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Strategic Management and Public Service Performance: The Way Ahead

Part IV: The Future of Strategic Management

Strategic management is now prominent on the agenda of public administration scholars and practitioners. In this review, the authors outline why approaches based on strategy are suited to public agencies, noting the ways in which strategy varies across public organizations, seeks to match internal capacities to organizational environments, and shapes the impact of external and internal constraints on performance. Empirical evidence on the impact of strategy on performance is placed under the microscope, and while there are many positive relationships, the evidence base is limited in terms of its scope, data, methods, measures, and coverage. The authors trace out what needs to be done to move the field forward, noting in particular that theoretical enrichment, empirical variety, and explanations of causal complexity are likely to come from a synthesis of models of strategy and publicness.

One of the most important functions of public organizations is to provide services that meet the expectations of citizens and that are efficient, effective, and equitable. In other words, public organizations are expected to achieve high standards on a variety of dimensions of performance. We see no sign that this expectation will diminish by 2020: the main elements of the New Public Management reform movement are still in full swing, and the emphasis on performance indicators, performance management, and consumer responsiveness remains high on the policy agenda of most nations.

The performance of public organizations is influenced by many variables (Boyne 2003). Some of these are largely outside the control of public managers, at least in the medium term. These include the resources allocated by higher levels of government, the size and characteristics of client populations, the political ideology of national and subnational governments, and

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the level of support provided by political principals. Some internal characteristics, too, may be largely inherited from the past and serve as constraints on contemporary public managers. These include the age composition of the workforce and the prevailing organizational culture, which is widely regarded as difficult to change (Ashworth 2010). In seeking higher performance, then, it is especially important to focus on organizational characteristics that senior and middle managers can actually influence and shift in more positive directions.

In this paper, we review arguments and evidence on one such characteristic: the strategy that organizations adopt to pursue their objectives. We identify the strategies that seem, on the basis of the available evidence, to be most effective, and set out an agenda for research that would be helpful to public managers in steering their organizations toward better performance. It is important to emphasize that we do not see research on strategy as likely to produce a "magic bullet" that will unerringly hit the target of high performance. Nevertheless, we believe that valid and comprehensive theories and evidence can illuminate which strategies are likely to work best under which circumstances.

Why Does Strategy Matter?

Strategy in the private sector is often viewed as a way of defeating rivals in competitive markets. In the

public sector, strategy is more appropriately conceptualized as a means by which organizations can improve their performance and provide better services. It has been widely argued that strategic discretion is more limited in the public than in the private sector (Boyne 2002; Perry and Rainey 1988; Ring and Perry 1985). For example, public organizations cannot easily switch into new

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markets, or quit a geographic location because it is inimical to good performance. Similarly, although public organizations often have monopoly powers and may be subject to only weak market pressures, their discretion is limited by political, legal, and regulatory constraints. Nevertheless, a range of strategic options is available in the public sector, including product and process innovations such as the provision of new services, coverage of new client groups, and delivery of services "in house" or in collaboration with others (Boyne and Walker 2004). Thus, the concept of strategy is applicable in the public as well as the private sector.

A long and rich tradition of research has examined the links between strategy and the commercial success of private firms (Mintzberg, Ahlstrand, and Lampel 1998). By contrast, far less attention has been paid to the impact of strategy on performance in the public sector. Does it make any difference whether an organization seeks to achieve its objectives by continually searching for new arrangements for service delivery, by sticking with its tried and tested arrangements, or by waiting for instructions from higher levels of government? These different approaches to the political, physical, and socioeconomic environment are an organization's "strategy content," and they are captured clearly in Miles and Snow's (1978) classic typology of strategies. This typology was derived inductively from a range of organizations (including hospitals), and unlike other strategy typologies in the generic management literature, it is explicitly intended to cover not only private firms but also public agencies and not-for-profit organizations.

The Miles and Snow typology is based on some simple but incisive questions about organizational strategy. Does an organization actively seek out new opportunities for providing existing services and innovations in the types of service that are provided? Miles and Snow describe this type of organization as a "prospector." Does an organization instead concentrate its efforts on procedures rather than products, and seek to maintain a stable portfolio of services that are delivered reliably and at low cost? Miles and Snow characterize such organizations as "defenders." Or does an organization have no real strategy of its own, but instead take its cues from powerful actors in its environment, such as higher levels of government or regulatory agencies. Miles and Snow describe such organizations as "reactors." Thus, the Miles and Snow framework covers the three main options that are open to a public organization that is seeking to meet the expectations of its many stakeholders: search for something new, stick with the existing pattern of services, or await instructions. Strategy content in the public sector has also been interpreted as "a pattern of action through which [organizations] propose to achieve desired goals, modify current circumstances and/or realize latent opportunities" (Rubin 1988, 88), or "the services to be offered, the ways they are provided, and the kinds of resources needed" (Joldersma and Winter 2002, 87).

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that the presence of a clear and coherent strategy is better than the *absence* of an identifiable strategic orientation (Inkpen and Choudhury 1995). This positive view of organizational strategy is also present in the public management literature. For example, according to Poister and Streib, "effective public administration in the age of results-oriented management requires public agencies to develop a capacity for strategic management, the central management process that integrates all major activities and functions and directs them toward advancing an organization's strategic agenda" (1999, 308). Yet the view that an identifiable strategy is necessary for good performance is based on a number of assumptions, and it is important to make these explicit.

The first assumption that underpins the argument that strategy matters is that performance is not completely determined by the technical and institutional environments and by internal organizational characteristics such as structures and processes. Many studies in the private sector have shown that scope is left for the strategies that are adopted by organizations to influence their achievements (Bowman and Helfat 2001). The impact of strategy may either sit alongside environmental and organizational variables as a separate contributor to performance, or it may moderate external and internal variables by either strengthening or weakening their effects. In either case, even after environmental and organizational constraints are taken into account, sufficient space remains for strategy to leave an imprint on organizational effectiveness. The low to moderate levels of statistical explanation in studies of public service performance that include only environmental and organizational variables provide indirect support for this assumption (Boyne 2003).

A second assumption concerns the existence of causal mechanisms that link strategy to performance. One such mechanism may be the pure symbolism of a strategy that is recognizable to internal and external stakeholders. A strategy that is linked to identifiable goals for performance improvement may help generate support from managers and frontline staff (Rainey 2003). Beyond this, strategies that are viewed as legitimate by powerful groups in the institutional environment are likely to lead to greater financial and political support for an organization, and thereby lead to better service performance. Thus, internal and external political forces are likely to explain part of the link between strategy and performance. In addition, strategies have technical characteristics that can help deliver better results. For example, organizations with explicit strategies may spend more time researching client needs and evaluating different ways to meet these needs effectively. They may also be benchmarking their internal procedures against those used by other organizations, and seeking to align their strategy, structures, and processes in ways that boost performance. Thus, the adoption of a specific strategy is likely to have a range of primary and secondary effects that have consequences for performance.

A final important assumption is that strategic management actually varies across public organizations. Performance differences cannot be attributed to strategy differences if all organizations have the same orientation

toward their environment. Evidence of variations in strategy is provided by several studies of public organizations. For example, Greenwood (1987) finds differences in the extent of prospecting, defending, and reacting across English local governments. Similar strategy variations are present across U.S. local governments (Stevens and McGowan 1983) and public agencies in Ohio (Wechsler and Backoff 1986). Such evidence implies that, at some juncture, organizations may have made *choices* to pursue strategies of prospecting, defending, or reacting. As Bourgeois argues, “the top management or dominant coalition always retain a certain amount of discretion to choose courses of action that serve to coalign the organization’s resources with its environmental opportunities, and to serve the values and preferences of management” (1984, 591).

In sum, we assume that strategic management is important because it varies across public organizations, and is not simply a trivial or redundant category once the impact of environmental and organizational variables is taken into account. Indeed, strategy shapes the impact of external and internal constraints on performance, and is, in theory, both directly and indirectly linked to performance. We now turn to evidence on the impact of strategy in practice.

Strategy and Performance: What Do We Know?

Empirical studies of strategy and performance in the public sector have drawn on the Miles and Snow (1978) model, and developed and tested their hypotheses that different strategies have different effects. Table 1 provides a summary of the evidence on these hypotheses. It lists the units of analysis, the sample size, and the dimensions of performance used for the dependent variable, together with whether the study includes internal and external control variables. The former includes characteristics of the organizations (e.g., internal structures and processes), and the latter includes features of their

environment (e.g., levels of resource munificence and the complexity and uncertainty of client needs).

The measures of strategy in the empirical studies are derived from responses by managers to survey questions that tap the central components of the Miles and Snow typology. For example, Andrews, Boyne, and Walker (2006) use single items to capture prospecting (“the service is at the forefront of innovative approaches”), defending (“focusing on core business is a major part of our approach”), and reacting (“pressures from auditors and inspectors are important in driving performance improvement”). Other studies (e.g., those on Welsh local governments, such as Andrews et al. 2009b) have used multiple items to measure prospecting, defending, and reacting.

It is important to note that the organizations in these studies are not assigned exclusively to a single strategic category. Rather, following the arguments of Boyne and Walker (2004) that all organizations are likely to pursue a mix of strategies, the strategy measures reflect the extent to which survey respondents agree that their organization can be characterized as prospecting, defending, and reacting. In addition, it should be noted that the survey measures in the studies of English and Welsh local governments were complemented by extensive interview programs that sought to explore further the nature of the strategies in operation and their links to performance (see, e.g., Andrews, Boyne, Law, and Walker 2008, for this combination of quantitative and qualitative methods). In the table, we summarize the independent effects of the strategy measures; interactive and mediated relationships are discussed later.

The authors selected the articles from their knowledge of the field, and complemented this with a Google Scholar and Web of Science search (strateg*, perform*, effective*, etc.). The results were

Table 1 Empirical Tests on Miles and Snow’s Typology of Public Service Performance

Study	Organizations/Sample Size	Dimension of Performance	N (tests)	Percentage of Tests			Controls
				Support	NS	Reject	
Andrews et al. (2005)	80 English local governments	Scorecard, consumer satisfaction	3	66	33	0	External
Andrews, Boyne, and Walker (2006)	119 English local governments	Scorecard	4	75	25	0	External
Meier et al. (2007)	3,041 Texas school districts	School exam results, attendance, dropout	30	17	70	13	Internal
Andrews, Boyne, Law et al. (2008)	51 Welsh local governments	Basket of performance indicators	8	25	75	0	Both
Enticott and Walker (2008)	72 English local governments	Scorecard	4	25	75	0	Both
Andrews et al. (2009a)	396 English local governments	Sustainable performance Scorecard	4	25	75	0	Both
Andrews et al. (2009b)	47 Welsh local governments	Basket of performance indicators	4	75	0	25	Both
Walker et al. (2010)	101 English local governments	Scorecard	12	25	42	33	External
Meier et al. (2010)	3,041 Texas school districts	School exam results	6	33	50	1	Internal

Scorecard: Core service performance score, an organizational-wide measure of performance that includes performance indicators, the results of inspection visits, and assessment of formal plans.

Consumer satisfaction: An audited Best Value Performance Indicator that measures the “percentage of citizens satisfied with the overall service provided by their authority.”

Basket of performance indicators: Audited indicators of performance standardized across different service areas.

Sustainable performance: Respondent assessment of which quartile a local authority resided in, in terms of “promoting the social, economic and environmental well-being of local people.”



combined and synthesized by examining the percentage of statistical tests that support the Miles and Snow hypotheses that prospecting and defending are positively associated with performance, and that reacting is negatively associated with performance.¹ To count as support for the hypothesis, two conditions must be satisfied. First, the relationship between strategy and performance must be in the direction predicted by Miles and Snow. Second, they must be statistically significant, that is, greater than would be likely to arise by chance alone (at the .05 significance level). The total number of tests ranged from 3 to 30.

The aggregate support score can be calculated in one of two ways (Rosenthal 1991). First, the support score for each study can be treated equally, regardless of whether it contains one or several thousand tests. This *unweighted* support score has the advantage that studies that conduct a large number of tests on the same data set are not given undue importance. Second, the support score for each study can be *weighted* by the number of tests in that study, thereby attaching equal weight to each test rather than each study. This approach does not give disproportionate influence to studies with a small number of tests. The “real” level of support for the strategy–performance hypothesis probably lies between the weighted and unweighted figures.

The unweighted supports are 45 percent for positive relationships that support the Miles and Snow thesis, 47 percent for nonsignificant, and 8 percent for negative relationships that contradict their arguments. The weighted scores are 31 percent, 56 percent, and 13 percent for positive, nonsignificant, and negative relationships, respectively. These findings would, therefore, imply that relationships between strategy and performance are most likely to be insignificant, followed closely by positive relationships, but that they are least likely to be negative relationships. The most typical finding is that prospecting is associated with higher levels of public service performance (see Andrews et al. 2005; Andrews, Boyne, and Walker 2006; Andrews et al. 2009b; Enticott and Walker 2008) and that reacting is harmful to organizational effectiveness (see Andrews et al. 2008; Andrews, Boyne, and Walker 2006; though note Meier et al. 2007, 2010, for exceptions). The most variation is found in the results for defending—different controls and different contexts lead to statistically significant relationships that support the notion that defending is a force for good (Andrews et al. 2009a; Meier et al. 2007), but also that defending is the worst strategy to adopt (Walker et al. 2010).

Subject to the limitations of the studies conducted to date, there are clear grains of truth in the notion that strategy matters for performance in public organizations. These quantitative findings are supported by Boschken’s (1988) detailed case studies of U.S. Pacific Rim seaports. Though comparable to the results here, he did not uncover crisp relationships between strategic stances, as one of the two defenders in his study had very similar performance to that of the reactor. Zajac and Shortell’s (1989) study of U.S. hospitals, which included a number of public organizations, concluded that prospectors outperformed defenders in changing environmental circumstances.

A number of studies have examined multiple contingencies postulated by Miles and Snow or focused on variables including

regulation, representative bureaucracy, and structure. We briefly discuss the findings of the latter studies prior to those that examine the whole Miles and Snow framework. The purpose of oversight or regulation is to place checks and balances within a system of service delivery. However, many questions posed about regulation are concerned with the extent to which it assists with or damages attempts to maintain and raise the standards of public service performance. Andrews, Boyne, Law et al. (2008) hypothesize that the process of inspecting services (measured by the number of annual inspection interventions over two years) weakens the relationship between organizational strategy and performance, and that supportive regulation (as perceived by local government civil servants) has a positive impact on the already beneficial relationship between strategy and performance. They find that inspection damages performance for prospectors and reactors, while regulatory support enhances performance, but that neither interaction is significant for defending.

In a study of Welsh local governments Andrews et al. (2009a) test the notion presented by Miles and Snow (1978) that strategy’s impact on performance will be greatest when external and internal factors are in alignment, and they focus on the effects of centralization, as measured by the hierarchy of authority and participation in decision making, on performance. The findings point toward the veracity of the Miles and Snow framework: centralization in decision making works best in conjunction with defending, while organizations that emphasize prospecting are better performers when their structures allow for decentralized decision making. In a similar vein, Walker and Brewer (2009) examine whether strategy can mitigate the negative effects of red tape. They demonstrate that a strategy of prospecting can offset the detrimental impacts of red tape, but that in organizations with a reacting stance, the presence of red tape worsens performance. The interaction between red tape and defending neither assists nor detracts from performance outcomes. Finally, in their study of representative bureaucracy, Andrews et al. (2005) show that local authorities with high workforce diversity are perceived as having lower performance, as measured by citizen satisfaction. This negative effect, however, is absent in organizations that have a high propensity toward prospecting.

Two studies have sought to test in a more comprehensive manner the contingent nature of the strategy–performance relationships advanced by Miles and Snow. The central proposition of the literature goes beyond a consideration of independent or joint effects, and argues that an organization needs to align its strategy with the organization’s many internal characteristics and the external environment to enhance organizational performance. This framework of multiple contingencies is central to Miles and Snow’s (1978) characterization of strategy, and from this perspective, research that examines strategy in isolation is based on misspecified models. Organizations have to find appropriate relationships between the “entrepreneurial” problem (which strategy to adopt), the “engineering” problem (which technologies to use), and the “administrative” problem (which processes and structures to select). By their nature, prospectors are more focused on entrepreneurial questions and examine the services they deliver with a view toward innovation; defenders place emphasis on core services and efficiency, and focus on engineering problems; reactors respond to these issues in uncertain and inconsistent ways and have no predictable alignment of external

constraints and internal characteristics (Miles and Snow 1978; see also Conant, Mokwa, and Varadarajan 1990).

Andrews et al. (2008) used the English local government data set to test the fully specified Miles and Snow model using four years of data across 396 local governments. In Meier et al. (2010), the focus is on interactive relationships between strategy, structure, and the environment among school districts in Texas. To model the complex relationships between these variables, the authors examine multiple interactions between the sets of variables. In the English study, they commence with two-way interactions (e.g., prospecting × decentralization, prospecting × incremental processes and prospecting × uncertainty) and then move to three- and finally four-way interactions (e.g., prospecting × decentralization × incremental processes × uncertainty). Only the inclusion of the two-way interactions offers additional explanatory power to the model, but as few as three statistically significant relationships are identified. The findings were similar in the Texas schools study, and offer little support for the contingencies postulated by Miles and Snow. As we argue later, further contingencies need to be taken into account in the public sector, not least the extent of publicness itself and the distinctive national and institutional constraints on the effectiveness of different strategies.

A number of things are clear from our analysis: the pool of articles on which we have to draw conclusions is limited, it is drawn from a small number of data sets (two in the United Kingdom and one in the United States), the range of dependent variables used is narrow, and the measurement of strategy and other organizational characteristics needs improvement. Having said this, we feel safe suggesting that strategy content is clearly an important variable that influences performance. Typically, a strategy of prospecting will be associated with higher levels of organizational performance, and in many cases, this approach will trump defending and reacting, though these findings do not hold up in all contexts. Moreover, prospecting is the stance best able to overcome performance obstacles associated with regulation and red tape.

Strategy and Performance: What Do We Need to Know?

The existing evidence provides preliminary clues about the strategies that are, on average, more likely to lead to better performance, and the circumstances under which they are most effective. However, the theoretical and empirical foundations of our knowledge on strategy in the public sector are very thin. Studies of strategic management and performance require substantial development over the next decade: this will require more theory, more data and more empirical evidence from a variety of locations.

Boyne and Walker (2004) were critical of the research efforts to date among public management scholars to theorize strategy content. Their review of this literature brought them to the Miles and Snow typology, and the trajectory of that work is reviewed earlier. One important change is to move away from treating strategy categorically (see Conant, Mokwa, and Varadarajan 1990), to view strategy as a continuous variable. Given this, organizations can be a mix of a prospector, defender, and reactor. As we have shown, this view has now been subjected to some systematic evaluation;

however, new theory is required to push the field forward. We propose that future work should not only conceive of strategy as a continuous variable, but also place public agencies along Bozeman's (1987) publicness continua. Publicness includes ownership (from public to private via not-for-profits), funding (government versus private resources), and control (from political to economic). As organizations vary along these dimensions, so might the degree to which different strategies are effective. This implies a new set of theoretical and empirical contingencies: the impact of prospecting, defending, or reacting may depend on the mix of public and private ownership, the sources of funding, and the balance between political and economic control. For example, in environments with less public funding and lower degrees of political control, prospecting may be a logical choice for public organizations. Alternatively, reacting may pay dividends in extremely public environments when, as proponents of sharp public-private differences contend, public organizations are inert, tightly controlled by higher levels of political authority, and completely reliant on state funding (Ring and Perry 1985). Further theoretical work is required to explore these ideas, and empirical research is needed to put them to the test. This will require careful measurement of the different dimensions of publicness. To date, most studies have measured only ownership, and even then, they have used a simple public/private dichotomy that does not reflect differences in the extent of public ownership (Boyne 2002). Although measures of reliance on state funding may be fairly straightforward to add (e.g., percentage of total revenues from governmental sources), measures of political control are likely to be more difficult to construct. This would require different forms of control (such as audit, inspection, regulatory oversight, reporting requirements, political intervention) to be measured and aggregated (Ashworth, Boyne, and Walker 2002).

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Theorization of the impact of publicness on the impact of different strategies should be accompanied by comparative empirical studies between different types of institutions. For example, how does strategy compare in garbage collection (more private) and hospitals (more public in the United Kingdom and becoming more public in the United States), or central and local governments. It is also likely that this relationship will also be contingent on policy goals and tasks. It is possible that complex organizations with a multitude of goals have differing relationships to strategy than those with a focused purpose: note, for example, the findings in Texas school districts, where defending is the more likely route to successfully passing pupils through the core examinations than prospecting as a route to higher performance in multipurpose English local governments.

It is likely that a number of internal organizational variables, beyond the Miles and Snow focus on structures and processes, will turn out to be important, such as the degree of professionalization, specialization, and formalization. In addition to a focus on internal characteristics, the external environment is critical when researching the strategy-performance hypothesis. Again, this goes beyond the emphasis in the Miles and Snow model on the micro-environment of each organization. Public organizations in many parts of the world are experiencing rapidly changing environments following the global economic crisis of the late 2000s, and shocks to the system

as a result of natural disasters or from large-scale movements of population (such as immigration patterns in Europe following the inclusion of new member countries in 2005). These large external changes are likely to have consequences for the effects of different strategies.

If we take the example of the economic recession, a number of publicness patterns can be identified. National governments have underwritten or taken into public ownership private banks. This has exposed them to greater privateness—more private resources flowing through their systems and an increase in economic authority. At the same time, the loans that governments have taken to shore up their financial systems have resulted in long-term austerity programs to meet debt repayments, and a large reduction in the resources available to support and deliver public services. Our knowledge base thus far suggests that organizations that are outward looking and have a prospector orientation are likely to be successful in an environment of fiscal largesse. By contrast, organizations with expertise in defending may be better placed to cope with cuts, achieve efficiency savings, and protect services in an era of retrenchment.

This example raises a related issue: strategy change. Alternative environmental conditions are argued to be associated with different strategic stances. While strategy is enduring, change in the organizational context is likely to result in a rebalancing of strategic priorities and stances as organizations seek to match their internal capabilities to the external environment. Evidence from the generic management literature indicates that such changes do indeed take place, but that the process is not a smooth and simple one because organizations are required to learn new routines and develop alternative capacities (Zajac and Shortell 1989). In addition, strategic change in the public sector is likely to require the support of political principals. For example, if elected politicians see the appropriate response to fiscal crisis as retrenchment, then they may favor a switch from prospecting to defending. If, on the other hand, political principals see innovation as a route to more efficiency and cost-effectiveness, then a change of strategy toward prospecting may be easier to pursue. Knowledge on the extent of change in strategic priorities and the capabilities necessary to achieve this while maintaining or improving performance in public agencies would be insightful and take forward our understanding of the behavior of public organizations in important ways.

Some of the more noticeable differences between the results we report here arise across different national contexts. For example, in the Texas school districts, we see limited performance effects from prospecting, in contrast to both England and Wales, where this is typically the most rewarding strategy. These results highlight the need to clearly consider national contexts. As Walker, Boyne, and Brewer (2010) note, most of our knowledge on performance comes from the two locations reviewed here—the United Kingdom and the United States. In highly centralized political systems, such as those in China or Vietnam, where politics and administration are conflated and a variety of mechanisms are put in place to control subordinate levels in the hierarchy, whether within or between levels of government, it might be that a reactor strategy pays dividends. This is because being in tune

with the needs of the next level of the organizational hierarchy is critical when their assessment of performance matters most.

In generic management research, attention has been paid to the measurement of organizational strategy (Conant, Mokwa, and Varadarajan 1990; Snow and Hambrick 1980). Initial work on the measurement of strategic stances adopted a “paragraphing” approach, in which respondents selected a description of strategy that best reflected their organization (see Greenwood 1987 for a public sector example). Conant, Mokwa, and Varadarajan (1990) moved on this debate by designing scales that capture strategy stance across the entrepreneurial, engineering, and administrative problems that organizations face. Rather than letting strategy vary within an organization, they introduce a decision rule that reverts measurement of strategy back to a categorical variable (also see DeSarbo et al. 2005). The work of Boyne and Walker and associates has argued that strategy varies and as such it requires measurement on each dimension. (It is interesting to note that the correlation between prospecting and defending is positive but low [$r = .17$], while it is negative and stronger for prospecting and defending and reacting [$r = -.47$ and $r = -.33$, respectively] in the Welsh data set; see Andrews et al. 2009c.) While we maintain that strategy is a continuous variable, research is required that more fully unpacks ways in which strategy is identified and classified.

To unpack this question, it would be necessary to survey managers at multiple levels in organizations asking for responses to categorical and continuous questions (based on index measures and single items) that have been used in prior studies (notably, Conant, Mokwa, and Varadarajan 1990; Greenwood 1987). Analysis of this data would focus on similarities in respondents’ categorization of strategy based on the use of categorical and continuous variables and include intraorganizational analysis of the identification of strategy based upon elite and multiple informant surveys (Enticott, Boyne, and Walker 2009). Such analysis should also extend to properly specified multivariate models, with performance as the dependent variable, to ascertain which approach to measurement is the most reliable and valid. Measurement theory would have it that continuous index measures are superior. However, it could be that the complexity of organizational life and behavior could be captured by a number of single item measures that would be more efficient to collect and result in higher response rates.

While measurement of strategy is clearly important, the measurement issue that most urgently needs attention is the dependent variable: organizational performance. In particular, it is frequently argued that public managers trade different dimensions of performance when setting and implementing strategies. At some points, such as those experienced during the latter half of the first decade of the twenty-first century, efficiency is traded at the expense of effectiveness and equity. Given the array of different dimensions of performance that public organizations produce (including quality, quantity, value for money, responsiveness, accountability, probity, etc.), trade-offs are a daily occurrence. Returning to the Miles and Snow typology, important research could be conducted on the relationship between different strategic stances and different dimensions of performance. It could

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be hypothesized that defenders are particularly adept at achieving efficient and effective outcomes, given their focus on the core activities of public agencies. Prospectors may fare well at responsiveness, through scanning of the external environment and developing process and service innovations. Reactors may succeed at responsiveness of a particular type: to political superiors in highly centralized systems of government. However, testing such propositions will require measures of a variety of dimensions of performance in the same empirical study.

None of the ideas discussed in this article can be tested without data sets. Such data sets would need to be longitudinal and of a sufficiently high quality and have a high enough *N* to permit the type of analysis necessary to explore these issues in a variety of national, institutional, and service contexts. The availability of better data grows year on year, and standards of public administration scholarship rise, pushing forward the demand for better data. Data sets that provide information on performance have, to date, typically come from advanced capitalist democracies—countries with expectations about accountability and the desire to systematically evaluate the effectiveness of public management programs. Survey data on public managers' attitudes and behaviors is becoming prevalent (see, e.g., the growing number of studies reporting findings from Columbia, South Korea, and Taiwan), but lacks performance data. However, in many cases, it is unlikely data will be readily available because politics and administration are conflated (as in the case of China) or because human needs are sufficiently basic that such work would not be a priority. While progress can be made on theory and measurement with data sets from some localities, it is unlikely that these questions will be comprehensively explored on the global scale by 2020.

Conclusion

We commenced this paper by arguing that strategic management is an essential tool to lift levels of organizational performance because strategy seeks to match organizations' internal capacities with their external environment. Our review of the evidence indicates that some small steps have been taken on a long journey, but that further steps should be taken by clearly theorizing the relationship between strategy and publicness, and by being cognizant of national context. Quite simply, knowledge on the impact of different strategies used by local governments in England, Wales, and Texas is hardly sufficient for global conclusions for theory and practice on strategic management in the public sector. We hope that by 2020, academics and practitioners have acquired much more comprehensive knowledge on which strategies work best in a much wider variety of circumstances. We strongly believe that this is an important journey, and while we have mapped out some of the future terrain that has to be navigated, we urge others to join us in contributing to the success of this endeavor.

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Notes

1. No such hypotheses were presented in Andrews et al. (2005) or Meier et al. (2007, 2010). These papers were judged on positive relationships between prospecting and defending and performance and a negative relationship for reacting.

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