

## Strategic Planning and service provision in Greek Local government: a comparative assessment

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### ABSTRACT

This paper evaluates the impact of strategic planning on the performance of municipal services in Greece in lieu of the recent policy reforms. Improvement in public performance management has been the core tenet in the Greek Local Government Reform, now spanning over two decades. The recent “Kallikratis” reform program triggered significant structural re-organization across local government organizations in an attempt to address and resolve centralization and democratic deficit problems, but its impact on municipal services performance remained particularly limited. Evidence confirmed marginal improvements in services efficiency and quality, but not substantial enough to inspire municipalities’ economic sustainability and citizens’ level of trust and satisfaction. Performance and governance deficits in municipal services provision, arising from the inherent restrictions of social capital in Greece, characterized by low rates of trust and collaboration, the Weberian characteristics of the hierarchal and centralized decision making in local government, the existence of multiple and overlapping levels and categories of audits and the failure to integrate innovative policy tools for better design and delivery of municipal services). These deficits reflected a lack of an effective national policy for the promotion of strategic management and performance measurement and the limited compliance of local government authorities with their tools and management models. Based on the combination qualitative and quantitative empirical data, this research thus, evaluates and analyzes the existence, perception, and impact of strategic management tools on municipal services performance, by focusing on 39 municipal authorities and 8 service sectors.

**Keywords:** strategic planning, performance measurement, local governance reform, trust, public consultation,

### INTRODUCTION - STRATEGIC PLANNING IN THE REGULATORY LABYRINTH OF GREEK PUBLIC ADMINISTRATION

Strategic planning is the basis used for the reform and the improvement of local government organizations. The introduction of strategic planning in local government was promoted by the need to improve coordination between stakeholders, on a regional and local level and develop collaborations for a more effective provision of the municipal services, according to the particular local needs (Bovaird – Loeffler 2015, Bouckaert ed 2017a). The implementation of strategic planning tools contributes to the rationalization and improvement of the local government organizations’ operation and to a more effective implementation of their competencies, which are complex and overlapping, with co-competencies and increased bureaucracy (Poister – Streib 2005, Holzer – Joyse 2014, Holzer 2009). This is a new model of local government organization, based on public consultation, participatory planning and the development of partnerships for the provision of municipal services. Strategic planning implementation is influenced by the decentralization and independence of local administration

in relation to the central state, the administrative tradition and national culture (Bouckaert ed 2017a, Bouckaert & Kulhmann ed 2017b, Bovaird – Loeffler 2015, Osborne ed 2008).

In Greek local government, strategic planning was first introduced in the mid-eighties, with the legislation on democratic planning in 1986. In the framework of democratic planning, municipalities were asked to compile medium-term development programmes for the funding of infrastructure projects and planned interventions to promote local financial development in their regional units. Further on, in 1997 and as part of the “Kapodistriias” programme for the reform of local administration, further development of development programmes into local public investment plans was institutionalized (Maistros 2017, Hlepas 2015). These strategic plans included funding for infrastructure projects and actions to improve the municipalities’ organization and management. The implementation of these local public investments plans was funded by the special programme of local administration (EPTA) during 1998-2004 (Maistros 2017). These initiatives to develop strategic planning had extremely limited outcomes, due to insufficient support by political leadership, both nationally and locally, the initiatives’ small size and the municipalities’ limited operational capacity, as well as due to the issues of centralization and co-competencies in the planning and implementation of strategic planning actions.

The strategic planning and evaluation policy was actually applied and introduced in Greek local government in 2007, with the institutionalization on the local government organizations’ municipal and regional operational plans. Despite the provision of major funding by the central state for the municipalities’ technical support in planning and applying operational plans and although several educational courses were organized to help executives develop the required skills, ten years after the policy was applied for the first time, there are still significant issues of organization compliance (OECD 2009, 2012, Maistros 2017). The policy was applied on a limited degree, due to limited political support and leadership commitment, lack of trust and the political competition of central/local administration, increased bureaucracy in supervision and control of local government and the insufficient implementation of the performance evaluation procedures.

Strategic planning’s problematic implementation in Greek local government is largely influenced by policy’s context and compliance at the level of central administration. This implementation context is characterized by the organizations’ limited compliance, both in the implementation of strategic planning as well as on the evaluation of their provided services. Essentially, empirical research shows that central administration organizations do not comply with the requirements of strategic planning and evaluation, despite their legislative enforcement over ten years ago and the government initiatives applied on almost an annual basis to enforce their implementation, however fragmentary and ineffective these government initiatives may be (OECD 2012). The limited implementation of strategic planning on a central administration level is due to a series of determining factors, common with those occurring in local administration. These common inhibitory factors which prevent the promotion of strategic planning include limited information, consultation and participation of organization employees in planning processes and, mostly, the employees’ lack of trust towards strategic planning and evaluation, with regard to the utilization of their outcomes by political leadership. In addition to this lack of participation and trust, the implementation of strategic planning in the Greek public administration is affected by the lack of the required multilevel and horizontal coordination of the stakeholders and the absence of the political leadership’s commitment and support with regard to the implementation of actions (OECD 2009, 2012, Makridimitris – Mergos 2012, Karkatsoulis 2018). At the same time, we notice no sanctions are enforced to organizations which fail to apply or insufficiently apply the provided strategic

planning and evaluation actions. This fact has had negative impact to these organizations' compliance.

<b>Factors' impact on strategic planning introduction and implementation</b>	<b>Local government employees views</b>	<b>Local political staff views</b>
Government's policy	31%	38%
Local government audit & control model	20%	29%
Political leadership's pressure for implementation and commitment	37%	52%
Trust in administrative reform	38%	48%
Trust on strategic planning	66%	57%
Problems and pitfalls in the current situation of service provision	69%	65%
Individual - employees initiatives	74%	58%

**Table 1: Strategic planning introduction and implementation factors**

### **TRUST, DISTRUST AND POLICY REFORM IN GREEK LOCAL GOVERNMENT**

Consequently, in Greece there is a culture of distrust in public administration, limiting the implementation prospects of strategic planning and evaluation. There are policy implementation issues, further aggravated by political timidity, the political leadership's dependence on the political cost of changes and status quo interests opposing reformations. The failure of the strategic planning policy and, effectively, the failure of a rationalization policy for the public sector is the foundation of ineffectiveness and red tape in the provision of public services in Greece (OECD 2012, 2015). Despite these negative consequences, the lack of strategic planning in Greek public administration continues to exist, due to the political leadership's timidity and the lack of a binding policy to apply the policy reform initiatives. It is a deficit of leadership and political commitment for the promotion of change, an essential lack of trust and support for reformation, due to the fear of the political cost entailed. This, in combination with the limited trust shown by public sector employees and citizens towards change and the lack of trust expressed towards state institutions, undermines the promotion of strategic planning in the Greek public administration<sup>1</sup>.

In addition to creating an environment of political disdain and degrading the policy, the non-implementation of strategic planning by central administration organizations reasonably undermines the implementation of the policy on a regional and local level. The lack of coordination in the design and implementation of strategic planning, both within organizations and between the stakeholders of central administration and the sustaining of political competition among them, leads to the creation and presence of a multitude of incomplete, consequential, overlapping and often opposed levels of strategic planning, which in itself is an understatement (Karkatsoulis 2004, 2014, OECD 2009). Overlapping and consecutive levels of strategic planning within the same central administration organizations and related to the policies applied, lead to the creation of an environment with increased complexity and uncertainty towards the strategic planning and evaluation policy. Local administration organizations are called to comply with opposing and fragmentary requirements, in order to provide their services. This labyrinth, created by the lack of a single and coherent model of strategic at policy and central administration level, affects all public policies, from the policy of waste management to entrepreneurship and social policy. Local government is integral in the

<sup>1</sup> The empirical research was conducted between the November 2016 and the February 2018. Research's sample was 39 representative municipal authorities in Greece. Qualitative research includes 579 semi structured questionnaires from local government employees and political staff - elected staff (27) and 156 interviews with local government employees, political staff (39) and central government staff (16)

implementation of these policies. This prevailing rationale of the hierarchical and verticalized competence for the implementation of public policies vested at central administration organizations, in lack of the necessary inter-organizational coordination and with the limited participation of local government, only at the stage of services provision, transfers the problems of strategic planning fragmentation and complexity from central to local government.

There is a lack of trust, also evident in the decentralization model applied in Greek local administration, according to which decentralization relates to the transfer of provision responsibilities from central to local administration, maintaining however, in the majority of cases, the competence of funding and the critical process of policy control and audit. Due to this insufficient model of fiscal decentralization, municipalities are called to promote the implementation of a series of policies, for which they are neither competent nor able to provide funding or approval, in addition to their obligation to comply with multiple and overlapping levels of central administration strategic planning (ITA 2017, Hlepas 2015). This leads to increased delays and bureaucratic burdens in the provision of services. Municipalities and local administration organizations are obliged to plan and provide services, that their competence of planning and funding is vested with central administration organizations.

This lack of trust and support by the main state in the implementation of strategic planning and evaluation is depicted in the supervision and control model applied in local administration. This audit model, although recent (2014), unilaterally focuses on the control of the municipalities' financial operation and the legality of their expenses, failing to provide any audit framework for the basic core of strategic planning, the evaluation of the efficiency and effectiveness of services, despite the original plan of gradual transition to a new model of comparative evaluation for the municipalities' service within a period of two years. This audit model does not focus on the provision of services, primarily for political and secondarily for technical reasons, thus contributing to the continuation of a clientism state and the non-use of rational and political criteria in the municipalities' governance and strategic planning. It is yet another incomplete reformation in the municipalities' supervision and exercise of competencies, deriving from the promotion of actual evaluation and the prevention of changes due to political interests, which would be afflicted by promoting transparency and accountability in the control of the services' efficiency and effectiveness. Essentially, the lack of audit and evaluation over the municipalities' performance, according to criteria based on the provision of their services, such as cost of provision, quality and achievement of services' goals, leads to the organizations' insufficient compliance with strategic planning, since no enforcement is ensured in case they fail to achieve the services' goals or when services are ineffectively provided.

Increasing this regulatory complexity and fragmentation of strategic planning, it's also noticed the lack of a national, specialized and multidisciplinary, operational plan to fund the competencies and required reforms in local government, also affecting at a large degree the quality of strategic planning implementation in municipalities (ITA 2017). The municipalities' strategic planning needs to be harmonized and include in its design and implementation segmentation and dispersion of the available funding actions for municipality operations among the 5 operational plans of NSRF 2014-2020, the 12 Regional Operational Plans, the 17 management authorities of these plans, the 5 co-competent Ministries, the 9 strategic programs of Ministries and the 12 sectoral strategic plans that consist local government funding and planning in Greece. At the same time, strategic planning in local administration organizations is further complicated by the introduction of a series of initiatives by the central administration, mostly from the NSRF, such as Integrated territorial investments (ITI),

community-led local development (CLLD), local partnerships promoting employment (TOPSA-TOPEKO) and assistance to the impoverished population (TEBA). These initiatives, although aiming to reinforce decentralization and independence for municipalities in the implementation of public policies, actually contributed to the increased complexity and barriers in strategic planning, due to ineffective coordination with other levels and programming tools locally.

There are issues in the exercise and funding of the municipalities' competencies, which practically negate the implementation of strategic planning and which could have been resolved with the operation of a national strategic plan for local government. This path was not pursued, due to competition among the central administration stakeholders in order to maintain and reinforce their power and the lack of trust shown from central to local administration, with regard to the organizations' ability and maturity to effectively and transparently manage their funding resources. This policy leads to the local government organizations' essential failure to apply strategy planning and the ineffective provision of their services in a context of centralization, overlapping actions and regulatory plurality. In this bureaucratic maze, any initiatives for the implementation of strategic planning actions in municipalities are either incomplete or are insufficiently applied with major delay, due to delays in the provision of the required approvals and funding from the co-competent organizations.

#### **ORGANIZATIONAL CULTURE, TRUST AND STRATEGIC PLANNING INEFFECTIVENESS: THE FEAR FOR RATIONALISM AND TRANSPARENCY IN SERVICE PROVISION?**

Analyzing the wider implementation context of strategic planning and further to the comparative evaluation of empirical research results, we notice the presence of a series of limiting factors on the development of strategic planning in Greek local government. On the other hand, there is also significant data for its implementation, although limited, but opposing the total overview of complete depreciation and failure presented. The research results pinpoint the insufficient implementation of strategic planning and evaluation in municipalities, which is largely shaped by the existing culture among the stakeholders' staff and leadership. The administrative culture is characterized by limited trust towards institutions and the state, including local administration and political leadership and the non-implementation of the principles of consultation and cooperation in public action. This lack of trust affects both the participation of employees in the processes of strategic planning as well as the acceptance and support of the implementation actions further ahead. Essentially, due to this lack of trust expressed by the political leadership towards the use and utilization of strategic planning actions, employees appear to not be participating in processes and not believing in the contribution of strategic planning towards the improvement of their operations. They consider that decisions are finally issued on a centralized level, applying clearly political criteria.

This lack of trust seems to also be linked to the fear expressed towards changes promoted by the implementation of strategic planning in the Greek local administration. These changes necessitate the reformation of cultures and models that have been applied for decades. Fear towards change, expressed in the form of limited trust and participation in the processes of strategic planning and evaluation, includes the element of irrationality (Makridimitris – Mergos 2012, Karkatsoulis 2018). At their vast majority, municipality employees stress the need to apply strategic planning and promote changes in the operation of their organizations, but at the same time fail to participate in and trust strategic planning itself. According to empirical research, this fear and resistance towards changes promoted by the implementation of strategic planning is aggravated by disbelief and lack of trust shown by employees with regard to the actual reasons for its introduction, as they often think it will be a tool to limit

funding for municipality operations and indirectly evaluate personnel, carrying the risk of dismissals or reduction of wages.

Respective issues of trust are also detected at the municipalities' political leadership, in relation to the added value and the contribution of strategic planning in the exercise of their competencies. Political leadership, although it appears to be agreeing with the implementation of strategic planning and considering it necessary by a large degree, poorly utilizes the data provided by strategic planning and evaluation. The utilization of strategic planning results is limited due to the political leadership's hesitation towards their credibility and the degree by which they correspond to and represent the actual needs of the municipality and the services provided by them. This limited trust shown by the political leadership and a significant percentage of municipality employees often conceals their conscious choice to downgrade the rational criteria of strategic planning, to the benefit of the irrational criteria used in political decisions, aiming to serve the interests of certain social groups and avoid any possible political cost from promoting change. Thus, the implementation requirements of strategic planning conflict with the established system of the clientism state and political patronage in local administration. This is a conflict of values between political irrationality and the clientism state on the one hand, and the rationalization of strategic planning and evaluation on the other. The result favors the former side, retaining the status quo and preventing reformation.

This bidirectional lack of trust also characterizes the relationship between municipalities and the central state. Limited amount of trust leads to the political leadership and municipality personnel understanding strategic planning as a central state tool of intervention and control of their operation, a fact that negatively affects policy' acceptance and support of policy. Respectively, the central state does not trust municipalities with the implementation of strategic planning requirements and their compliance with the above, as it considers that due to limited operational capacity, and mostly due to lack of trust and interest towards this institution and its implementation, they will fail to apply operational plans and in the majority of cases the results presented will be false and not responding to the municipality's actual operation. This bidirectional lack of trust undermines the implementation of strategic planning, both in formal introduction, with only 25% of municipalities applying an operational plan, as well as on the level of planning quality, implementation and follow-up of the operational plans' actions, with the percentage reduced to 10%. The lack of a culture of cooperation in local administration is directly linked to this lack of trust towards strategic planning. In Greece, all factors co-shaping the presence of a culture of cooperation in the provision of public services seem to be negative (Paraskevopoulos 2000, ITA 2017, Karkatsoulis 2014, 2018). The low degree of inter-community trust and citizens' trust towards the institutions and local administration, the citizens' limited participation in institutions and social actions and absence of active political participation, the increased percentages of corruption and maladministration, in combination with the existence of a culture of organizational planning and decision making characterized by intense centralization and the absence of participatory decision making procedures, have led to the insufficient development of a culture of cooperation.

A significant aspect of this lack of a cooperation culture (and essentially the lack of trust) in the development of strategic planning in Greek local administration is also the absence of a consultation culture. Public consultation is the expression of trusting relationships and in Greece it seems to be applied rather ineffectively, despite the number of institutional promotional initiatives assumed during the last ten years. The limited trust and operation of an individual-oriented and centralized model in the municipalities' administrative decisions have led to extremely limited participation of municipality employees -and mostly citizens- in the

consultation procedures of strategic planning institutionalized by the Kallikrates program, thus contributing to the perpetuation of the institution's ineffectiveness, credibility and representation issues (Hlepas 2015).

	<b>Trust in strategic planning</b>					
	Use of strategic planning data & results on municipalities political management and decision making	Implementation of strategic planning actions	Municipalities administrative capacity	Actions and goals responsiveness on the real municipal needs	Data validity	Red tape and complexity on strategic planning implementation
Local government employees	27%	38%	57%	61%	58%	76%
Political leadership – local political staff	65%	53%	68%	72%	56%	59%
Central government employees	38%	47%	63%	67%	44%	45%

**Table 2: Trust on strategic planning**

**COMPARATIVE EVALUATION OF STRATEGIC PLANNING DEVELOPMENT IN GREEK LOCAL GOVERNMENT: PARTICIPATION, THE ACHILLES HEEL OF THE REFORMS**

The multilevel analysis of factors affecting the implementation quality of strategic planning in Greek local administration further requires the evaluation of the separate development stages of the model. The results of this evaluation showcase a series of negative factors which cause issues of false compliance and limited implementation. These factors are related to the prevailing administrative culture in local administration and are common for all municipalities, regardless of size and geographical location, for all municipal operational plan actions categories. According to research, the implementation of strategic planning includes the integration of the model's basic stages and limited utilization of strategic planning tools, such as evaluation of beneficiaries' needs, evaluation of external and internal environment for the provision of services and integration of indicators for their evaluation (Poister 2005, De Lancer Julnes 2013, Holzer – Joyse 2014). The integration of these tools shapes the quality of strategy planning and evaluation in organizations. In particular with regard to the critical level of evaluation, this is applied using criteria more than outflow indicators, which provide a basic overview regarding their daily and regular provisions, not an evaluation of their results, which is the basic aim in strategic planning. The quality of evaluation procedures for the needs of beneficiaries and municipality employees, and, according to those, the planning, implementation and monitoring of operational plan actions, are particularly low, due to limited participation in the procedures of participatory planning. The limited participation of beneficiaries and particularly the municipality employees involved, who have the required know-how, experience and knowledge, is one of the most important factors affecting limited compliance and ineffectiveness of strategic planning in Greek local administration.

Limited participation in institutionalized procedures of consultation and participatory planning of strategic plans leads to the collection of a particularly limited number of low-quality data, which cannot be used as a base for the municipalities' strategic planning (Holzer –

De Lancer 2001, De Lancer Julnes 2006). The insufficient participation of beneficiaries and municipality employees, due to the lack of trust towards the strategic planning procedures and their disbelief towards the utilization of their recommendations by the political leadership, mean that often the planning and selection of implementation actions of strategic plans include actions that do not correspond to the specific needs and problems of beneficiaries and on the other hand, their implementation and the achievement of their aims meet with increased difficulties or are practically impossible. Respectively, the implementation of operational plans is characterized by limited degree of implementation, due to the common inappropriateness of selected actions and the insufficient achievement of their aims, due to limited support or even opposition shown by the employees involved and the co-competent organizations. The limited participation and support in operational plans' planning and implementation procedures are due to the often-increased workload of employees, in addition to the lack of trust and resistance to change. The increased workload derives from the need to immediately manage and resolve the daily issues in the exercise of their competencies. Thus, the implementation of strategic planning is neglected, a choice that shows the lack of a planning and performance culture among employees and the failure to promote strategic planning as a basic policy for the rationalization and simplification of municipality operations.

The low quality and implementation issues of strategic planning in municipalities are further aggravated by the existing model of decision making, in addition to the behavioral factors of lack of trust and limited participation. The decision-making model is intensely centralized and individual-oriented on the level of the mayor and secondarily on the level of the municipal council, where strategic planning exercises limited influence, despite the political rhetoric and is not taken into consideration in the decision-making processes. Decisions are often issued according to political criteria, which are commonly irrational and their applicability is only evaluated with regard to the processes' formal legality and the municipality's ability to finance the required implementation actions. Strategic planning is thus trapped between the political choices of the political leadership and the one-dimensional control of the choices' legality and financial sustainability, consisting a strictly consultation tool, without the required commitment for the introduction of its results in the administration of municipalities. The lack of political will to apply strategic planning and the lack of demand for operational data, on the side of the elective employees further limits the implementation of strategic planning tools and their utilization by employees. The use of strategic planning results in the municipalities' decision-making processes could function as a balancing force and mechanism against political criteria and criteria not based on empirical data, leading to a total upgrade of their operations and the development of a new relationship of trust and cooperation with the personnel and citizens, based on rationality, transparency and responsibility for decisions.

### **IS STRATEGIC PLANNING REALLY APPLIED IN LOCAL GOVERNMENT? OPENING THE IMPLEMENTATION BLACK BOX**

In the complicated and foggy context of strategic planning implementation in Greece, the prospects of development for this institution in local government are reasonably limited and disputed with regard to its sustainability and the consequences it can have in the improvement of the municipality's performance. The comparative evaluation of empirical research results shows that strategic planning is applied by local government organizations only on a very limited scale, without the required coordination, both in municipalities and local stakeholders and on a level of national policy. These results support and confirm insufficient compliance with policy implementation. Any cases of high degree of compliance are the exception, not the rule, and are based primarily on private initiative by the involved employees and secondarily on the support and pressures exercised by political leadership. Strategic planning is implemented by the majority of organizations that have introduced it (85%) at less than 70%,

with significant fluctuations between the policy sectors and the categories of actions included. International experience proves that this percentage is unsatisfactory and causes questions with regard to the strategic planning policy's sustainability and effectiveness in Greek local administration. In the majority of organizations, strategic planning is applied at 50%-65%, with only 15% of organizations having proceeded to effective implementation of actions at a percentage higher than 80%. These figures showcase the issues of the organizations' false compliance with the government policy on strategic planning and evaluation and are further complexed, taking into consideration the acceptance and acknowledgment of the policy's necessity by the majority of the electives and the employees of local government.

Percentage of strategic planning implementation	Percentage of municipalities
80 - 100%	5%
70 - 80%	10%
50 - 70%	40%
30 - 50%	30%
0 - 30%	15%

**Table 3: Organizations' compliance with strategic planning**

Thus, in this context of false compliance and limited implementation in municipalities, strategic planning operates more effectively in certain directorates and departments. This result showcases the negative consequences of the lack of political will by the leadership of municipalities and central administration, regarding the organizations' compliance with the legislative requirements of strategic planning. At the same time, the more effective operation of strategic planning in directions and departments pinpoints the consequences of private initiative and trust and support shown by the employees involved, regarding the policy's success and its introduction in the municipalities' operation. Trust and support towards strategic planning is shown by municipality employees, with strategic planning being enforced by the above on a direction or department level, without any related order or pressure by the political leadership. This voluntary introduction of strategic planning is reinforced by the need to improve the services provided and accept the added value offered by strategic planning. Thus, when strategic planning is satisfactorily applied in the municipalities' organizational units (over 70%) the core factor promoting the policy is the employees' private initiative, formed further to the trust they show towards strategic planning and the understanding of its contribution to the more effective exercise of their competencies. Private initiative as a means of introducing strategic planning is affected on an organizational unit level by the support and acceptance of strategic planning by the unit's supervisor.

Contrary to that, the municipalities' political leadership appears to have limited effects in the promotion and implementation of strategic planning, due to insufficient support and acceptance of the institution by the majority of its members. In municipalities where political leadership supports the implementation of strategic planning (15%) and there are cooperation relationships and trust from employees, the policy's implementation degree shows clearly higher levels of compliance. Leadership acts supportively towards the implementation of strategic planning, but on a level of direction/department and not for the municipality as a whole. On a municipal level, political pressures and pressures exercised by interest groups of employees and citizens are often more intense. Another equally important factor in the promotion of strategic planning implementation on the organizational unit level is the commitment and dedication degrees of employees in the competencies exercised and the role of the organizational unit. The greater the commitment degree, the sense of duty and the employees' dedication are, the more effective the strategic planning implementation is. As we will see later, the same applies for improvements in services provided. By a lesser degree, the

competence of providing extroverted services to citizens and companies also seems to affect the implementation of strategic planning. Municipality organizational units providing services to citizens and companies implement strategic planning at a larger degree, in comparison to directions providing administrative and internal services. Administrative and supportive services present the lowest introduction degree of strategic planning and evaluation comparatively, negatively affecting the entire operation of municipalities and the implementation of strategic planning.

A significant differentiation is also noticed with regard to the strategic planning implementation level among the various sectors of the municipalities' operational plans. The sectors of environment, social policy and technical projects present the largest implementation degree, followed by the sectors of promoting local financial development and reinforcing the municipality's operational ability. This differentiation is related to the implementation degree of the operational plans' provided actions and is influenced primarily by the competence of managing actions vested at the local administration organizations and secondarily by the importance of daily operations and social sensitivity. This category also includes environment protection actions, in particular waste management and provision of social services, due to the aggravation of the financial crisis and the issues of impoverishment and unemployment. These sectors also present the largest implementation level of strategic planning. In addition to these sectors, following the latest Kallikrates reformation, the greatest part of provisional and partly decisive competencies has been transferred to municipalities, a factor that contributes in the promotion of implementation (Hlepas 2015, OECD 2012). But even in these sectors, and particularly the environment protection and waste management sectors, the competence of constructing and operating critical infrastructure projects and the required facilities is not vested at the municipalities but continues to be a problematic co-competence shared among districts and the central state, causing obstacles and delays in the integrated implementation of strategic planning actions.

The complexity and increased presence of co-competencies, essentially the lack of an actual competence of municipalities in the sectors of local financial development and employment, have led to organizations being dependent on the decisions and funding coming from central administration and the presence of increased delays in approvals, contributing to the limited implementation of strategic planning actions. A special case is the category of strategic planning actions in relation to the reinforcement of local administration organizations' operation, where we detect the lowest degree of implementation comparatively, despite the increased competencies of municipalities in this category. This fact showcases the political timidity of the municipalities' political leadership in relation to the promotion of organizational changes in their operation, despite having recognized their positive contribution to the improvement of the provided services' quality and the saving of budget resources. These actions mostly relate to the reorganization of the municipalities' existing organizational structure, the simplification of competencies exercised and the services provided, the digitalization of services, the development and utilization of human resources and the introduction of monitoring and evaluation systems. These interventions require the promotion of changes on existing models and operational standards of municipalities and particularly the reassignment of human resources in directions and their departments. The changes applied are met with the employees' opposition and resistance to change. Personnel's reaction leads to abandonment or limited implementation of strategic planning, under the lack of vision, commitment and dedication by the political leadership.

## **DUALISM AND DIFFERENTIATED MODES OF STRATEGIC PLANNING: POLICY FAILURE OR A BOTTOM – UP RATIONALIZATION ?**

With the fragmented implementation of policy on a local administration level, strategic planning appears to be applied at a greater degree in organizational units, where employees and supervisors support its implementation and are characterized by a heightened sense of duty and high degree of dedication to the services provision aims and the fulfillment of the beneficiaries' needs. In these organizational units with comparatively more effective implementation of strategic planning, the focus and main incentives for the promotion of the institution have been the employees' personal interest and the internal planning of organizational units, expressed in the specialized action plans they implement. These organizational units include social services, planning departments and directions of environmental/environment. Action plans include the technical service's plan, the financial service's budgeting, the local waste management plan for the environmental service and the various social plans implemented by the social service, such as TEVA, KEA, the family and professional life harmonization plan etc.

Particularly in social services, which present the highest implementation degree of strategic planning along with planning departments, the main factor promoting strategic planning is the employees' dedication to the aims of the services provided and the contribution they have in relation to the improvement of the beneficiaries' quality of life. Respectively, in planning departments, strategic planning implementation is promoted by the employees' dedication and support towards its contribution and added value. However, the implementation is often limited by issues of cooperation and co-competencies in the implementation of actions by the municipalities' competent organizational units. Contrary to that, in environmental directions, waste management directions and technical services, the implementation of strategic planning is promoted by the necessity to coordinate several different actions included in their competencies as well as the particularly negative image of the municipality and social discontent caused by ineffective and delayed exercise. A special category includes financial directions which implement strategic planning at a relatively satisfactory degree, using as reference their budget and the monitoring of its execution by the municipality's directions and departments as a reference, instead of focusing on the execution of the operational plan. Respectively, in technical services' directions, the strategic planning's technical plan instead of its operational is preferred. Most employees harbor negative opinions in relation to the operational plans' contribution to the improvement of their provided services.

A catalyst in the promotion of strategic planning in the organizational units analyzed has paradoxically been the separate action plans of directions, not the municipality's operational plan. Specialized action plans, which form the basic foundation for the operation and provision of services by competent organizational units, although not provided institutionally, are harmonized at a low degree and have been introduced in the municipalities' operational plans. Thus, the competent organizational units' strategic planning is implemented according to the aims and actions of these action plans, and not based on the municipality's operational plan. An organizational dualism, which leads to the creation of co-competencies and overlapping and the lack of the required coordination in implementing strategic planning in municipalities.

Consequently, the implementation of strategic planning in the organizational units utilizing it, with the exception of planning directorates, which are competent for the compilation and monitoring of operational plans, seems to not be linked with the implementation of the municipal operational plans. This is an oxymoron, since implementation on an organizational unit level should be the core level of specialization and implementation for the operational plans' actions. However, this does not seem to be the case in Greek local administration. There

is an ineffective link due to the lack of a coordinated and centrally enforced strategic planning and evaluation policy on the municipality level, also due to the ideological characteristics of lack of trust and cooperation in the employees' prevailing culture. This view is confirmed by the opinions and attitudes of employees applying strategic planning in their organizational units but failing to acknowledge the added value of operational plans or support the implementation of the operational plans' actions related to their organizational unit, as they are required to do.

Municipal operational plans were introduced to help with the harmonization and integration of various planning sectors and levels in the operation of municipalities. However, this primary objective was not achieved. The factors leading to the failure of this integration and reinforcement of strategic planning include both the lack of cooperation and consultation culture in local administration and the retention of administrative limits between directions. Another contributing factor is placing focus on budgeting in the municipalities' decision-making processes. This one-dimensional focus on executing the budget and providing financial control for expenses of the services provided has led to the endorsement of budget instead of the operational plan and any changes in its execution. These changes are common, and, without the required forecasting and coordination, they also affect the operational plan's implementation. Essentially, strategic planning in municipalities continues focusing on and adhering to the budget, neglecting implementation issues of the operational plan and the efficiency and effectiveness of the services provided.

In addition, and despite the legislative provision, integration of municipal operational plans and budget has only been achieved formally, with the two planning levels following parallel and independent implementation courses, with the focus placed on the second evaluation level (the financial one) in decision making processes. Respective issues are also detected in the harmonization of the technical plan with the operational one, which is clearly formal and inflexible, while constant amendments and reformations of the technical plan cause obstacles and delays in the implementation of the municipal operational plan, as in the case of budget and the social policy plan. In this strategic planning maze locally, municipality directions and departments which support and wish to implement strategic planning finally choose to promote its implementation on a directorate /department level and as part of their separate action plans, which include comparatively larger competence in decision making and the implementation of the provided actions. The lack of interconnection between the strategy planning standards of separate organizational units and the operational plan of municipalities showcases the failure of the policy and the need to reform it, in order for it to become an actual basis for strategic planning, municipally and beyond.

This dualism in the Greek local administration strategic planning contributes to strategic planning functioning more effectively in directions or departments, and not in the municipality in its entirety. Implementation is undermined due to the lack of coordination between the municipality' different organizational units and the insufficient harmonization and integration of separate action plans with the municipality's operational plan. This ineffective coordination in the implementation of strategic planning derives from the lack of a cooperation and consultation culture, both between employees, as well as in the organization and operation of the municipalities' organization units. The operation of organizational units continues following the traditional hierarchical structure and order, based on formal compliance with the institutional framework and the provisions of budget, fulfilling their formal and specified competencies. This administrative rationale, with regard to the concepts of competence and ownership, responsibility and accountability, is closer to the approach of separate sector plans of action and not the municipality's operational plans. Respective coordination issues are also

found in municipalities and competent organizational units in relation to specialized local implementation plans of central administration in the sectors of social policy (TEBA), employment (TOPSA-TOPEKO) and local development (OXE-CLLD) which are insufficiently implemented, independently from the municipality's operational plan and the organizational units' action plans.

### **STRATEGIC PLANNING AND MUNICIPAL SERVICES: IS THERE ANY REAL IMPACT ON SERVICE PROVISION?**

The fundamental issue raised by the comparative evaluation of the experience and the quality of strategic planning implementation in Greek local government is whether the introduction of strategic planning contributes to the more efficient and more effective provision of services by municipalities. According to empirical research results and taking into consideration the difficulties in measuring efficiency and effectiveness in Greek local administration, organizations and organizational units that apply strategic planning provide their services in a more efficient and more effective manner, in comparison to those where strategic planning is either not applied at all or is insufficiently applied and in relation to their previous provision model. Municipal authorities and their organizational units that have introduced strategic planning provide their services at a comparatively lower cost, achieve better compliance with the provision standards and complete by a greater degree their predetermined provision goals, particularly the quantitative ones, which form the vast majority of goals. In this framework, the introduction of goals and evaluation indicators in the provision of social services has contributed to the comparatively greater improvement of services. This improvement was achieved through rationalization and coordination of the often differentiated and overlapping social services' competencies, often characterized by the presence of co-competencies. Respectively, in waste management and environmental services, the introduction of evaluation indicators has contributed to their more efficient and more effective provision, through a more effective coordination of their available resources and the effort to achieve specific goals. The introduction of evaluation indicators caused improvements in provided services, at a lower scale, in the sectors of employment promotion, local financial development and technical services, due to the consequences of the issues of co-competencies and centralization in the approval and control of the plans implemented and the services provided. A respective limited improvement was detected in the municipalities' administrative and planning services, due to insufficient integration of strategic planning and evaluation tools in the former category and coordination and cooperation issues with the involved directions and co-competent organizations in the latter.

A significant finding of this research is the deviation in the employees' opinions with regard to the improvement degree on the services' efficiency and effectiveness, as a consequence of the introduction of planning. The improvement of efficiency and effectiveness, as documented by quantitative data, is perceived as lower than the actual achieved by employees that do not support strategic planning. While on the other hand, although with lesser deviation degree, employees that support strategic planning and participate in it perceive improvements as higher than the ones actually achieved. This differentiated attitude is caused by the degree of trust and acceptance towards this institution and how this affects their consideration with regard to the consequences on services provision.

In relation to the strategic planning factors that contribute to the improvement of services provided, the largest effects seem to be achieved by the employees' trust and acceptance towards the institution and their realization of the need to change the existing services provision model. On the same axis, the employees' participation in the planning and implementation of strategic planning actions and the building of a context of trust and

cooperation among the municipality's organizational directions contribute to the achievement of larger-scale outcomes in the provision of services. In parallel to these behavioral factors promoting operational planning, the implementation of rationalization actions and initiatives acts positively, as well as the implementation of actions on the cost of services and the provision and evaluation of services according to specific aims and evaluation indicators, quantitative and qualitative. These factors show the gradual but necessary development of a performance culture among the organizational unit's or municipality's employees and the implementation of strategic planning in an environment of increased trust and cooperation. A part of this performance culture is the presence of an environment promoting change in general and administrative change and innovation more widely in the organization's operation. The introduction of services provision innovative models, such as quality and excellence standards, standardization tools and monitoring tools for the municipalities' operations and electronic governance implementation s, contribute to the promotion of strategic planning and evaluation, as part of the development of this wider context and change and innovation culture in the sector.

The development of the required skills and know-how on operational plan planning and monitoring, via the participation of employees in related capacity building activities also works supportively, although to a lesser degree in relation to the institution's more effective implementation . Regarding skills, the presence of inter-disciplinary cooperation skills among the employees of the various stakeholders' organizational units in operational plans and their utilization as a tool to promote the cooperation required, beyond the limits of the hierarchical structure and coordination and the ownership attitude of the services provided also has a particularly positive contribution. Respectively, the political leadership's supportive attitude contributes to the achievement of positive consequences in the provision of services. The supportive attitude of political leadership is translated in most study-cases in acceptance, yet not practical support. Obligatory enforcement of strategic planning is not applied in municipalities and these methods are not preferred for the promotion of the institution, due to the political cost and the political dependence of leadership on certain existing interests. At the same time, when operational planning is effectively applied, the political leadership provides the required flexibility, decentralization and freedom in decision making with regard to the implementation of planning and evaluation actions and tools, by the competent and interested employees of the municipality's organizational units.

On the other hand, a series of critical factors according to international experience and literature, do not seem to have a positive contribution in the propagation and effectiveness of the operational planning' implementation (Bouckaert ed 2017a, Bryson 2018, Holzer – Joyse ed 2014, Poister – Streib 2005). This is a national paradox in the development of the institution, confirming the particularities of the development context of strategic planning in the Greek local administration and the necessity to adjust the model to these particular conditions and needs. In particular, the exercise of fiscal pressures and the municipality's financial status do not affect the introduction and effectiveness of strategic planning, despite the interlinks. This fact shows the limited acceptance and selection of operational planning by municipalities as a sustainable and effective model to improve their operations. It also showcases the lack of an established national strategy to promote this institution, with which municipalities would comply. The municipality's size and operational capacity also seem to have limited effects in the implementation of operational planning, a fact that is linked with its limited practical acceptance by the municipalities' leadership. The leadership provides inflexible, theoretical support and proceeds to announcement, lacking the dedication and the will to exert pressure for the strategic planning's implementation and thus having limited effects on the propagation and implementation of strategic planning. A limited effect is also

achieved by the participation in EU Funded and research & innovation programs, due to the common phenomena of pseudo and limited compliance of the municipalities with their goals and the common absence of effective organizational learning strategy for the incorporation of their results and tools on their management.

Service sector	Efficiency improvement	Quality improvement	Effectiveness improvement
Municipal level – in total	8 – 29%	12 – 22%	16 – 29%
Social services	14 – 27%	12 – 20%	20 – 28%
Environmental protection	18 – 32%	17 – 25%	18 – 27%
Public works & urban planning	5 – 16%	15 – 19%	9 – 14%
Local economic development	9 – 14%	10 – 16%	17 – 20%
Employment promotion	5 – 11%	9 – 13%	5 – 9%
Financial management	9 – 12%	16 – 18%	13 – 17%
Administrative support services – HR services	7 – 10%	5 – 7%	15 – 18%
Strategic planning & project management	12 – 21%	17 – 23%	16 – 24%

**Table 4: Strategic Planning impact on municipal service provision**

#### **DIRECTIONS FOR POLICY'S REFORM AND FUTURE RESEARCH**

In conclusion and further to a comparative research of national experience, the implementation of strategic planning in Greek local government is met with significant structural deficits and problems. These issues are related both to the existing national local government organization model, which is intensely centralizing and bureaucratic, and to the dominant administrative culture, characterized by a bilateral lack of trust in the relationships between the central and local state and the administration and citizens, as well as to the fear expressed toward administrative reform. In this adverse context for strategic planning, a series of targeted reforms is required. On the core of these changes we find the reform of the local government organizations' existing audit and control model. A new audit model should be institutionalized, monitoring and evaluating the municipalities' municipal operational plans and leading to the municipalities' funding according to their outcomes. This change will contribute to the actual monitoring and comparative evaluation of the municipalities' provided services, and at the same time, the interconnection with funding shall contribute to the promotion of actions implementation and goals achievement for operational plans. The most significant reformation to be gained will be a change in the culture applied in the municipalities' decision-making processes and administration. This reform, along with strengthened evaluation and transparency in the provision of services, will contribute to the replacement of the often political, clientelistic and irrational criteria by more rational ones, based on empirical data.

In order for this new control and audit models to operate, the diffused and overlapping levels of strategic planning in central and local administration need to be integrated and reformed. On a national level, this integration can be provided through a multiannual operational programme for local government. At municipalities, it should be completed under the auspice and coordination of municipal operational plans, which will have been included to the municipal budget and constitute the strategic planning's official tool and institution. In order

for municipalities to deal with the challenges of strategic planning and evaluation, their informatics systems need to be integrated and a common and accessible database for local government must be created. This common database will be updated regularly, under penalty of financial sanctions, with the implementation data of the municipalities' operational plans and will be accessible to all interested parties, thus reinforcing transparency and accountability in local administration operations.

All changes to promote strategic planning in local administration should focus on performance evaluation. Evaluation should be performed in a participatory manner and with transparency and accountability, based on a variety of simple and standardized performance indicators, common for all municipalities. Evaluation of municipal operational shall constitute the basis for municipality funding as well as a transparency and accountability tool, with the publication of the municipalities' results. No reform in local administration can be successful without the participation of local government employees and citizens. This engagement should be institutionally supported and become a part of the municipalities' daily operation and management. Promoting the participation of local administration staff and citizens should be the focal point for the reform of strategic planning policy, as required in the new local governance model. The new local governance models should be based on the active participation of citizens and stakeholders involvement in strategic planning procedures. A new model of participatory and evidence based management, that will lead to the creation of a new relationship of trust and cooperation in the provision of municipal services. This new relationship of trust will promote the strategic planning applicability and improve the effectiveness of services provided by local administration.

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