Is Flexibility in Strategy the Key to Performance?

Kim Salkeld
Hong Kong Special Administrative Region Government, China

The conventions of academic writing often construct a barrier across the path of practitioners of the art of providing public services. Faced with the daily press of business, is it worthwhile to cut through the thickets of citations and master the import of methodologies in the hope that useful ideas and insights will be found?

In the present case, the question as to whether a particular framework for analyzing strategic management and performance has validity and thus can offer actionable advice to a public sector manager is inherently interesting. The findings appear to be grounded in a sound method, and they resonate with experience. Richard M. Walker's commentary on the findings adds to the value that can be extracted.

The Miles and Snow framework classifies the stance toward strategy into four types: prospector, defender, analyst, and reactor. The author has analyzed multiple studies that have applied this framework and assessed the performance of public sector organizations. While taking note of the limitation of the data sets, the findings suggest that the first three types have significant advantage over the last, which can be characterized as an absence of strategy; that it is rare to find an organization that exhibits only one type of strategic character; and that this diversity in strategy choice is itself an advantage.

The last finding rings true. Although the predominant feature of most public sector organizations is conservatism—they are established to ensure that an issue of concern to the community is addressed in an efficient and predictable way—and so they can be expected to exhibit the characteristics of a defender, it is very rare to find any that only exhibit that characteristic. Stability in external or internal conditions is a rare luxury, and the need to undertake some degree of prospecting or analysis in order to help the organization adapt so as to maintain its function in changing circumstances is usually not forgotten.

Interesting though the analysis is, a question remains. Is the distinction drawn by Miles and Snow between the first three types as strategies, as opposed to reaction as an absence of strategy, valid? The reality is that whatever strategies we wish to follow, events happen, and we have to react to them. What matters as contingencies arise is whether the organization has a clear sense of both the objectives that it is trying to achieve and what constitute legitimate choices of action that can be taken toward attaining those ends. If it does, then the organization and the individuals within it have a framework for deciding how to react, and reaction ceases to be the wholly negative characteristic suggested. Organizational leaders can make choices that either help shift toward the objective or at least minimize the extent to which events and contingencies deflect the organization from its purpose.

If clarity over objectives and legitimate methods for achieving them is absent, no decent strategy is possible, whether the organization is disposed toward prospecting, defending, analyzing, or any combination thereof. Walker's observation that “[p]ublic organizations that primarily take instruction from major stakeholders’ demands and organizations in the environment are likely to drift toward a reactor strategic stance and will likely see a decline in their performance” holds good. Again, I think that the primary cause of public organizations becoming subservient to external demands and pressures is the absence not of strategy, but of a clear story of what the organization aims to achieve and how it seeks to achieve those ends that is communicated to staff and to the external community within which the organization exists. That clear narrative makes possible more than strategic choices. It helps in the creation and maintenance of an institutional culture that is more likely to be able to respond effectively to contingencies. Beyond that, it establishes the basis for a discourse with the world beyond the organization from which both the organization and the outside community can learn.
The author’s last observation on practice, that “[h]igher levels of government that develop reform frameworks for lower levels must consider the circumstances they face, as organizations need latitude to adapt such reforms to their setting and attain high performance outcomes,” adds to the idea that clear objectives are the key to any implementation of strategy. Giving strategic guidance on objectives seems more sensible than prescribing specific strategies and methods that can never hope to capture the myriad conditions and contingencies that individual agencies and public servants will face. But it does depend on those agencies and officers being ready and able to use the latitude given to good effect. On this, I second the author in drawing attention to the institutional environment as of particular importance to the performance of public sector organizations and worthy of more attention.