to Strategic Management in the 1980s and from Strategic Management to Strategic Leadership in the 1990s" (p. 344). However, the planning, organizing, and strategizing that form the foundation of strategic planning must be related to the various theoretical constructs that is behind the concept of strategy (Rudd, Greenly, Beatson & Lings, 2008; Shrader et al., 1998). Finally, Wright, Pringle & Kroll (1994) introduced the theories behind the various business strategic models by articulating that strategic management is always evolving and hinges upon a variety of theoretical frameworks. Following is a critical analysis and synthesis of theoretical constructs that contributed to the field of strategic management.

In an attempt to evaluate and analyze the development of the various forms of strategic constructs, Wright et al., (1994) presented the theory of evolution and argued that the evolutionary changes that occurred in strategic management have significantly influenced the paradigm in which a business operates. Also, they asserted that environmental changes, which are gradual, influenced organizational behaviors; thus effective organizations are those that developed a strategic fit and conformed even most closely to environmental requirements (Wright et al., 1994). Further, they proposed that an economic environment is one that enjoys long periods of stability punctuated by brief periods of discontinuous and revolutionary changes (Wright et al., 1994).

Similar to the theory of evolution, the industrial organizational theory emphasizes the influences of the industry environment upon the organization (Wright et al., 1994). Additionally, the theory asserted that organizations which develop a strategic fit within the industry's forces will survive and prosper; and that the firm's profitability is determined by the core competences working within the external environment (Wright et al., 1994). An analysis of the industrial theory found that the theory is deterministic by its assumption that an organization's continuity relies heavily on its ability to adapt to an industry's forces, and that an organization's strategies, resources, and competencies are reflections of the industry's environment (Porter, 2008; Wright et al., 1994).

Following the industrial organization theory, Wright et al., (1994) presented the contingency theory and argued that high financial returns are associated with organizations that focus on developing a strategic and beneficial fit within its environment. According to Wright et al., (1994), unlike the theory of evolution and industrial organization, the contingency theory sees a continuous link between an organization and its environment at different levels of strategic implementation. Further, the contingency theory asserted that organizational performance is a joint outcome of environmental elements and a firm's strategic actions (Porter, 2008; Wright et al., 1994).

In addition to the environmental changes that impacted strategic constructs in business, Tang & Thomas (1992) argued that in order to be effective, an organization can choose to become proactive by operating in industries where the opportunities and threats are similar to the organizations strengths and weaknesses. Should the forces of the industry be to turn unfavorable, the firm may choose to relocate to a more favorable location where its resources and competencies could be better utilized (Tang & Thomas, 1992). For example, Tang & Thomas (1992) articulated that a firm may choose to diversify its market portfolio by investing in advertising, but strategic choices alone are not enough to explain the ability of an organization to compete with clusters of firms in a saturated industry. Furthermore, any proactive initiatives the organization implements to differentiate itself from its competitors will depend on the ability of the firm to react to its competitor's strategic initiatives in a systematically different manner (Tang & Thomas, 1992, p. 324). Further, Grant (2001) also articulated Wright et al., (1994) conceptualization of the resource-based theory by arguing that in addition to an organization's environmental forces, the ability for the firm to develop and sustain its competitive strategic advantage depends on the firm's unique resources that complement its key variables such as capital, equipment, employees, knowledge, and information.

Next Grinyer, Al-Bazzaz, &Yasai-Ardekani (1986) argued that literature on the issues of strategic constructs can be traced to scholars such as Fiedler who developed the contingency theory. According to the contingency theory, there are many ways that strategists can organize and lead an organization, and that which works well for organizations in one environment may not work for another in a different or similar environment.

Porter's (2008) theory of competitive advantage asserted that it is imperative for an organization to take an offensive or defensive action to defend its strategic position in the industry. To support his assertion, porter (2008) presented five forces that shape an industry's competition: namely, the threat of new entry, the power of suppliers, the power of buyers, the threat of substitute products or services, and rivalry among existing competitors. Porter (2008) further argued that once an organization understands these competitive forces, it will be able to identify its root of profitability and develop a competitive framework for anticipating its competitors' strategic move in the industry. Porter (2008) confirmed Grant's (2001) argument by defining the resource-based theory of competitive advantage as the strategic fit the organization makes with its internal resources, and the way the organization implements those scarce resources in the external environment to capitalize on the abundance of opportunities.

Similarly, Schwenk (2001) presented the management by objective theory by articulating that the theory is a concept in which the general objectives for the management team is first defined and then used to compare the organizational performance against the objectives. However, Schwenk (2001) noted that the objectives must be specific, measurable, achievable, realistic, and time-related.

Further Davig, Elbert & Brown (2004) represented the theory of Balanced Scorecard and defined the model as a strategic approach that an organization can use to measure the performance of its management system and to translate its strategic vision into implementation. Davig et al., (2004) identified the four perspectives model as "financial, customer, business process, learning and growth" (p. 20).

In a similar manner, Rudd, Greenley, Beatson, & Lings (2007) defined the expectancy theory when they argued that human behavior is derived from conscious choices among alternatives with a conscious effort to maximize pleasure and minimize pain. They further asserted that the perception of behavior as it relates to work and the achievements of goals were not as easily defined as previous study would suggest. Thus, the expectancy theory is hinged on the pillows of valence, expectancy and instrumentality (Rudd et al., 2007).

Next, Berman, Wicks, Kotha & Jones' (1999) normative approach to the stakeholder theory asserted that managers' responsibilities to stakeholders are based on normative, moral commitments rather than a guise to improve their personal gain. For this purpose, a moral commitment to stakeholders should drive strategic decision making (Berman et al., 1999). Additionally, the argument by Berman et al., (1999) holds that the ultimate objective of management's decision is to enhance the organizational success or goals, and that while management is part of the company's strategy, the strategic decisions that managers make are driven by the company's stakeholders.

DeJonge (2006) conceptualized McKinsey 7-S framework theory by asserting that the theory is based on the value that management contributes to the organization: This includes the shared beliefs of the management team; the allocation of scarce resources; and the interrelation of the divisional structure within an organization which determines how well the organization is designed. Finally, DeJonge (2006) also represented the definition of the core competences theory by asserting that an organization's core competencies emanate from its ability to compete at a lower cost, and with rapid movements of its resources than that of its competitor. To effectively compete, the theoretical approach calls for continuous improvements and enhancements of the organization's corporate strategy and strategic architecture (Wright et al., 1994).

RESEARCH METHODOLOGY

A review of the literature relating to strategic decision making both in the private and public sector reveals extensive research in the field of strategic planning. The research primarily comprised quantitative and qualitative work on the extent to which organizations have adapted the research concept, seminal research, and cases studies extolling the virtues of the business philosophy, it applicability to the strategic planning concept, and discussions of the factors that facilitate or hamper the implementation of the strategic planning. Emphasis was placed on these limited writings, especially on the business model concept and on related literature in the management discipline.

First, Macmillan (1980) argued that strategic planning would be extremely effective in the formulation, legislative, executive and judicial phases of crafting business regulations in the public sector. Voters and lobbyists can use their bargaining power to articulate the impact that policies being promulgated will have on the economy. The legislatures can modify the intent of the regulation to ease the hardships that some businesses would encounter, and the executive branch can recommend adjustments to the legislation to provide specific language to make the regulation enforceable (Macmillan,1980).

Second, strategic planning models would be most effective in public organizations when used to facilitate environmental analysis. Wright et al., (1994) argued that as the environment of public organizations become more diversified, strategic planning would be more effective in formulating policies to compete within the public environment. For example, the competitive nature of the postal service requires that the U.S Postal Service change its strategy and diversify its portfolio of services in order to operate in an effective and efficient manner (Wright et al., 1994).

Third, in addition to environmental analysis, strategic planning in public organizations would be most effective in the allocation of scarce resources. In this planning model, the emphasis must be on services to clients and securing the financial resources to provide for these services. Macmillan (1980) also argued that strategic planning models would be most effective in addressing the issues and concerns of external constituencies and stakeholders. Although public organizations do not need to be concerned about hostile takeovers, foreign competition and bankruptcy, management decisions often come under heavy scrutiny given the fact that the organizations are owned by the people (Wright et al., 1994, p. 287). However, Macmillan, (1980), Wright et al., (1994), and Goldsmith (1996) argued that the rational strategic planning models of public organizations may be ignored by elected officials, not because the planning process is not effective, but the politicians must respond to their constituencies and interest groups to get re-elected.

Finally, Macmillan (1980) argued that strategic planning models would be effective in public organizations in clarifying organizations mission, goals, and objectives. Further, goals in the public sector seem to be "value-laden, often involve important tradeoff, vague, broad, and general in nature" (Wright et al., 1994, p. 298), notwithstanding the challenges that managers in the public sector organizations encounter, a well-defined strategic planning model could effectively improve the performance of public sector organizations.

THE ROLE OF PLANNING

There are many theoretical constructs that are available to scholars and practitioners to facilitate the implementation of strategic decisions. However, these theoretical models would not have any real effect or impact on the functionality of organizations without effective planning. According to Shrader, Taylor & Dalton (1984) planning is "a profile of decisions and predispositions of the dominant coalition with respect to environment, context, and structure" (p. 150). This view was articulated by Shrader et al., (1998) to differentiate between strategies that are planned from those that are merely inferred by the leadership within the organizations. Nonetheless, Rudd, et al., (2007) argued that strategic planning enables organizations to anticipate economic fluctuations and to provide the flexibility in allocating scarce resources. Further, planning provides flexibility so that an organization can generate alternative decisions when required, and can select from those decisions the best alternatives to capitalize on opportunities or threats in a given environment (Rudd et al., 2007).

Shrader et al., (1998) articulated that in order to evaluate the importance of planning to strategic business management, it would be necessary to analyze the role of planning from a systematic but orderly review in at least three areas. First, the research linking formal strategic planning to organizational performance will be examined. Second, planning will be evaluated by assessing the impact on business and corporate level strategies. Lastly, a critical review of the research delineating the role of planning to the strategic business environment will be analyzed (Shrader et al., 1998).

First, Shrader et al., (1998) and Taylor (1997) argued that there is substantive evidence to validate the fact that long-ranged formal strategic planning improves an organizational growth. Shrader et al., (1998) argued that when planning was implemented in fortune 500 firms, it revealed that the firms grow in both size and assets. It was further established that small organizations, which invested in external consulting in order to facilitate formal planning, reported a higher increase in sales than those which did not (Shrader et al., 1998). As a result, many studies have shown a connection between formal planning and organizational performance (Shrader et al., 1998).

Furthermore, Shrader et al., (1998) argued that research institutes compared firms with high-growth versus low-growth objectives, and found that the high-growth objective firms using formal planning increased their profitability and market share. It was also found that the firms that implemented long-range planners surpassed the non-planners and reported higher financial earning. Moreover, it was proven that firms that adapted a typology of operational and strategic planning were able to achieve their objectives over firms that had a non-planning methodology (Bonn & Christodoulou, 1996; Shrader et al., 1998). Bonn & Christodoulou (1996) argued that there has been a decrease in the percentage of companies using formal planning to facilitate business strategy. However, despite the decline, other studies have postulated that large manufacturing companies have reported using formalized planning for the crafting and implementing of strategies (Bonn & Christodoulou, 1996).

In addition, Rudd, et al., (2007) complemented Bonn & Christodoulou (1996) conceptualization of formal planning on strategy by using technological flexibility. According to Rudd, et al., (2007), technological flexibility is the ability of organizations to change technological infrastructure to be in alignment with the competitor's strategy. Next, planning enables an organization to conceptualize structural changes, industry trends, and to create strategic alternatives for those changes. It is also argued that organizations implementing structural changes, using a well-defined planning mechanism to facilitate strategic decisions-making, can enhance employees' performances over those firms that approach changes in an unplanned manner (Rudd, et al., (2007). The literature analyzed and crystallized the fact that formal planning contributes and correlates positively to the organizations strategic performances (Taylor, 1999).

Second, not only does formal planning positively impact an organizational growth through long-range strategies and flexibility, but it also facilitates business and corporate level strategies. Taylor (1999) argued that planning enables organizations' leaders to conceptualized structural and operational changes in business–level strategy. He noted that planning provides a framework for departments and divisions to prepare planning guidelines that would analyze and evaluate strategic decisions within the organization's internal environment. These changes include forecasting economic and market trends, stakeholder's priorities for investments, and the organization's goals, policies and objectives (Taylor, 1999).

Third, planning improves business level strategies and performance (Rudd et al., 2007; Taylor, 1999). According to Taylor, there is enough evidence from research findings and literature representing the arguments that strategic planning has enabled organizations to compete effectively through the use of business-level strategies in order to differentiate their products and services in terms of competitive strategies and performance (1999). Taylor (1999) also found that effective strategic planning explains the high increases in financial performance of large firms; and that business-level strategies were significantly related to increased profits for a selected set of manufacturing firms which implemented an effective planning process. Further, it was proven that diversification facilitated organizations towards adapting a structure that would enable managers to focus on strategic planning at the corporate level (Taylor, 1999). The argument clearly stated that a firm uses corporate level strategies to diversify an organizational business portfolio through mergers, joint-ventures, and acquisitions in order to increase its market share (Rudd et al., 2007; Taylor, 1999).

Finally, organizations also implemented planning to help create a strategic fit within its environment (Shrader et al., 1998). It has been widely agreed in organizational and planning research that strategic planning facilitates the ability for an organization to adapt to its environment. The ability to adapt enables the organization to manage uncertainty; and to establish a strategic fit between the organization's environment and its structure that would capitalize on a wide range of political and operational objectives (Shrader et al., 1998). This correlation, between organizations and their environment, demonstrates that planning creates a positive impact on the environment but it must take place within the context in which planning occurs (Shrader et al. 1998).

STRATEGIC PLANNING MODELS DEVELOPED OVER THE PAST 50 YEARS

According to Charan & Freeman (1980), a number of changes have impacted the business industry over the last fifty (50) years. Changes in both the external and internal business environments have altered the ways in which executives in organizations effectively manage businesses. The conceptualization of the business changes could be easily traced to external pressure, to develop new and innovative ways in managing shareholders' portfolios and in adapting to economic and environmental business trends (Charan & Freeman, 1980). However, Guth (1980) argued that the process of adapting to economic uncertainty and reprioritizing business objectives also requires a concurrent methodological approach to revamp the concept of strategic planning.

Additionally, Guth (1980) asserted that strategic planning models or strategic business models could be traced back to three periods in the evolutionary process of strategic planning: namely, the 1950s, early 1970s, and 1980s to present, with each period representing a different business focus. However, to critically assess and analyze each stage of development in the strategic planning process, the importance of each model will be compared and contrasted revealing the relevance of each to the organization and the individual application to the business industry (Charan & Freeman, 1980). Further, the comparative analysis will focus on the periods between the 1950s and early 1970s which could be termed the industrial periods, and the 1980s to the present which is known as the entrepreneurial era (Wright et al., 1994).

THE INDUSTRIAL ERA-1950s TO 1970s

Guth (1980) introduced the first planning model as holding relative position in high-growth product market area. Guth (1980) postulated that this strategic planning model emphasized a growth approach with a business firm which has a single product line. The concept behind this approach is that there is a demand for business products and services, and the business will use its resources to support the venture. Further, this strategy requires the ability for the firm to remain competitive in terms of implementing adequate marketing strategies. However, the weakness to this approach is that the competitor may embark on a similar strategy designed to divide the market share (Beard & Dress, 1981; Charan & Freeman, 1980; Guth, 1980; Rothschild, 1997).

In contrast to the growth strategy, Guth (1980) introduced the model of increase market share in high-growth market. This planning approach focused on enhancing the organizational performance over the life of the product by capitalizing on a dominant comparative position in relation to the firm's competitor. Unlike the growth strategy, the strength of the planning strategy is to establish the firm fully into the industry, so that new entrants may be less inclined to implement the same strategy (Guth, 1980; Rothschild, 1997).

The continuum of strategic planning was also evident by firms focusing on a model of increasing market share in mature markets (Guth, 1980). It was articulated that an organization can take a rationalized approach in order to establish cost leadership and achieve a higher profitability than its competitors. Additionally, a firm can implement a planning model with the intent to segment the market. This can be achieved by redirecting its resources in high-growth areas with a market mix which in aggregate is more strategically focused than that of its competitors (Guth, 1980; Rothschild, 1997).

In contrast to the model of increasing market share, Guth (1980) argued that strategist also emphasized the model of holding a strong position in mature foreign markets using a firm's financial resources to support penetration of multinational markets with existing product line. The objective here is to capitalize on untapped opportunities while taking moderate risk. However, organizations pursuing this planning strategy must also critically analyze the political, cultural, social and economic variables of the foreign markets. Failure to assess these various market phenomenons can be disastrous (Guth, 1980).

In comparison to holding a strong a position in mature foreign markets, Guth (1980) argued that a similar approach of holding strong positions in maturing domestic markets while using excess financial resources to penetrate the domestic market with new products is an excellent planning model. The concept of penetrating the domestic market provide the impetus for management to diversify its new products internally, or to acquire firms that already established a market niche in product and position (Beard & Dress, 1981; Charan & Freeman, 1981; Guth,1980; Rothschild, 1997).

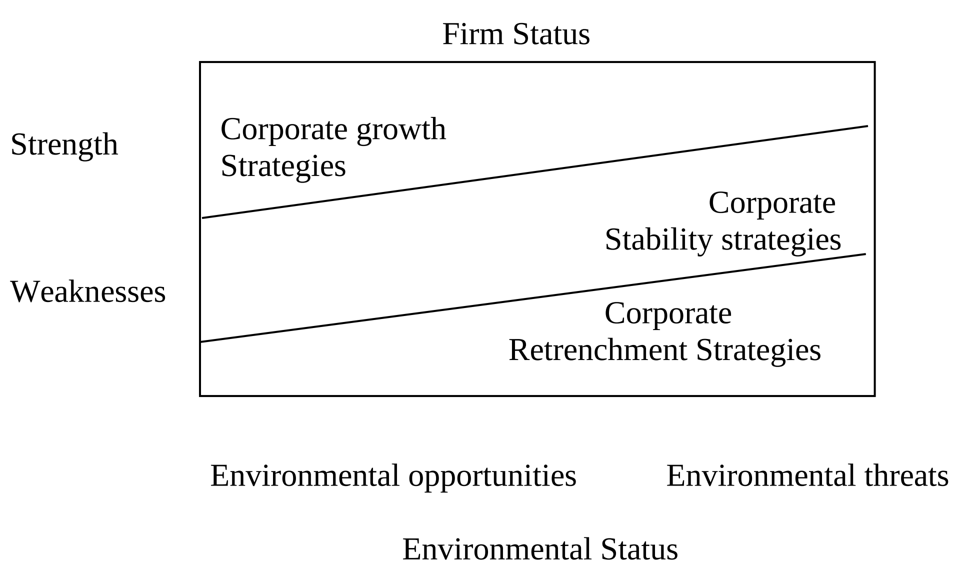
THE ENTREPRENURIAL ERA 1980s – TO PRESENT

Having analyzed the planning models that were implemented in the industrial period, it was evident that the paradigm of strategic planning warranted new methodologies to address the evolution of theoretical shift in strategic planning (Beard & Dess, 1981). Thus the 1980s saw the evolution of the entrepreneurial era with models such as corporate-level, business-level, and functional levels being the methods of choice for corporate executives (Beard & Dess, 1981). However, Wright et al., (1994), and Fred (2005) stated that any planning model that an organization is contemplating to implement should start with the SWOT analysis and the Balanced Scorecard. According to Fred (2005), while the SWOT analysis is ideal for evaluating the organization's internal and external environments, the Balanced Scorecard focuses on assessing the financial capabilities of the organization.

First, Beard & Dess (1981) argued that corporate level strategy focuses on the makeup of an industry in which the organization is contemplating entering into or is already doing business. Having analyzed the firm's opportunities and threats in the external environments, the organization can then deploy its resources to effectively compete with the firms in the portfolio of industries (Beard & Dess, 1981). Wright et al., (1994) complemented Beard & Dess's (1981) argument and expressed that the organization can then choose from a portfolio of strategic planning models such as "growth strategies, stability strategies, retrenchment strategies, and combination strategies" to implement and maximize the organization's resources (p. 82).

Figure 1. Depicts an ideal strategic planning framework using the SWOT analysis.

"S.W.O.T. Analysis" framework (Wright et al., 1994, p. 82)



According to Wright et al., (1994), figure 1 depicts the strategic planning framework using SWOT analysis to evaluate and analyze the firm's industry. They argued that when an organization has an abundance of strengths and available resources, the corporate growth strategy is an ideal approach. On the other hand, when the organization is lacking the necessary resources in which to compete, the management focus should be on a stabilization strategy given the reduction in the environmental opportunities (Wright et al., 1994). In contrast to the argument purported by Wright et al., (1994), Beard & Dess (1981) argued that when a firm does not possess the requisite strengths, but rather has more weaknesses operating in a threatening environment, the firm should implement a retrenchment strategy. However, comparing the strengths and weaknesses of the available planning methodologies, the organization can implement a combination strategy in an industry where it is operating with a diversified set of business portfolios (Beard & Dess, 1981).

In contrast to the corporate strategic models that emerge in the 1980s, Beard & Dess (1981) and Betz (2002) articulated that the business unit strategic models also played a pivotal role in altering the way organizations conduct businesses. The focus of management in this planning approach is to develop a variation of organizational subsystems based on unique sets of characteristics of each unit that include a market niche; an analysis of its competitive forces; and a mission that is conceptualized differently from the other subsystems in the organization (Beard & Dess, 1981; Hambrick, 1980; Wright et al., 1994).

Wright et al., (1994) argued that the three strategic planning models appropriate for business units are "the niche-low cost, niche-differentiation, and the niche-low cost differentiation strategies" (p. 126). First, organizations concentrating on a niche-low cost planning model must place emphasis on keeping overall business costs low, while providing services to a specific market segment. The strategy here is to stabilize output in order to avoid increasing costs (Wright et al., 1994). On the contrary, the niche-differentiation strategy seeks to provide highly differentiated products and services to a selected and specialized group of customers that has specific needs; thus, cost reduction is not a factor (Beard & Dess, 1981; Wright et al., 1994). On the other hand, the niche-low cost / differentiation strategy takes a similar approach in planning as the niche-differentiation strategy, by providing a highly differentiated, need-product or service for specific market niches with a selected group of customers (Beard & Dess, 1981; Guth, 1980; Wright et al., 1994).

Finally, Beard & Dress (1981) asserted that when compared to the business unit level strategies, the functional planning model is interrelated and should not be viewed in isolation. Wright et al., (1994) support Guth's (1980) assertion by articulating that the functional models can be classified as the purchasing, production, operations, finance, research and development, human services, information systems and marketing that takes place on a daily and ongoing basis in the organization. Rothchild (1997) explained the concept of strategic planning when he argued that strategic planning is an invaluable tool to organizations that would aid in managing corporate, business and functional strategies. However, like the "management by objectives, long-range planning, and participative management models", strategic planning could be considered a practice of the past unless management commits to implementing the tool to enhance organizational performance (p. 12).

STRAGETIC PLANNING MODELS IN PUBLIC ORGANIZATIONS

According to David (2005), public sector organizations do not implement business strategic planning as their counterpart in the private sector. There are more restrictions in strategic policies that prevent governmental agencies from diversifying into unrelated businesses or merge with other firms (David, 2005). However, Wright et al., (1994) argued that corporate and business unit strategies are basically the same in not-for-profit and public sector organizations. Additionally, the functional strategies that can be easily implemented in the private sector are heavily constrained by rules governing such functions as purchasing, personnel, and marketing in public organizations (Wright et al., 1994).

Nonetheless, an analysis of the contributions that strategic planning models make to private organizations indicates that strategic planning would be effective in public organizations when the models are implemented for improving public policy making through three phases: namely, in the formulating of public policies; in analyzing external environmental factors; and in aligning the mission, goals and objectives within public organizations.

DISCUSSION AND OVERALL CONCLUSION

The research findings as outlined in the paper have direct managerial implication. First, having analyzed and synthesized the preponderance of arguments in support of the theory of strategic planning presented by scholars and practitioners in the field of business and public administration, one can conclude that strategic planning models contribute tremendously to the development of business knowledge. The various theoretical constructs and philosophies, that enable strategists to conceptualize the various phenomenons behind the concept of strategy, were relevant in analyzing the role of planning as an essential part of organizational strategy. From the analysis, it was evident that strategic planning has evolved over the last 50 years, and will continue to change both in its application and its effectiveness to strategic decision making. Additionally, although there seem to be a difference in strategic planning orientation in the public sector as appose to the private sector; research found that when strategic planning models are effectively implemented in public sector organizations; the models can effectively enhance public organizations' performances (Beard & Dess, 1981; Guth, 1980; Wright et al., 1994). This fining is important to organizational managers and may continue to add to the body of knowledge that already exists.

Second, the findings suggest that strategic management has a desirable impact on organizational effectiveness. The research clearly delineated the factors that can be expected to foster environment changes, including unexpected events in economics, social issues, war or the threat of war which are largely controlled by managers and therefore can be altered by them to improve organizational strategic planning process. Third, resistance by enterprise people can also be a negative conduit to change. The old way of doing things, old policies, old strategies, and operating processes and procedures may be so entrenched that it is difficult to change them. Further, strategic planning is challenging. It is hard work, expensive, and the desired results may take years to come about. Formal strategic planning is not designed to get an enterprise out of current difficulties. But a strategic planning process that has considered alternative scenarios, both positive and negative, will help to reduce the effects of operational difficulties (Bonn & Christodoulou (1996). Strategic planning is hard work. It requires imagination, innovation, analytical ability, creativity, and the resolution to evaluate, choose, and design implementation strategies for organization products, services, and processes likely to be relevant several years into the future. Strategic plans are commitments made in the present for alternative choices for the often distant future. Betz (2002) puts it best when he asserted that a strategic plan should be a "living document" not allowed to become fixed for the future, but be a plan whose implementation is likely to come about assuming that environmental factors remain relatively constant.

Finally, following a critical review of the literature relevant to strategic management, this paper presents a framework depicting an analysis of the role of planning as an essential part of organizational strategy. It looks at the theoretical constructs that contributed to the field of strategic management. A comparison was made of the strategic planning models that were developed over the past 50 years. The paper examines the implications of the strategic model (s) to determine an appropriate framework that would be most effective in public organizations. The objective of this research was to present a comprehensive view of the changing implications of strategic management, what strategic management is, and its likely consequences on public sector organizations.

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