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# Strategic Management in the Public Sector - How Tools Enable and Constrain Strategy-Making

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## ABSTRACT

Strategic management (SM) has become prominent on the agenda in several public organizations due to new public management (NPM) reforms. Nevertheless, there are few studies investigating how public organizations apply SM in practice and what tools are used. As a result, calls have been made for such studies. This paper can be seen as an attempt to meet this call by presenting a qualitative case study of how SM has been applied in the Swedish Transport Administration (STA), a central government agency in Sweden, and what tools it used in strategy making. By analysing the micro processes of strategizing at STA, our results indicate that public organizations need to be aware of at least three specific tensions that can enable or constrain strategy making. These tensions are: short v. long-term, parts v. whole, and reactivity v. proactivity.

**KEYWORDS:** case study, public sector, strategic management, strategizing, strategy-making

## ARTICLE HISTORY

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# Introduction

Strategic management (SM) is now prominent on the agenda in several public organizations, and is reportedly becoming increasingly relevant in practice due to new public management (NPM) changes (Hansen Rosenberg 2011; Weiss 2016). However, so far too little is known about the application of SM in practice and its possible consequences (Johnsen 2016). There is a small but growing research field (see e.g., Andrews and Van de Walle 2012; Boyone and Walker 2010; Elbanna, Rhys, and Pollanen 2016; Ferlie and Ongaro 2015; George and Desmidt 2016; George et al. 2016a; 2016b; Hansen Rosenberg and Ferlie 2014; 2016; Johnsen 2016; Lane 2008; Lane and

Wallis 2009; Poister 2010; Walker et al. 2010) that has highlighted the importance of studying strategy and strategic thinking in public organizations for the past decade. Several of these studies investigate the application of SM (see e.g., Bryson 2004; Drumaux and Goethals 2007; Ferlie 2003; Joyce 2000; Johnson and Scholes 2001; Koteen 1997), but few investigate how public organizations apply SM in practice (Bryson, Berry, and Yang 2010) and what tools are used (Hansen Rosenberg 2011; Williams and Lewis 2008) to realize a strategic intent. That is the focus of this paper.

It is not easy to incorporate SM into the public sector (Elbanna, Rhys, and Pollanen 2016; Poister 2010; Weiss 2016) as the private sector theories that influence it are based on growth, profit, and competitive advantages, aspects not always well suited to the public sector (Ferlie and Ongaro 2015; Höglund 2015; Lane and Wallis 2009). This is despite the last decades of NPM reforms in the public sector (Ferlie and Ongaro 2015; Hansen Rosenberg and Ferlie 2016), which introduced private and business-like elements (Ferlie et al. 1996). Moreover, prior research (see e.g., Bevan and Hood 2006; Diefenbach 2009; Hood and Peters 2004; Lapsley 2008; Smith 1995) noted that NPM generated several unintended consequences, such as (too) strong a focus on internal efficiency at the expense of external efficiency and short-term, output-oriented and measurable results at the expense of more long-term and outcome-oriented results, consequently hampering the application of SM.

There are different theories in public sector SM (Ferlie and Ongaro 2015; Hansen Rosenberg and Ferlie 2016). However, so far most researchers have applied the Miles and Snow (1978) typology (e.g., Andrews et al. 2008; 2009a; 2009b) or the Porter (1980; 1985) typology and the related model of five forces (Hansen Rosenberg and Ferlie 2016; Johansson 2009), while others have explored the possibilities of the resource-based view (RBV) (e.g., Bryson, Ackermann, and

Eden 2007; Hansen Rosenberg and Ferlie 2016; Johansson 2009). Work has also been done on the processes of strategic planning (see e.g., Elbanna, Rhys, and Pollanen 2016; George and Desmidt 2016; George et al. 2016a; 2016b), as well as applications of actor network theory (Bryson, Cosby, and Bryson 2009). Only a few so far have taken an activity-based approach focusing on the micro processes of strategizing (Jarzabkowski and Fenton 2006; Jarzabkowski and Sillince 2007) and strategy-as-practice (s-as-p) (George and Desmidt 2014; Hansen Rosenberg 2011; van Wessel, van Buuren, and van Woerkum 2011). Even fewer studies address the application of SM in relation to what tools are used in strategy making, (Jarzabkowski and Kaplan 2015) and so far, to our knowledge none of them focus on the public sector except for Hansen Rosenberg (2011) and Williams and Lewis (2008).

In this paper, we take on a broad definition of tools by drawing on Jarzabkowski and Kaplan (2015, 538) who argue that "*the term tool is a generic name for frameworks, concepts, models, or methods*". We will align with the strategizing perspective (e.g., Jarzabkowski and Fenton 2006; Lê and Jarzabkowski 2015; Spee and Jarzabkowski 2011) and focus on the application of SM and what tools (Hansen Rosenberg 2011; Jarzabkowski and Sillince 2007) are used to realize a strategic intent. In this way, we attempt to further develop our understanding of strategizing in the public sector by addressing the following research questions: How are strategic tools used? How does the use of a tool enable and/or constrain strategy making?

To sum up, we will address the stated research questions by assessing an activity-based approach that focuses on the doing of strategy and what tools are used when applying SM in a public-sector context. This is done from a strategizing perspective that highlights the micro processes of strategy and strategy work in public sector organizations, which will be further elaborated on below.

## Strategy Process and Strategizing in Public Sector

Strategizing builds on a process view of strategy (Johnson, Melin and Whittington 2003). The seeds of viewing strategy as process can be said to have been planted by Mintzberg (e.g., Mintzberg 1994; Mintzberg, Ahlstrand, and Lampel 1998; Mintzberg and Waters 1985), Pettigrew (1985), and Johnson (1987). This new research area began by focusing on changes in strategic patterns over prolonged periods of time. Ferlie and Ongaro (2015) state that the strategy as process direction clearly sees the public sector and the non-profit context, as well as private firms, as sites of interest. However, as inclusive as this direction of strategy is, most research is still done on private firms (Höglund 2015). When applied in a public-sector context, it is common to view the strategy process as a number of organizational activities, some of which run parallel to each other, but most of the time the process is described as sequential and in different stages. In sum, the work of strategy in the public sector mostly addresses the work of strategy by addressing processes of strategic planning, formulation, implementation, evaluation, and monitoring.

For example, Joyce (2004) states that the strategic process of formulation is quite similar to those in the private sector. Hence, managers in the public sector can obtain several benefits from formulating written strategy documents including vision, goals, and strategic plans (Boyone and Walker 2010; Joyce 2004; Koteen 1997; Poister 2010). Thus, strategic planning involves formulating strategies that give a holistic view of the organization by mixing long-term thinking, goal analysis, and subjective evaluation of values, goals, and priorities (Mintzberg, Ahlstrand, and Lampel 1998). It offers an opportunity to chart a future direction and actions to ensure the organization's viability, efficiency, and ability to add public value (Poister 2010). Moreover, one of the key aspects of a successful strategy is the implementation process (Joyce 2000; Johnson and Scholes

2001; Koteen 1997; Plant 2009; Poister 2010; Weiss 2016). Some deliberate strategies are implemented as they were intended, while others will be realized in other ways, or not at all (Mintzberg 1994). There are also strategies that emerge along the way, i.e., emergent strategies (Mintzberg and Waters 1985). When it comes to activities of monitoring and evaluation, they are highlighted as important for the public sector to succeed in strategy work (Plant 2009; Poister 2010), but so far few studies have been done (Höglund 2015). This is despite the fact that an important part of SM in the public sector is reporting on performance through some form of administrated performance information (Weiss 2016).

A newer contribution that further develops the process view is strategy-as-practice (s-as-p), a research field that has grown out of a dissatisfaction with conventional strategy research (Johnson, Melin and Whittington 2003). Scholars in this field tend to take a special interest in practice, and are concerned with micro activities in the context of strategy. Whittington (2007, 1575) argues that s-as-p's "fascination with the phenomenon of strategy itself takes it beyond traditional process perspectives". In this view, strategy could be understood as "something people *do* rather than something that firms in their markets *have"* (Jarzabkowski and Seidl 2008, 1391). With this in mind, Jarzabkowski, Balogun, and Seidl (2007, 7–8) define strategy as:

[…] a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity.

Mintzberg (1994) defines strategy as something that organizations do (not people as in s-as-p), and by focusing on the emergence of strategy, he detaches strategy from strategic intent and outcomes. Whittington (2007) argues that this reduces strategy work to controlling the uncontrollable and that strategy practice from this perspective becomes too insignificant for organizational outcomes to be worth the effort of studying. In effect, such a view allows only a narrow range of practitioners to be accounted for. As Jarzabkowski, Balogun, and Seidl (2007, 6) conclude, "strategy research seemed to have lost sight of the human being". In response to this, a more activity-based view of strategy and strategizing has emerged. In this stream of research, in-depth case studies are seen as a necessity in the micro strategy and strategizing perspective (Johnson, Melin and Whittington 2003). It is with this research stream that we align this paper.

However, even though previous literature has pointed out the need to understand how everyday activities in organizations create strategic choices and consequences (e.g., Balogun, Jarzabkowski, and Seidl 2007; Jarzabkowski 2005; Jarzabkowski and Fenton 2006; Jarzabkowski and Seidl 2008; Johnson, Melin and Whittington 2003; Johnson et al. 2007; Spee and Jarzabkowski 2011; Whittington 2006), few studies have actually attempted it. A review of journal articles shows, for instance, that almost all SM research is still concerned with macro levels of analysis. However, these studies do not provide the detail needed to understand strategizing practices (Jarzabkowski and Kaplan 2015). This is also the case for SM in the public sector (Höglund 2015). In this paper, we take on a micro-perspective of strategy and strategizing in line with Jarzabkowski and Fenton (2006, 632) and we define strategizing as:

> [T]hose planning, resource allocation, monitoring and control practices, and processes through which strategy is enacted.

Thus, studying strategizing means taking an activity-based view of strategy that focuses on the detailed processes and practices constituting the day-to-day activities of organizational life. It is about gaining detailed understanding of the myriad micro-activities that make up strategy and strategizing in practice. The activity-based view starts from the proposition that value lies increasingly in the micro-activities of managers and others in organizations. “It goes inside organizations, their strategies and their processes, to investigate what is actually done and by whom” and with what tools (Johnson, Melin and Whittington 2003, 5). Hence, there are plenty of similarities among our views of strategizing and s-as-p. However, we do not draw upon the sociological eye and practice theories (see, e.g., Jarzabkowski and Seidel 2008; Jarzabkowski and Spee 2009; Whittington 2006). Our focus is rather on the processes of strategizing and the use of strategic tools and how these tools enable and/or constrain strategy making.

## Method

### *The context of study*

The context of study is the Swedish Transport Administration (STA), a central government agency that has been applying ideas of SM since it was founded in 2010 through a merger of the previous transport agencies. The STA has approximately 6,500 employees, and is managed by a director general who is accountable to a governing board. In line with Johnsen (2016), we argue that the Scandinavian countries’ local governments are an interesting context of study regarding the adoption of SM, as these countries have large public sectors and have unitary conditions with the opportunity to reform public organizations. Moreover, the Swedish central government is quite unique by international standards because it has a history of devolved responsibility for operational matters handled by central agencies with a considerable degree of autonomy. Ministerial intervention is forbidden by law, which means that the direct political control of agencies is limited. Formal parliamentary and governmental control is mainly carried out through legislation, annual appropriation letters, and the appointment of directors general. Yet, as in many countries, the last decades have been characterized by performance management reforms in line with NPM aimed at increasing the level of governance and transparency, with a focus on ex-post control and the disclosure of results. At the end of the 1980s, "management-by-objectives" (MBO) was thus introduced as the prevailing philosophy and tool for performance management in the Swedish central government.

As argued, "[t]he term tool is a generic name for frameworks, concepts, models, or methods" (Jarzabkowski and Kaplan 2015, 538). To gain a deeper knowledge of how tools are used in relation to strategy making, the focus here is on those tools the top management of STA decided should be used to formulate and implement the strategic plan: MBO; Delivery Qualities; the Transport Plan; the Instruction; the Appropriation Letter; the Operational Plan; the Budget; and, the Balanced Scorecard.

### *A case study approach*

A single case study approach was selected as it was recently suggested that a more detailed examination was needed of the dynamic relationship between how the public sector applies SM in practice (Bryson, Berry, and Yang 2010) and what tools they use (Hansen Rosenberg 2011) to realize a strategic intent. Moreover, adopting an activity-based approach that focuses on the micro processes of strategizing (Jarzabkowski and Fenton 2006; Jarzabkowski and Sillince 2007) means more detailed reporting of activities. Drawing upon Dyer and Wilkins (1991), we argue that there is less room for detailed reporting in journal articles, which makes it challenging to conduct a multiple-case study without the risk of becoming so general in the reported activities that one loses the micro dynamics.

As mentioned, our knowledge about the application of SM on the micro level in relation to the tools used in strategy-making is scarce (Jarzabkowski and Kaplan 2015), especially in a public-sector context (Hansen Rosenberg 2011). As STA have applied SM since 2010, and actively worked with formulating and implementing a strategic plan, the agency can provide us with ideas and enhanced information about how SM works in practice as well as what tools are used in strategy work. One drawback is that a single case study does not provide us with the ability to generalize. Nevertheless, a single case study, well-grounded in previous literature, can help us to make conceptual and theoretical contributions that go beyond the specific case (Siggelkow 2007).

We take a longitudinal perspective, as we studied SM at the STA between 2012 and 2016. The case study is particularly suitable in a context of longitudinal research, as it could help us to unravel the underlying dynamics that play out over time insofar as it has the potential to provide details of how these dynamic processes work (Höglund et al. 2015; Siggelkow 2007). Moreover, process studies seek narrative (Van de Ven 2007) and qualitative (Schindehutte and Morris 2009) understanding. In other words, we employed a qualitative research method based on an interpretive approach, which is well-suited for acquiring knowledge about human activities (Johnson et al. 2007). As such, we have taken a case study approach that focuses on the interpretative aspects of the case (Stake 1995) to conceptualize an understanding of the processes of strategizing and addressing gaps in existing theory (cf. Siggelkow 2007). In line with this, the empirical data are based on meetings, document studies, interviews, and workshops. We will further elaborate on this in upcoming sections.

Retrospectively, we have studied the STA since its establishment in 2010, and in real time between 2012 and 2016. We had four contact people at the STA as well as a reference group that we met with twice a year. During these meetings, the authors discussed the results of their analysis of the STA and received a status report on the progression of the agency's strategy work. Three studies were conducted at the STA, see **Table 1**.

In 2013 a preliminary study was carried out by two of the authors of this paper to provide a first look at the strategy work and how this work enabled and/or constrained the strategy of developing the STA into a modern agency. A document study of formal management control was conducted and complemented with interviews at different hierarchal levels and different divisions to get an initial understanding about strategy work in relation to the formalized ideas about SM. In the interviews, the authors asked questions about what the respondents did in their daily work, what tools they used to conduct their work, what their thoughts about the strategy were, and how they used the strategic plan. The preliminary study indicated that there were some difficulties in implementing the strategic plan, which suggested the need for a more comprehensive investigation.

The next study, conducted in 2014, was to further understand the challenges that could arise from the interpretations of the strategic plan into operation. The authors, in conjunction with the reference group at the STA, decided to follow how the strategy work at the two divisions of the STA – Planning and Maintenance – unfolded. To make it manageable, as the focus was on following the micro-activities of strategizing, we narrowed it down into the study of two divisions. Thirty interviews were conducted (for more information see **Table 1**). Our interview questions were related to what the respondents did in their daily work, what tools they used to conduct their work, what their views were on strategy, the strategic plan, and its goals, and how they worked to implement the strategy.

As a complement to the interviews, we studied steering documents and internal PowerPoint presentations. In addition, scorecards were studied as an example of an actual use of a tool in practice, but also because the strategy was to be implemented through the scorecards and the preliminary study suggested that this was an issue. The preliminary study also suggested there were some issues regarding the understanding of strategy and how to evaluate and monitor it. In line with these results, two workshops were organized at the STA in 2014. At workshop 1, people working with strategy were invited to discuss the strategy work at the STA. Twenty-five people participated, six of whom had previously been interviewed. Questions about strategy, its role and function, and the relationship between strategy and the STA management control were the main themes discussed at the workshop. At workshop 2, people working with management control and strategy were invited to discuss evaluation and monitoring activities. Questions about performance, output, and outcome as well as the relationship between strategy, evaluation, and monitoring activities were addressed. Twenty-three people participated, five of whom had previously been interviewed.

The last study was conducted between 2015 and 2016. It included the participation of all the authors of this paper. The previous studies had shown that the strategy had not been implemented at the operational level of the agency, and the strategic plan tended to disappear among all the tools used at the STA for management control. Moreover, formalized management control constrained rather than enabled the strategy work. In this study we specifically wanted to target management control and what possible tensions there could be in relation to strategy. Therefore, we interviewed sixteen people working with management control at the STA (see **Table 1**). We also arranged a workshop in autumn 2015 where we invited people working with management control and strategy at different hierarchical levels at the STA. Twenty people came to discuss possible tensions between different management tools at the agency. Half of them had previously been interviewed.

### *Coding and analysing*

The coding in this paper was inspired by Feldman et al. (2004). The coding process can be described as the precursor to the analysis. Prior to coding the empirical data, all the interviews and the workshops were recorded and transcribed verbatim. Together with the documents these transcriptions were the foundation of the coding. While the coding is quite different from doing the analysis itself, as the goal is not to find results but to find a way to manage a large amount of text, it is quite common to work with different categories. The categories used during the coding process should be closely connected to the research question(s). In this specific paper, the aim was to search for instances of how the selected tools are used in relation to the strategic plan. This suggested that the units-of analysis of the data were the tools. As such, we categorized the empirical material in line with the selected tools of study for his paper, i.e., MBO, Delivery Qualities, the Transport Plan, the Instruction, the Appropriation Letter, the Operational Plan, the Budget, and the Balanced Scorecard. We also structured the discussion of findings at STA in line with these categories of tools. This meant that every instance of text that narrated something about one of the studied tools, for example the balanced scorecard, was put into the category of the balanced score card. In this way we ended up with a couple of hundred pages of coded text that was the basis for the paper's analysis.

As regards the analysis, the contextual knowledge that emerged from conducting three studies at the STA, analysing the case against theory and writing three reports was invaluable for the development of this paper. Nevertheless, this also makes it hard to show total transparency of the process, e.g. writing every aspect of what was done or not done, and transfer this kind of emergent knowledge into the concept of a single article (see e.g., Feldman et al. 2004; Jarzabkowski 2008). However, the analytical process can be described as we iterated between the empirical data and the literature (Siggelkow 2007), using the SM literature as a means of understanding the empirical data at different stages in the process of studying the STA.

In the first step, we searched for how the coded texts in the different categories of tools addressed strategy work in relation to the strategic plan. In doing so, we consulted the data as to whether the tools were described as enablers and/or as constrainers of strategy work. In light of this question, after several readings of the coded texts and after several meetings where the research group discussed preliminary findings the authors started to see some patterns occurring in the data. The summarized findings from the coding and analysis are presented in **Table 2**.

In the second step, we tried to understand the findings in **Table 2** by thematizing and labelling the patterns we saw resulting in three different tensions: short versus long term, parts versus whole, and reactivity versus proactivity. These tensions were also discussed and agreed as reasonable with representatives of the STA (cf. Weiss 2016). The first tension, between short and long term, was the most frequently recurring theme. For example, the long-term strategic plan was described by all the interviewees as creating tensions with the tools for management control that take a short-term perspective. For example, the operational plan, the scorecard, and the budget all have a time frame of one to three years, making strategy work constrained or impossible to do. The second tension embraces the agency's idea of taking a holistic view when working with strategy and relating the strategic work to the whole while at the same time having an overall focus on specific parts that are not connected to the overall strategy and the whole of the organization. The third tension relates to the strategic plan and striving towards becoming a modern agency. However, when we analysed the STA and its strategy work, we could see that the agency acted reactively, waiting for the government to come with instructions, or reacting to customer needs or the actions taken by the media. An enhanced discussion about the three tensions in relation to previous literature on SM in the public sector is presented in the discussion of the results.

## Strategic Management in Practice – The Swedish Transport Administration

The strategic plan at the STA has a time frame of ten years and includes the vision "Everyone arrives smoothly, green and safe", six strategic challenges, nineteen strategic objectives, and strategies for each objective. The strategic challenges are critical areas identified by the STA and are defined as gaps between a desired state and expected development. As such, they do not cover all the agency's activities. The six strategic challenges are: 1) an energy-efficient transport system; 2) well-functioning travel and transportation in big cities; 3) efficient transport chains for industry; 4) a robust and reliable infrastructure; 5) more value for money and 6) the STA: a modern central agency. In this part of the paper we will address this strategic plan in relation to the tools of MBO, Delivery Qualities, the Transport Plan, the Instruction, the Appropriation Letter, the Operational Plan, the Budget, and the Balanced Scorecard.

### *Management by objectives*

STA's internal management and control is governed by MBO. In line with Drucker (1954), who is often credited as the "inventor" of MBO, STA took the perspective of MBO as being both a philosophy and a tool. The implementation of the agency's strategic plan and the agency's strategic work should thus be carried out within MBO. The government stipulates goals and the government agencies are responsible for finding the best way to achieve and implement them. In this context, SM becomes relevant because planned strategies can be understood as a strategic plan, or an outline, of sufficient means for achieving desired ends (Walker et al. 2010). In this sense, the increased interest in SM in the public sector can be seen as a natural development of NPM-inspired management reforms (Ferlie and Ongaro 2015; Hansen Rosenberg and Ferlie 2016). Part of this reform is MBO, with its associated emphasis on decentralized decision-making and the absence of governmental micro-management.

Within strategic management a holistic perspective is often described as a central condition of strategic work (Mintzberg 1994; Koteen 1997; Plant 2009; Poister 2010; Williams and Lewis 2008). When considering the basic thoughts behind MBO as a philosophy, one can argue that it represents a holistic perspective. However, if its application in relation to other tools used when applying SM is considered, our analysis shows that this is questionable, as we found that MBO often leads to a focus on limited parts of the operations rather than a holistic perspective. The following quote from an employee at Workshop 1 gives a good example of when MBO gets in the way of the big picture:

The STA pursues development for about SEK 500 million a year. […] Here we clearly see the effects of MBO, because each individual interprets what happens […] and acts based on that interpretation, which means that they are not acting from a holistic perspective. […] As I listen [to the discussion today], I understand a little better why this happens. We need to look more at the big picture.

## *Transportation policy objectives*

The government's general ambitions for the STA are expressed in two transportation policy objectives: (1) a "functional objective" that focuses on the geographically equitable availability of the transportation system and (2) a "deference objective" that focuses on safety, environment, and health. Moreover, the purpose of the transportation policy objectives is to ensure a financially efficient and sustainable transportation system for all citizens and businesses in Sweden. In a PowerPoint presentation made by the central STA office, the transportation policy objectives are presented in the following way:

The transportation policy objectives (together with administrative policy objectives) were important starting points when selecting the strategic challenges and strategic objectives. Delivery qualities that describe the transportation infrastructure status and trends over time can be seen as a concretization of the STAs contribution to the transportation policy objectives.

When analysing the empirical material, we see that the transportation policy objectives tend to be conflicting, unclear, and complex, leaving considerable space for alternative ways of interpreting them into practice (cf. Jarzabkowski and Sillince 2007; Lane and Wallis 2009). A dilemma that can be exemplified by one of the top-managers:

The goals of the transportation policy objectives are not always that clear. There are a lot of discussions regarding the status. For example, there are very, very many environmental goals. If you look at all the environmental goals, not only within infrastructure and transportation, but overall, we will not be able to meet all of the goals. The difficult job is to always prioritize among the goals. [I]

There is more or less a general agreement at the STA that there are too many goals and that it is difficult to know how to prioritize them, which also makes it hard to know which of the long-term strategic goals should be part of the short-term operative work. Some of the interviewees also emphasized that the strategic plan and its challenges are insufficient and lack in governance; the external transportation policy goals set by the politicians are what govern the agency, rather than the strategic plan. One example of the governance aspect is expressed by a first-line manager:

I would say that the strategic challenges are not being used in the STAs governance today. The strategic challenges are the way we have been chosen to transform the transportation policy objectives [...] you have the transportation policy objectives, and then you try to add the perspective of the strategic challenge, and then at my level we again try to follow the transportation policy goals. [C]

### *Delivery qualities*

On the government's initiative, the STA has developed new indicators – called "delivery qualities" – to measure the outcomes of the STAs activities. There are six delivery qualities: 1) punctuality, 2) capacity, 3) robustness, 4) usability, 5) security, and 6) environment and health. The purpose of this tool, implemented in 2014, is to find a common focus on customer travel and transportation, to gain clarity about the government's monitoring and control and transparent management control from the strategic to operational levels, a common thread for long-term planning, monitoring and control, and lastly to be able to secure verified information about outcome development over time. The STA must account for the delivery qualities in its annual reports.

With the implementation of the delivery qualities, there is some confusion as to what should be understood as the agency's strategies. For instance, one understanding is that the delivery qualities constitute the agency's new strategies, i.e., they should replace the strategic plan. In other words, one interpretation is that the delivery qualities are the agency's new strategy. The official idea, however, is that the agency's strategic challenges are to be a translation of management cues from the government, including the delivery qualities. However, the delivery qualities sometimes sideline the agency's own internal strategic plan. To sum up, the delivery qualities in the organization make the agency's SM confusing. This can be exemplified by an employee who said:

I think there are a few different tracks that need to be merged together in our overall management. First, there's the delivery qualities for operations and maintenance […] which need to be merged with the strategic management. They even call it the governance framework, which makes it a bit confusing. That's a challenge in itself. [E]

It is important for the STA to monitor the delivery qualities because this was imposed on them by the government, but there are also other important reasons. Recurring problems with functionality in the Swedish railway system have led to harsh criticism and constant media scrutiny of both the STA and the responsible politicians. The interviewees often describe the delivery qualities as a governance framework of managing these functionality problems in the transportation system, and as a response to the media's scrutiny and criticism of the STA. This makes delivery qualities a strategic tool for the agency to use in communicating with the government as well as the general population and the media. The following quote from a middle-manager exemplifies this:

The delivery qualities might actually describe our core activities even better than the transportation policy goals, so I see it as a way for us to communicate with the outside world, i.e., what money they're "pumping into" the STA. [F]

The ambition of the delivery qualities is to generate information on the external effects of the agency's operations, but from a customer perspective the framework has more of a production-oriented, internally driven perspective. One of the employees working with customer services said:

I think they [the delivery qualities] are very much based on a production perspective. […] Have we really considered what we're supposed to be producing? No, we haven't. [H]

Hence, the delivery qualities with their production perspective are often prioritized at the expense of customer focus. This is problematic in relation to the agency´s ambition for how to apply SM, as much of the STAs strategic work involves a desire to be proactive. For example, the sixth strategic challenge – "the STA – a modern agency" – emphasizes the importance of customer satisfaction and that the agency should embrace more of an externally driven perspective (external efficiency) that emphasizes the importance of a customer focus. This, in turn, imposes new requirements on the employees. Those who work with services and customer issues explained that the term "externally driven" refers to proactive management in which customers' current and future needs influence the agency's internal management. This, in turn, is expressed by several of the interviewees, as well as in the strategic plan, which includes being responsive and flexible towards the outside world.

## *The instruction and the appropriation letter*

The instruction and the appropriation letter are set by the Swedish government. In the agency's instruction, the government stipulates that the STA should have a point of departure in an intermodal perspective where they are responsible for the long-term planning of the infrastructure for road, rail, sea and air transport as well as for the construction and operation of state-owned roads and railways. One of the main reasons the STA was formed was to create a holistic approach to the transportation system. The instruction from the government (SFS 2010 185, 1 §, Assignment) states:

The job of the STA is to maintain a holistic perspective over all types of traffic and thereby take charge of all long-term infrastructure planning for road, rail, shipping and aviation as well as for building and operating national roads and railways.

In the annual appropriation letter, the government provides the agency's budget and annual objectives. In other words, public sector agencies have limited control over their financial means, which makes it difficult to connect the agencies' financial management with their SM (cf. Johnsen 2016). Thus, the Swedish government's financial management of the agency tends to have a strong influence on the rest of the STA's management. The budget is often viewed as an overall framework within which the rest of the agency's management activities take place. In other words, the agency's planning and execution of its assignment takes place within the financial framework (cf. Johnsen 2016).

One of the middle-managers highlighted the fact that the instructions and the appropriation letter often include specific assignments and that it is important to have some guidelines in the assessment of these assignments, for example, through the strategic plan:

The instruction and appropriation letter occasionally contain assignments [...] Then we need to understand what it is that guides us [when implementing these assignments] – of course it is the strategic challenges, but there may also be other things that have been decided at the STA as guidelines: where to go, which way. [D]

It is also stated in formal documents, for example in the document requiring strategic planning, that the instruction and the appropriation letter should serve as input in the strategic planning process together with the transportation plan. This is also confirmed by the majority of the interviewees and one could also see the assessment of these tools in the formulated strategic plan.

### *The transportation plan*

Complementing the instruction and appropriation letter is a transportation plan approved by the government that is to be implemented locally in the STA through various action planning activities (cf. Weiss 2016). The transportation plan takes a time perspective of twenty-five years and contains detailed information about how to prevent problems and assure efficient operations and how to work for efficiency, safety and the environment. It describes the need for cooperation with other parties to achieve the transportation policy objectives, and professional estimations of the effects that the transportation plan is expected to generate. This means that the instruction, the letter of appropriation, and the transportation plan are central to the strategic planning process. However, there are times when the transportation plan takes precedence over the strategic plan. A first-line manager explained this in light of the transportation plan being an external government decision while the strategy is internal:

So they [the strategic challenges] are also represented in the transportation plan, which is the most important policy document for the STA [...] Formally it is the transportation plan that is in focus, there's no doubt about it as it is a government decision. The strategic challenges are only internal. [B]

Moreover, the transportation plan is the only document that takes a holistic approach to the operations and forms the basis of what the agency is intended to do. Some of the interviewees stated that it is difficult to convey the entire transportation plan to all operational areas, divisions, and units because the plan is so big. The document is more than 150 pages long. There are also regional plans developed with the specifics for each region in relation to the transportation plan. In practice, it was stated that it is a challenge to manage both the whole and the parts. In this instance, the whole is so extensive that it is not put to use, and instead the focus is on the parts through the regional plans and resource allocation management.

### *The 2016 travelling goals*

The 2016 travelling goals is a tool to describe what should characterize the agency and its mind-set. To manage the employees in line with the mission "Every day, we deliver high availability that provides benefits to society and develops society". Three main areas in the travelling goals were highlighted as needing improvement: 1) *customer orientation* including punctuality of trains, convenience for the customer and maintaining a dialogue with the community at large: 2) *a wise way of working*, a focus on performance, a security culture, internal and external cooperation, and: 3) *committed employees*, which includes the right competence, empowerment, and an attractive workplace. Thus, the travelling goals have both an internal, inward-looking, and an outward-looking, external perspective.

Workshop 2 revealed that goal picture 2013, which later became the 2016 travelling goals, emerged to cover the gap between the strategic plan and the STAs operations. That was because there had been some challenges in interpreting the long-term goals in the strategic plan into the more short-term daily operations. In other words, the idea was that the 2016 travelling goals would serve as a link between the strategic plan and the operations. In the discussion that followed among the participants, it also became clear that the relationship between the 2016 travelling goals and the strategic challenges was not clear. This was a recurring statement in the interviews and can be exemplified by one of the middle-managers, who said:

We can return to and interpret these kinds of strategic documents [the strategic plan] at an overarching traffic level, but we also have to link it to the 2016 travelling goals, which are the

STAs common steps that I think mesh well. In other words, interpret what the strategic challenges mean, what the 2016 travelling goals mean and what the politicians say. [D]

However, the 2016 travelling goals are not well used in the agency according to those interviewed, which was also supported by an analysis of the documents where the travelling goals are not included.

### *The operational plan*

The operational plan is based on MBO, and has a time perspective of three years. It includes different external and internal assignments and what to prioritize. The operational plan should also be an interpretation of the content of the strategic plan and its six challenges into an operative level. The overall budget and resource allocation are specified in the operational plan, including what measures should be taken in line with the budget and where they should be carried out. The overall framework is already set, but there is scope for action regarding detailed planning and how to implement it.

When we analysed the operational plan at the overall STA level for 2012–2014, 2013–2015 and 2014–2016, we saw that SM was clearly applied throughout the strategic challenges, goals, and strategies. The operational plan provides an exhaustive account of the STAs challenges and strategic orientation. This is then related to the 2016 travelling goals (or the previous goal picture 2013), where the strategic challenges are presented as an input to the organization's way of working. Critical success factors are presented and described as important for the organization to achieve its strategic objectives. However, the managers felt that it is challenging to interpret the long-term strategic plan and its goals into the operational plan, which has a shorter time frame and an operative perspective. Moreover, that this “issue” with interpretation has contributed to varied practices and ways of doing the strategy work in the agency's different units. One of the middle-managers said:

> The unit for management control sent out their directives for the operational plan. At the time, they attached the strategic plan. I said that this isn't going to work, developing an operational plan for one to three years based on that [the strategic plan]. There is too great a gap between them. We can't break down these strategies, to have every employee or unit sit down and interpret them [the goals in the strategic plan] because then everybody will do it in their own way. [A]

### *Budget*

The overall budget for the operational plan is set beforehand, but is intended to leave room for decisions regarding what actions to take and how resources should be allocated in a time perspective of one to three years. On several occasions, the interviewees and the participants in the workshops returned to the fact that the financial management and the resource allocation in the budget is a problem in relation to the strategic plan with its ten-year time frame. Some of the interviewees problematized the fact that the agency receives an annual budget, which means that the government imposes a short-term financial perspective that does not fit well with the rest of the agency's planning.

Several of the interviewees stated that the government's short-term financial management of the STA has a strong influence on the agency's ability to apply SM as a whole. Long-term strategic work is often overshadowed when the short-term budget makes up the overall framework of the agency's management and planning. Another example deals with how the STA handles the goals of the strategic challenge "more value for the money". This challenge often leads to the agency focusing on internal efficiency – achieving things at the lowest possible cost – rather than external efficiency – doing things that generate desirable long-term effects in society. Internal efficiency also tends to promote short-term rather than long-term thinking, because there is a tendency to focus on internal processes and their efficiency. For example, at one point in workshop 1, the participants discussed the terms "culture of results" and "culture of economy". They explained that the agency's financial management has little to do with its long-term results in society, but that the STA cannot opt out of financial management.

### *Balanced scorecard*

The main idea is that the strategic plan should be implemented and operationalized through the operational plan and the balanced scorecard. The scorecard in STA is inspired by Kaplan and Norton (1992) and the so-called Scandinavian version of the balanced scorecard (Olve, Roy, and Wetter 1998), and is a strategic tool including critical success factors and performance measurements, as well as activities that need to be linked to any of the five perspectives 1) client, 2) customer, 3) finance, 4) methods, and 5) employees. The performance measurements are then closely followed up and monitored. However, units are free to choose whether or not to use the scorecard on an operational level; thus, it is only the top-management that must use the scorecard at department level. As a result, there is no way for the agency to know how well the strategic plan is being implemented at operational level.

The idea is that the agency's strategic plan is interpreted into the specifics of the organization's everyday activities through the agency's scorecard. In that way, each department can be said to "meet" the strategies at their level of operations, i.e., by operationalizing them into situated objectives and indicators, and making them relevant to their context. Such a process implies a significant reduction in the time perspective implemented. In effect, the agency's strategic plan refers to a time span of ten years, whereas the balanced scorecard, which is regarded as a strategic tool for short-term management, refers to a time span of three years. Furthermore, even though the scorecard is supposed to have a perspective of three years, its time frame, as one interviewee stated, tends to be even shorter insofar as it "should be possible to follow on a monthly basis".

In workshop 1, the participants explained that the scorecard generates short-term thinking in the organization and therefore the relationship between the strategies and the agency's scorecards is not clear. Moreover, the scorecard as a tool for SM tends to draw attention towards the "here and now" of daily operations, at the expense of becoming a tool for strategy implementation. In other words, the scorecard has a significant impact on making the agency short-sighted.

The six strategic challenges are reduced to smaller components in the form of quantitative indicators in the scorecards. The STA chose to focus on a small number of indicators in areas that are considered "critical" and in need of improvement in the operations, and which thus require specific oversight and monitoring. Focusing on elements in critical need of improvement can be viewed as an assumption that things that work well in the agency's operations do not need to be managed and monitored. But such an assumption creates certain challenges in the organization.

The scorecards' focus on critical aspects greatly reduces the scope of the STAs strategic plan, and large portions of the agency's operations wind up outside the chain of strategic governance. For example, the STA has a database with many different indicators for assessing the condition of the transportation system. These data are important for statistical reasons, but are not always considered critical, so they are not included in the scorecards. The focus on critical issues also has other effects on the agency, because it focuses a great deal of attention on what doesn't work instead of highlighting things that work well. In the case of the STA, "bad" examples are emphasized at the expense of the good ones, as a result of the necessary transition from a holistic perspective to clearly delimited operations, which is explained to be a part of MBO.

## Discussion of Results

As previous research has argued (see, e.g., Elbanna, Rhys, and Pollanen 2016; Hansen Rosenberg and Ferlie 2016; Johansson 2009; Poister 2010; Weiss 2016), it is not unproblematic to incorporate private sector models of SM into the public sector. The results from analysing the STAs strategic plan and its relationship to the tools of MBO, Delivery Qualities, Transportation Plan, Instruction, Appropriation Letter, Operational Plan, Budget, and the Balanced Scorecard suggest that there are some specific contextual tensions related to the public sector that must be considered when working with SM. The fact that the various strategy tools applied in the public sector create tensions is not new, but our results illustrate the role that these tensions have in the agency's strategic work. The analysis resulted in three central tensions that could be argued are inherited as part of the public-sector context: 1) short and long term, 2) parts and the whole, and 3) reactivity and proactivity. We elaborate on these tensions below.

### *Short and long term*

Traditional strategy literature is based on the premise that the strategic plan creates stability and a long-term focus for what an organization aims to achieve (Mintzberg 1994; Plant 2009). In line with this, the STA created its strategic plan by setting overriding objectives and specifying the way to achieve goals (cf. Johnsen 2016; Hansen Rosenberg 2011). However, the premise is different for public sector activities. Public sector organizations are managed through government policy, and policy has a fairly short-term focus (cf. Lane and Wallis 2009). In Sweden, for example, there are four years between elections and the budget is established for one year at a time. As our results show, this limits the public sector when pursuing long-term strategies.

Moreover, in the STA the long-term strategic plan, with a time perspective of ten years, is to be implemented in the agency's operations primarily through the operational plan and the scorecards – tools with a time perspective of one to three years. Our results show that this is a difficult process where the specific goals, indicators, and activities in the operational plan and scorecards become operative and short-term. Hence, one can conclude that the STAs strategy work is constrained by tools supporting operational and daily activities. To sum up, the discussion so far suggests that there is a tension between the short and long term, which has been previously recognized by researchers such as Lane and Wallis (2009), but on the basis of service delivery, where the conclusion was that SM could solve this tension; it has not previously been shown, as in this case, to be a contextual factor that can potentially enable or constrain public-sector strategy work.

### *Parts and the whole*

Like so many other central agencies, the STA cannot carry out its mission without assistance from others (cf. Lane and Wallis 2009). Thus, public organizations must collaborate with several external players in the public and private sector to perform their assignments (cf. Johnsen 2016; Poister 2010). In practice, this means that agencies like the STA do not "own" the whole, and thus do not have full control over the outcome of its services. This aspect of the public sector makes it harder to embrace a holistic perspective so often described as a central condition of strategic work, both in the private (e.g., Mintzberg 1994) and public sectors (Koteen 1997; Plant 2009; Williams and Lewis 2008). As Poister (2010) argues, the public sector needs to move from strategic planning more into SM which, among other things, includes taking a holistic approach and linking strategy and performance measurements more effectively. The STA have tried to do this, but the measurements in the scorecards, as well as the operational plan, tend to be relatively operative and focus on specific critical parts of the organization.

When it comes to MBO as a philosophy, it represents a holistic perspective, but when used in practice as a tool it also tends to lead to a focus on limited parts of the operations. For delivery qualities, it can be said to counteract a holistic perspective, as they focus on six areas of the operations that need improvement and most areas are not linked to the strategy. In addition, the delivery qualities focus primarily on operations and maintenance and problems with the railways. All in all, the results show how the holistic perspective is lost in favour of a focus on the parts and the use of tools, e.g., scorecards, the operational plan, and MBO to stimulate it. Hence, strategy work is constrained by tools that do not support a holistic view. In summary, the discussion so far suggests that there is a possible tension between the parts and the whole in a context of the public sector.

### *Reactivity and proactivity*

Lane and Wallis (2009) argue that the public sector is increasingly pushed towards being proactive. This is also the case in Sweden, where the government is encouraging several central agencies to take a proactive stance (Höglund 2015). However, this is a problem for many of them, as the government tends at the same time to stimulate reactive behaviour among the agencies by giving them extra assignments they expect the agencies to act on. The Oxford dictionary definition of reactive is "acting in response to a situation rather than creating or controlling it". In other words, a proactive approach means that the agency takes charge, has foresight and prevents problems and challenges as much as possible, rather than dealing with them reactively after they have occurred.

Moreover, when it comes to strategy making there is a great deal of literature on SM in the public sector that draws on Miles' and Snow's (1978) strategic typology of the prospector who builds on the idea of a proactive approach to enhance performance (see e.g., Andrews et al. 2008; 2009a; 2009b). Poister (2010) in turn emphasizes a movement from performance measurement to performance management by being more proactive. In line with these thoughts, there is an ambition in the STAs strategic plan to be proactive, but our results show that through its use of tools the agency ends up in a reactive rather than a proactive approach. The reactiveness is built on a primarily production-oriented internally driven perspective, e.g., in the operational plan, which stimulates an inward focus instead of a proactive and outward-oriented focus at the STA. The same goes for the use of the scorecard as a strategic tool. The scorecard makes public organizations apply a largely inward-looking perspective (Williams and Lewis 2008). To sum up the discussion, there is a possible tension between being proactive and reactive in the context of strategy work in the public sector.

## Conclusion

The analytic term "strategizing" is useful, because it helps us focus on what people do in their everyday work, how they do it and what happens when management ideas such as SM are applied in practice and with what tools (Jarzabkowski and Kaplan 2015; Jarzabkowski and Seidl 2008; Spee and Jarzabkowski 2011). When it comes to strategic work, the public sector has several specific, unique traits (Andrews and Van de Walle 2012; Elbanna, Rhys, and Pollanen 2016; Ferlie and Ongaro 2015; Hansen Rosenberg and Ferlie 2016; Weiss 2016) that tend to create tensions when applying SM in practice and whatever tools may be used. For example, previous research has shown that public organizations act in a pluralistic context in which multiple internal and external interests must be met at once (Jarzabkowski and Fenton 2006; Jarzabkowski and Sillince 2007; Jarzabkowski, Lê, and Van de Ven 2013; Johnsen 2016; Williams and Lewis 2008). Pluralistic organizing tensions can thus be said to be inherent in the public sector, which develops various bureaucratic organizing practices and processes to deal with those tensions (Jarzabkowski and Fenton 2006). We have contributed to strategy research by analysing the micro processes of strategizing at the STA and the awareness of three specific tensions of public organizations, namely short and long term, parts and whole, and reactivity and proactivity. These tensions have been shown to potentially enable or constrain strategy making in the public sector.

Conceptually we know a lot about strategy, but there are few empirical studies of strategy practice and its consequences (Johnsen 2016). By focusing on the micro-aspects of strategizing in this paper, we have contributed rich empirical material to the study of strategic tools, their features, and what tools were adopted or not, which there has been a call for (Jarzabkowski and Kaplan 2015). Moreover, there is an emergent need to further enhance our understanding of how SM is applied in public organizations as its use is growing, but at the same time we know too little of its application and possible consequences (George and Desmidt 2014; Hansen Rosenberg 2011; Williams and Lewis 2008). This paper was an attempt to address some of these issues.

However, we need several more papers of this kind and we suggest that more research is needed on strategy practices in the public sector and what tools are used, how they are used and why. In other words, more case studies need to be done on a micro level of analysis. Furthermore, there is more research needed that takes the specific traits of the public sector into account when it comes to strategy work and SM. This as we conclude that the public sector has several specific, unique traits that bring on tensions when applying SM in practice.


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**Table 1.** Studies at the STA – an overview.

| | Purpose | Research questions | Method | Data | Results/Conclusions |
|---|---|---|---|---|---|
| **Preliminary study (2013)** | To provide a preliminary understanding of how strategy work is carried out and how this work enables and/or constrains the strategy of developing the STA into a "modern" agency. | What opportunities and obstacles can be identified in the process of formulation, implementation and monitoring of the strategic plan? | A qualitative approach including a document study of formal management and contro | 13 interviews with: | Implementing and monitoring the strategic plan through the scorecards was not successful. |
| | | | The document study was complemented with interviews to get an initial idea of how the formal management | Top managers: 4 | |
| | | How does MBO as a philosophy work in relation to the entrepreneuria | | Middle managers: 3 | |
| | | | | First-line manag-ers: 3 | The strategic plan created tensions with the STA's |

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| | | l characteristics of becoming a modern agency? | and control worked with the strategy in practice. | Employees working with strategic issues: 3 | management control as several of the tools used constrained strategy work. |
| | | | | 106 steering documents | The MBO philosophy collide with the agency's strategy work, e.g. to become a modern agency through entrepreneurial processes. |
| | | | | The STA website | |
| | | | | The strategic plan | |
| **Project 1 (2014)** | To understand challenges arising during the translation of strategy from an overall level | How does SM interact with operational control? | A qualitative approach where implementation of the strategic plan was studied within two of | <u>30 interviews with</u>: | The strategic plan disappears among all the formalized management control tools. As a result, the strategy was not used everywhere. |
| | | | | Top managers: 2 | |
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| | to the operational level. | How do managers and employees apply the strategy in practice? | the STA's main divisions from top management to operational level. | Middle managers: 4 | The goals in the strategic plan were unclear, too many and conflicting. |
| | | | | First-line managers: 8 | |
| | | How is the strategic work monitored? | Workshops arranged at STA: | Employees: 16 | The scorecard was not a successful tool for implementing and monitoring the strategic plan. |
| | | | Workshop 1 – People working with strategy at different hierarchical levels were invited to discuss the strategy work. | A workshop on strategy (25) | |
| | | | | A workshop on evaluation and monitoring (23) | The scorecard requires measurable goals. The agency had difficulties in creating these goals in relation to the strategic plan. |

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| | | | Workshop 2 – people working with management control and strategy at different hierarchical levels were invited to discuss how strategy work is evaluated and monitored. | 126 steering documents<br>100 balanced scorecards<br>37 PowerPoint presentations | The goals tended to become operational rather than strategic. |
| **Project 2 (2015–2016)** | To contribute to the understanding of the relationship be- | What possible tensions exist between STA management control and SM? | A qualitative approach with interviews specifically target- | 16 interviews with:<br>Middle managers: 4 | Three main tensions emerged between the STA's strategic work and management control: 1) part/whole, |

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| | tween management control and the work of strategy in the public sector. | | ing management control aspects as a complement to previous studies on strategy. | First-line managers: 4 | 2) long term/short term, 3) reactivity/proactivity. |
| | | | | Employees: 8 | A second dimension of management control is needed. In line with this, a conceptual model for characterizing management control and its relation to strategy was suggested. |
| | | | Workshop 3 – people working with management control and strategy at different hierarchical levels were invited to discuss tensions between different management tools. | A workshop on possible tensions between management control and SM at the STA (20). | |

**Table 2.** How tools enable and constrain strategy making.

| Tools | Purpose | Findings |
|---|---|---|
| Management by Objectives (MBO) | A framework that the government decided that all agencies should use. | The strategic plan put forth a holistic view while MBO in practice tend to focus on parts of the operations which brings on tensions that constrain the strategy work. |
| Transportation Policy Objectives | There are two main policy objectives set by the government. The strategic plan should meet up with these. | The policy objectives govern STA and its work rather than the strategic plan. The long-term objectives are hard to interpret into short-term daily operations as they are conflicting, unclear, and complex. |
| Delivery Qualities | Imposed by the government to deal with transparency issues in regards to management control. STA must account for them in the annual report. | The delivery qualities often side lines the strategic plan and have also developed into a strategic-tool for external communication. It is a tool that focuses on one part of the operation, i.e. the railway. This in combination with its focus on internal efficiency has constrained strategy work in several ways, e.g. being proactive and becoming a modern agency. |
| Instruction and Appropriation Letter | Are set by the government and should serve as input into the strategic planning process. | The instruction enables long-term strategic planning, while at the same time imposes annual assignments that tend to conflict with the strategic plan. The short-term perspectives of |

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| | | the appropriation letter (incl. annual budget and objectives) constrain strategy work. |
| The Transportation Plan | Is approved by the government. Should provide STA with action plans and input into the strategic planning process. | Enables strategy work by a long-term and a holistic perspective, while at the same time put forth detailed action plans of operation efficiency that however tend to take precedence over the strategic plan. |
| The 2016 Traveling Goals | TIs set by STA to serve as a link between the long-term strategic plan and daily operations. | Emerged to cover the gap between the strategic plan and operations. The relationship between them are not clear. Only a few use the tool in their strategic work. |
| The Operational Plan | Is approved by the board to operationalize the MBO and the strategic plan. | Enables strategy in several ways by addressing the goals in the strategic plan, but constrains it in being difficult to interpret, e.g. from long-term objectives to daily operations. |
| Budget | An overall frame is set by the government. Detailed resource allocation is done by STA. | The budget is one of the most constraining tools regarding long-term strategy work as it has a one-year time frame. It tends to privilege internal-efficiency rather than external-ditto. |

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| Balanced Scorecard | The strategic plan should be implemented in operations through the scorecard. | The scorecard constrains strategy work as it generates short-term thinking and a focus on (critical) parts of operations. |