

PROBLEMS OF RATIONAL PLANNING IN PUBLIC ORGANIZATIONS An Empirical Assessment of the Conventional Wisdom

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Rational planning is widely regarded as difficult because of the technical problems of obtaining and interpreting relevant data and the political problems of rivalry between planners and service deliverers. Provided here is the first empirical test of these traditional hypotheses on the problems of rational planning in public agencies. The context of the empirical analysis is a recent attempt by UK local authorities to introduce a new planning system. The statistical results suggest that the problems of rational planning are largely technical (lack of resources and expertise) rather than political. Potential explanations for these results are identified, and the implications for theories of rational planning are considered.

Keywords: *rational planning; public agencies; empirical analysis; technical and political variables*

Many attempts have been made to use rational planning in public organizations during the last 40 years. The origins of the modern interest in planning processes in the public sector are usually traced to the introduction of Planning Program Budgeting Systems (PPBS) in the Department of Defense in the United States in the early 1960s (Downs & Larkey, 1986; Jenkins, 1978). This was followed in the U.S. federal government

by the related techniques of Zero Based Budgeting (ZBB) and Management by Objectives (MBO; Dirsmith, Jablonsky, & Luzzi, 1980) and in the United Kingdom by attempts to plan and evaluate public spending through the Public Expenditure Survey Committee (PESC) and Program Analysis and Review (PAR; Gray & Jenkins, 1985; Heclo & Wildavsky, 1974). This flood of acronyms and the related planning processes led to one general conclusion: Rational approaches to strategy formulation in the public sector are difficult, if not impossible. For example, Wildavsky (1973) asserted that "planning fails everywhere that it has been tried" (p. 128; see also Bryson & Roering, 1988; Lindblom, 1979).

A fairly standard set of explanations for the failure of rational planning has emerged. These explanations focus on the technical and political problems of rational planning. The main technical difficulties stem from the intellectual and resource constraints faced by policy makers: The data required for rational planning are hard to obtain and even harder to interpret. The political problems reflect the impact of rational processes on the balance of power in organizations. Rational planning is generally believed to be a technocratic exercise that shifts power from politicians to bureaucrats and from service managers to planners at the center of the organization. Thus, planning is discontinued, so the story goes, because it is technically troublesome and politically controversial.

Such arguments concerning the difficulties of planning in public organizations have never been subjected to formal empirical tests. Are technical and political variables significant predictors of the successful introduction of rational planning? Which category of variable is more important? Do technical and political variables together provide a comprehensive explanation of the ease or difficulty of planning? The aim of this article is to answer these questions by developing and testing a statistical model of the problems of introducing rational planning in the public sector. The explanatory variables in the model are derived from arguments that are common in the literature. Thus, the analysis can be viewed as the first explicit test of the implicit theory in this field.

In the first part of the article, we specify six main hypotheses that constitute the conventional wisdom on public sector planning. In the second part, we outline the context of the empirical analysis and present our methodology and statistical results. Conclusions are then drawn on the validity of theoretical arguments concerning the problems of rational planning in public organizations.

THEORETICAL FRAMEWORK AND HYPOTHESES

The conventional wisdom on the problems of rational planning is based largely on broad commentaries on planning reforms that have failed. There are two issues of concern here. First, the commentaries draw on very little empirical evidence; they mostly consist either of the impressions of academic outsiders or reflections by planning insiders (Leach, 1982). Secondly, the stories of failure tend to assume that rational planning is equally unsuccessful in all public agencies. There is little recognition that planning may be easier in some circumstances than others, even though this is implicit in arguments concerning political and technical problems. For example, new planning processes may be introduced more easily in organizations that are already centralized or that have a history of commitment to rational styles of management.

Although no comprehensive theory of rational planning in public agencies has previously been developed, fragments of such a theory are contained in two main literatures: (a) general commentaries on the fate of planning reforms in the public sector and (b) studies of a specific attempt at rational planning that is especially relevant to our empirical research (the so-called *corporate revolution* in British local government in the 1970s; Dearlove, 1979). In this section, we summarize and elucidate the relevant arguments from these sources and convert them into explicit hypotheses. Taken together, these hypotheses constitute a multivariate model that seeks to explain the relative ease or difficulty of rational planning. The explanatory variables in the model reflect the technical and political problems that are commonly cited as impediments to rational planning.

TECHNICAL PROBLEMS

RESOURCES

Rational planning is widely considered to have a voracious appetite for financial and human resources (Bryson & Roering, 1988; Mintzberg, 1994). This is partly because of the time and technology required to undertake the stages of the planning cycle—clarifying and quantifying objectives, auditing the environment and the organization, generating policy options, selecting the best option, controlling implementation, and monitoring results. Each of these stages can be expensive because the activities of managers are displaced toward planning rather than

running the organization and delivering its products and services. Lindblom (1959) argued that rational planning is "absurd as an approach to policy when the time and money that can be allocated to a policy problem is limited, as is always the case" (p. 80). In short, rational planning is a burden that must be added to organizational overheads (Jenkins, 1978). This implies that it cannot be pursued successfully unless resources are available either to employ specialist planners or to provide managers with the capacity to undertake planning themselves (Ramanujam, Venkatraman, & Camillus, 1986). For these reasons we expect

Hypothesis 1: There is a positive relationship between organizational resources and the successful adoption of rational planning.

EXPERTISE

The availability of resources can be viewed as a necessary, but not sufficient, condition for the introduction of rational planning. Even if money and time are available, organizations may lack the expertise to operate a planning process. Streib and Poster (1990) argued that "considerable general management expertise is necessary to successfully undertake a strategic planning effort" (p. 31). Managers may be unable to generate the data required by rational planning or lack the analytical skills to interpret the information that is available to them. These technical problems are widely thought to have stymied attempts at rational planning in public agencies (Bryson & Roering, 1988; Jenkins, 1978; Lindblom, 1959). If so, then organizations with higher levels of planning expertise (e.g., as indicated by the existence of specialist policy units, the competence of managers, and prior experience of at least some planning processes) should find it easier to follow the dictates of rational planning. On the basis of this conventional wisdom, we therefore expect

Hypothesis 2: There is a positive relationship between organizational expertise and the successful adoption of rational planning.

POLITICAL PROBLEMS

POLITICIANS AND PLANNING

Politicians may be suspicious of rational planning for two main reasons. First, a formal planning cycle typically requires the clear

specification of organizational objectives. This is likely to be resisted by politicians, because it is easier to build and maintain coalitions if the purposes of a policy remain vague (Honey, 1979; Rhodes, 1979). In this way, different groups can support the policy without necessarily agreeing on the ultimate ends or yardstick for success (Lindblom, 1959). Furthermore, if criteria of success or failure are kept fuzzy, it may be easier for politicians to put a favorable gloss on their record in office and thereby reap electoral rewards. Second, planning may appear to be a highly technical procedure that is better understood by managers than politicians (Cockburn, 1977). Rational planning is typically laden with jargon and complex data (Greenwood, Hinings, Ranson, & Walsh, 1976; Lenz & Lyles, 1985). The result is that organizational power appears to be shifted to the bureaucrats who control the planning process and that strategy formulation becomes depoliticized (Clapham, 1984; Dearlove, 1979; Hambleton, 1978). In this context, politicians are likely to resist the adoption of rational planning (Lucking, Howard, & Greenwood, 1974). For these reasons, we expect

Hypothesis 3: Planning is viewed more positively by appointed officials than by elected politicians.

CENTRAL OFFICIALS AND SERVICE MANAGERS

Attitudes toward rational planning are likely to vary not only between politicians and officials but also between different groups of officials depending on their role in the organization. Planning processes typically involve attempts by the core of a public agency to influence behavior at the periphery (Van Gunsteren, 1976). Rational planning is frequently intended to be comprehensive and integrate the activities of separate parts of an organization (Mintzberg, 1994). Thus, planners seek to *control* as well as analyze and forecast the actions of different departments (Camillus, 1986; Langley, 1988; Quinn, 1980). Rational planning may therefore be viewed by managers outside the corporate core of an organization as a threat to their autonomy (Haynes, 1978; Rhodes, 1979). Officials at the apex of the organization, by contrast, are likely to welcome planning as a means of enhancing their power. Similarly, planning staff members at the center are likely to benefit from a strengthened planning system, either because they are true believers in planning or because their status and influence is closely tied to its importance in the organization. Therefore,

Hypothesis 4: Planning is viewed more positively by officials at the corporate center than by managers in front-line departments.

PROFESSIONALS AND PLANNING

Perceptions of the value of rational planning are likely to vary not only between the core and periphery of an organization but also between front-line departments. An apparently hard or mechanistic approach to management may be more appropriate for some services than others (Hambleton, 1986). In particular, the outputs and outcomes of routine services that require relatively low levels of skill, such as highway maintenance or refuse collection, may be suited to rational planning (Caulfield & Schulz, 1989). By contrast, in soft services, such as education or social work, it may be more difficult to define and quantify measures of performance. In particular, the quality of such services may rest in subtle and elusive interactions between professionals and clients (Walsh, 1991) and thereby defy attempts to schedule and evaluate work in the way that rational planning requires. Thus, highly professionalized services may lack the technical characteristics that are favorable to planning. Moreover, groups such as teachers and social workers may regard rational planning as an intrusion upon their professional discretion (Kakabadse, 1977; Langley, 1988). Thus,

Hypothesis 5: Planning is viewed more positively by staff in nonprofessional services.

POLITICAL CULTURE AND PLANNING

Different public organizations may vary in their attachment to planning processes depending on the ideology of the ruling political group. In other words, the prevailing political culture may partly determine perceptions of the costs and benefits of rational planning (Faludi, 1973). The principles of planning in the public sector have conventionally implied an attempt to coordinate and integrate not only the activities of the subunits of a single organization but also the activities of different organizations, for example, transport and housing agencies and social services departments and hospitals (Hambleton, 1978; Self, 1974). This perspective is consistent with an ideology that seeks to use rational planning to achieve collaborative advantage in the public sector as a whole, rather than competitive advantage for specific public agencies.

Comprehensive planning is at odds with the principles of new public management that have influenced governments in many Western democracies in recent years (Hood, 1991; Pollitt & Bouckaert, 2000). These entail quasi-markets that promote competition between public organizations and the decentralization and disaggregation of public services. Such policies can be regarded as a hindrance to planning between and within public sector organizations (Greer & Hoggett, 1999). Therefore we expect that:

Hypothesis 6: There is a positive relationship between a political culture that favors collaboration, rather than competition, and the successful adoption of rational planning.

RESEARCH CONTEXT, METHODS, AND DATA

The UK government has introduced legislation that requires local authorities to implement a new form of rational planning known as Best Value (BV; Boyne, 1999). The BV term refers to a set of outcomes and processes in local service provision. The intended outcomes are continuous improvements in the quality and efficiency of local services. The statutory processes consist of the publication of an annual performance plan (PP) that defines council objectives for the next year and for 5 years ahead, performance reviews that evaluate the strengths and weaknesses of particular services, and the development of an action plan (AP) that is expected to achieve the service objectives. Thus, BV incorporates all the major elements of planning: clarification of goals, analysis of the organization and its environment, evaluation of alternative policies, and the selection and control of a program of activities to achieve the goals (Lindblom, 1959; Mintzberg, 1994).

As part of the preparations for the new planning system, 21 local authorities in Wales became BV pilots (Boyne, Gould-Williams, Law, & Walker, 1999a). The services selected as pilots by Welsh councils covered the full range of local authority functions such as education, social services, highways, housing, and refuse collection. The pilot authorities implemented the elements of BV in advance of the legislation. Their experience of attempting to follow a rational approach to strategy formulation is a valuable opportunity to test the validity of the conventional wisdom on public sector planning. Between 1998 and 1999, we tracked the success of pilots in producing PPs, undertaking reviews, and developing APs. Our

research methods included analysis of documents, three questionnaires, and three waves of interviews with more than 1,000 politicians and managers in the 21 Welsh BV pilot authorities.

THE DEPENDENT VARIABLE: RATIONAL PLANNING

The extent to which public organizations find that the adoption of planning is problematic can be measured by the existence and quality of formal planning documents and by the perceptions of participants in the planning process (Boyd & Reuning-Elliott, 1998; Boyne, 2001). Written documents that specify objectives and the means of achieving them are central ingredients of rational planning systems (Hogarth & Makridakis, 1981; Mintzberg, 1994). The BV pilot services were expected to produce two planning documents. First, the PP was intended to contain a matrix with nine cells that provided details of current organizational performance, comparisons of performance against other service providers, and targets for future performance. In each of these three categories, central government asked pilot services to include information in the PP on inputs (e.g., expenditure per capita on garbage collection), outputs (e.g., tons of garbage collected), and outcomes (e.g., cleanliness of streets). These aspects of the PP provide the basis for our first measure of the ease or difficulty of strategic planning: How much of the information were local managers able to produce (from a maximum score of 9 pieces to a minimum of 0)? All of the pilot services produced a PP, but the mean number of performance indicators that they contained was only about one third of that requested by the central government (see Table 1). The quality of the PPs varied greatly across the BV pilots: The range on this variable is 0 to 8. The second planning document that pilot services were expected to produce, the AP for service improvement, was intended to show how the targets in the PP were to be achieved. In contrast to the PPs, central government provided no guidelines on the required content of APs. Rather than judging the APs by a post hoc set of quality criteria, we simply measured whether an AP was produced for each pilot service. Whereas all pilots produced a PP, more than one third did not develop an AP, perhaps partly because of the absence of central guidance on this part of the BV planning process. The existence of an AP and the quality of a PP are positively related: Pilot services that produced an AP had a PP score of 3.9, whereas those without an AP had a score of 1.6 (a significant difference at

TABLE 1
Measures of Ease of Adoption of Rational Planning

Variable Mean SD Data Source

Quality of performance plan (10-point scale, from 0 to 9 pieces of performance data)	3.13	
	2.26	1
Existence of action plan (dichotomous variable)	0.30	— 2
Perceptions of ease of data collection and interpretation (7-point scale)	4.41	0.89 3

NOTE: Data sources: 1=performance plans published by pilot services; 2=interviews with officials in pilot services; 3 = questionnaires to politicians and officials in pilot services.

the .001 level using a *t* test for equality of means). This suggests that both documents may be influenced by a common set of variables that reflect the planning capacity of pilot authorities and services.

It should be noted that we have not assessed the extent to which the APs were implemented, nor have we examined whether the plans led to the intended results. Such variables are clearly key components of a whole planning cycle. However, our concern in this article is with testing theories of the introduction of planning rather than the implementation or effectiveness of plans. In other words, the focus is on procedural rather than substantive rationality (Dean & Sharfman, 1993, 1996).

The existence and quality of documents are suitable dependent variables for Hypotheses 1, 2, and 6 outlined above. However, Hypotheses 3, 4, and 5 relate to the *perceptions* of different participants in the planning process within an organization (politicians and officers, corporate and departmental officials, and professional and nonprofessionals). Thus, a test of these hypotheses requires measures of politicians' and managers' views of the ease of rational planning. Various authors have concluded that planning fails because data are difficult to obtain and analyze. For example, Lindblom (1959) argued that rational planning "assumes intellectual capacities and sources of information that men [*sic*] simply do not possess" (p. 80; see also Hogarth & Makridakis, 1981; Jenkins, 1978; Self, 1974; Sharkansky, 1972; Wildavsky, 1973). We have therefore assessed whether perceptions of the ease of obtaining and interpreting planning data vary between politicians and officials and between different types of officials.

The BV pilot services in Wales were required to collect and interpret data on their current performance in four ways: consultation with customers, surveys of staff views of service provision, benchmarking against other agencies in the public and private sectors, and the development of local performance indicators that reflected the organizations' own objectives. To ascertain whether these analytical elements of the BV planning regime were found to be problematic, we distributed a questionnaire survey in which respondents were asked to indicate on a 7-point, Likert-type scale whether the data generated by each of the four elements of review were (a) easy to collect and (b) easy to interpret.

The survey instrument was piloted in each authority, and respondents' comments were incorporated into the final version. The questionnaires were then sent to five different classes of respondents who were closely involved in the BV planning process—namely, senior politicians, chief executives, service directors, service managers, and BV project managers (officials with the responsibility for steering the pilot program in their authority). This sample was selected to test Hypotheses 3 to 5 concerning the political problems of rational planning. A total of 380 questionnaires together with guidance notes, covering letters, and a prepaid return envelope were distributed during May 1999. After a period of 3 weeks, follow-up letters were sent out. Thereafter, a total of 217 questionnaires were returned (response rate = 57.1%) with 21 respondents indicating they were unable to complete the questionnaire, thus reducing the overall response rate to 51.6%. A time-trend extrapolation test for nonrespondent bias (Armstrong & Overton, 1977) revealed no significant difference in the views of early and late respondents. The ease of collection and ease of interpretation variables were closely correlated at $+0.68$. We therefore combined them into a single measure that forms the third dependent variable for our statistical analysis (see Table 1). This variable is not significantly related to either the quality of PPs or the existence of APs. Thus, the perception scores and the formal outputs of the planning process are not only conceptually but also empirically distinct dimensions of problems of rational planning.

EXPLANATORY VARIABLES

The definitions and data sources for the independent variables in the statistical model are summarized in Table 2. The concept of financial resources is operationalized in two ways, first through a measure of dis -

TABLE 2
Explanatory Variables, Hypotheses, and Data Sources

		<i>Hypothesized Effect on Data</i>
<i>Concept Variable, Definition, and Label Mean Planning Source</i>		
Financial resources	1. Organizational slack (<i>SLACK</i> ; [total spending – standardized spending assessment]/population)	4.90 + 1
	2. Number of pilot services (<i>PILOTS</i>)	7.75 – 2
	Expertise 1. Prior experience of planning processes (<i>PRIOREXP</i> ; minimum 0, maximum 4)	1.77 + 2
	2. Prior existence of corporate policy unit (<i>UNIT</i> ; coded 1 for policy unit, 0 otherwise)	0.49 + 2
Politics	3. Population size of pilot authority, thousands (<i>POP</i>)	129.6 + 1
	1. Politicians (0) or officers (1) (<i>OFFICERS</i>)	0.88 + 2
	2. Central officials (1) or service managers (0) (<i>CENTRAL</i>)	0.19 + 2
	3. Professional (0) or nonprofessional services (1) (<i>NONPROF</i>)	0.77 + 2
	4. Labour (1) or non-Labour (0) authorities (<i>LABOUR</i>)	0.81 + 3

NOTE: Data sources: 1 = Chartered Institute of Public Finance and Accountancy (2000); 2 = questionnaires to and interviews with politicians and managers; 3 = Municipal Publications (1999).

cretionary organizational resources (*SLACK*). It can be argued that local authorities with bigger budgets are more likely to have discretionary resources that can be diverted to planning. However, even a large budget may be fully committed to statutory responsibilities if big spenders also have high service needs. A better indicator of discretionary resources is the level of spending in relation to the level required to meet statutory service obligations (Bennett, 1982). We have therefore measured *SLACK* as the difference between the actual expenditure of BV pilot authorities and the expenditure that central government deems necessary to provide a standard level of local services (the standardized spending assessment). The second measure of financial resources is the number of pilot services in each BV authority. The reasoning here is simply that, the larger the

number of pilots, the smaller the resources available to support the planning process in each of them. We therefore expect rational planning to be related positively to *SLACK* and negatively to *PILOTS*.

Three measures of expertise are included in the statistical model, the first is the level of prior experience of BV review processes (*PRIOREXP*). This information was obtained through questionnaires and interviews in early 1998 prior to the commencement of the performance reviews of pilot services. Local managers of each pilot were asked whether their service had previously used the methods of performance evaluation required under the BV pilot framework in Wales (consumer surveys, staff surveys, benchmarking, and performance indicators). The prior planning experience of each pilot was then rated on a 5-point scale (from 0 to 4). Our second measure of planning expertise is the existence, prior to the BV pilot process, of a corporate policy unit within each authority (*UNIT*). The role of such units is typically to support planning and performance evaluation in front-line departments. For example, the policy units in Cardiff City Council and Torfaen Borough Council in South Wales provided departmental managers with guidelines on how to translate corporate priorities into specific service objectives and advice on how to measure service performance. A final measure of expertise is the population size of each pilot authority (*POP*), which we use as a proxy for the quality of senior management. The salaries of chief officers in the UK local government have traditionally varied with the population served. In general, then, bigger authorities should be able to attract the highest caliber of paid officials (Dearlove, 1979). Such officials, in turn, are more likely to possess the managerial expertise to introduce a planning system successfully. Thus, we expect all three of our measures of expertise to be positively related to rational planning.

Theoretical arguments on rational planning suggest that it is plagued by sharp political differences between politicians and officials and between different groups of officials. We have therefore used a series of dichotomous variables to divide these participants in the planning process into mutually exclusive groups whose views are likely to differ significantly:

- a. Elected politicians (coded 0) and appointed officers (coded 1).
- b. Central officials (coded 1) and service managers (coded 0). Participants in the BV planning process were categorized as central if they were chief executives, assistant chief executives, or BV project managers.
- c. Managers in professional (coded 0) and nonprofessional services (coded 1). Services such as education, social work, and land use planning were

categorized as professional; those such as transport, catering, and garbage collection were categorized as nonprofessional.

d. Political cultures sympathetic (coded 1) or unsympathetic (coded 0) to planning. This concept is operationalized through the party political control of pilot authorities. Local councils controlled by the Labour Party were categorized as sympathetic to BV planning processes, partly because of the traditional disposition of the Labour Party toward collaboration rather than competition in the public sector and partly because the BV policy was introduced by the Labour government at a national level. Previous research on central-local relations in the United Kingdom has shown that local councils controlled by the same party as the national government are more likely to implement central policies (Boyne, 1996; Sharpe & Newton, 1984). On the basis of the theoretical arguments discussed above, we expect all four political variables to have a positive effect on rational planning.

STATISTICAL RESULTS

PLANNING DOCUMENTS

The empirical evidence produced by testing the model of interservice variations in PPs and APs is summarized in Table 3. The model for both dependent variables contains two measures of resources, three measures of expertise, and one measure of politics (*LABOUR*). The other three political variables refer to different groups' perceptions of planning. Tests of these hypotheses are reported separately in the next section. The impact of the explanatory variables on the quality of PPs was tested through an ordinary least squares multiple regression equation. The test of the model for the dichotomous AP variable was conducted using logistic regression.

Both multivariate models yield satisfactory levels of statistical explanation. The six explanatory variables account for 42% of the interservice differences in the quality of PPs. They also correctly predict the presence or absence of 88.5% of the APs (47 of the 48 existing APs were accurately categorized, and 22 of the 30 missing APs were accurately categorized). The explanatory power of the model is partly attributable to differences in the level of resources available to pilot services. Although *SLACK* has the expected positive relationship with PPs, the coefficient for this variable is statistically insignificant in both the PP and AP models. By contrast, the results for *PILOT* support the hypothesized impact of resources on the problems of rational planning. The coefficient for this variable is significantly negative in both the PP and AP equations. As resources were

TABLE 3
Results of Multivariate Analysis of
Performance Plans and Action Plans

a

Performance Plans

2SLACK	5.76 (0.44)	-9.6 (0.41)	PILOTS	-0.15*** (0.00)	-0.51* (0.02)	PRIOREXP	0.66* (0.02)	1.21* (0.04)	UNIT	-0.26 (0.62)	3.12** (0.01)	POP	-1.08* (0.04)	-3.70* (0.02)	LABOUR	-0.83 (0.22)	-1.40 (0.27)	R ²	.42***	F	6.20	Goodness of fit	53.35***	χ ²	60.29
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NOTE: Significance levels in brackets. Coefficients are unstandardized.
a. Ordinary least squares multiple regression. b. Logistic regression. * $p < .05$. ** $p < .01$. *** $p < .001$.

spread more thinly across a larger number of BV pilot services, the more difficult it became to develop APs and to produce good PPs. These results are consistent with the conventional wisdom that the existence and quality of formal planning documents are influenced by the availability of resources. They are also consistent with Berry's (1994) finding that innovations in strategic planning spread more quickly to fiscally healthy state governments in the United States.

The statistical results support two of three hypotheses for the impact of expertise on rational planning. The *PRIOREXP* variable is significantly positive in both the PP and AP model. Services that had previous experience of some of the elements of the BV regime found it easier to introduce a more comprehensive and formal system of planning. The measure of the existence of a corporate policy unit is insignificant in the PP model but has the hypothesized positive effect in the AP model. Thus, BV pilots in authorities with central planning expertise were more likely to produce a document that outlined their strategy for service improvement. By contrast, the results for *POP* are inconsistent with the hypothesized impact of expertise on rational planning. The coefficients for this variable in the PP and AP models are significantly negative. There are several possible explanations for this pattern of evidence. The *POP* variable may be

acting as a proxy for organizational scale. If so, and planning is more difficult in large organizations, then perhaps the negative scale effect is swamping the positive expertise effect. To test for this, we included a direct measure of scale (total expenditure by each pilot authority) in the model. However, the coefficients for *POP* remained significantly negative. An alternative interpretation is that local authorities with larger populations are more fragmented, both geographically and structurally, because they face more diverse service needs. If so, it may be more difficult to mobilize the internal political support required to introduce rational planning (Roberts & Wargo, 1994). We have no direct data to test this proposition, but it could be usefully explored in future empirical analyses. Whereas the empirical evidence is mostly consistent with the hypotheses concerning resources and expertise, it is inconsistent with the argument that problems of rational planning are influenced by political culture. There is no significant relationship between *LABOUR* and the quality of PPPs or the existence of APs. Pilot services in councils controlled by the Labour Party were not, contrary to Hypothesis 6, more likely to be successful in the production of formal planning documents. A potential explanation is that, although Labour councils are more sympathetic to planning in general, they were opposed to the specific requirements of the BV regime. The new planning system is the Labour government's replacement for the policy of compulsory competitive tendering (CCT) introduced by Conservative governments in the 1980s (see Boyne, 1998). Whereas CCT was intended to impose the discipline of the market on local councils, BV was intended to impose the alternative discipline of planning. Labour councils at first welcomed the new policy in 1997, because they believed that it heralded the end of CCT and a return to an emphasis on the in-house provision of services. However, by the time of our analysis (1998 to 1999), it had become apparent that BV retained a strong emphasis on competitiveness and market testing (Boyne et al., 1999b). Labour councilors and officials that we interviewed for this research frequently expressed disappointment and irritation with this element of the BV planning system. For example a Labour councilor stated that, "although this is a Labor controlled authority, there is still resistance to Best Value." Officers in a Labour council noted that "BV is similar to CCT" and that it is "just CCT by the backdoor." This may have resulted in a lack of enthusiasm for BV that counteracted the favorable disposition toward planning as a method of local service management.

TABLE 4
Multiple Regression Results for
Perceptions of Ease of Rational Planning

Model A (n = 194) Model B (n = 165) Model C (n = 134)

<i>SLACK</i>	5.04*	(2.39)	2.71	(1.27)	1.93	(0.77)	<i>PILOTS</i>	0.01	(0.97)	0.01	(0.74)	0.02	(1.26)
<i>PRIOREXP</i>	0.31	(0.38)	0.25	(0.32)	0.43	(0.44)	<i>UNIT</i>	-0.20	(1.02)	-0.20	(1.00)	-0.22	(0.92)
<i>POP</i>	1.75	(1.08)	1.79	(1.12)	2.32	(1.25)	<i>OFFICERS</i>	0.02	(0.09)	NE	NE	<i>CENTRAL</i>	NE -0.30
	(1.74)	NE	<i>NONPROF</i>	NE	NE	-0.20	(1.10)	<i>LABOUR</i>	-0.54*	(2.30)	-0.44*	(2.13)	-0.59*
	(2.22)	<i>R</i>	.07	.07	.08	<i>F</i>	1.85	1.63	1.50				

NOTE: *t* statistics in brackets. Regression coefficients are unstandardized. NE = variable not entered in this model. **p* < .05.

PERCEPTIONS OF EASE OF RATIONAL PLANNING

Whereas the unit of analysis for planning documents was BV pilot services, the focus now shifts to the perceptions of different *individuals* who participated in the planning process. The statistical models for this dependent variable therefore include not only those tested above (*SLACK*, *PILOTS*, *UNIT*, *PRIOREXP*, *POP*, and *LABOUR*) but also those required to test Hypotheses 3 to 5 (*OFFICERS*, *CENTRAL*, and *NONPROF*).

The results of testing multiple regression models of variations in perceptions of the ease of planning are shown in Table 4. The three measures of organizational politics are iteratively inserted and replaced in Models A to C. The variables cannot be included together because they are mutually exclusive (*OFFICERS* includes politicians and officials; *CENTRAL* includes officials only, both in central and front-line departments; *NONPROF* excludes politicians and officers at the corporate center). Several main contrasts between the results for planning documents in Table 3 and those for perceptions in Table 4 are immediately apparent:

1. The levels of statistical explanation are substantially lower. A potential reason is that the resource and expertise variables are measured at the service rather than the individual level. If these variables had been more

closely matched with the unit of analysis, then the level of statistical explanation might have been better. Yet, according to conventional wisdom, the *organizational context* influences the fate of attempts at planning. Furthermore, as discussed below, even the variables that are measured at the individual level (*OFFICERS*, *CENTRAL*, and *NONPROF*) have little relationship with perceptions of planning.

2. The coefficients for most of the resource and expertise variables have the hypothesized positive sign, but all are insignificant with the exception of *SLACK* in Model A. Even though the production of planning documents is constrained by resources and expertise, perceptions of the ease of planning are not. As noted earlier, formal documents and perceptions are weakly correlated, so it is not unexpected that the explanatory variables that work for one dimension of planning do not work for the other. The conceptual distinction between documents and perceptions is simply this: A good formal plan may be produced despite difficulties of data collection and interpretation, and a poor plan may be developed even if it is easy to obtain and analyze data. An implication is that different dimensions of rational planning may require different theoretical and empirical models. Traditional arguments concerning resources and expertise appear to be valid for the formal outputs of the planning process but not for perceptions of that process.
3. The *LABOUR* variable, which was insignificant in the models for planning documents, has a significant negative relationship with perceptions of the ease of planning. Although politicians and officials in Labour councils were as likely as their non-Labour counterparts to produce plans, they found the process more troublesome. This evidence is consistent with the arguments noted above concerning their irritation with the BV planning regime. Moreover, the different impact of *LABOUR* on planning documents and planning perceptions further emphasizes the need to develop different models for alternative dimensions of planning.

Whereas the impact of *LABOUR* is statistically significant, the other three measures of organizational politics have no impact on perceptions of planning. The coefficients for *OFFICERS*, *CENTRAL*, and *NONPROF* are consistently insignificant. Thus, there is no support for the hypotheses that planning is viewed more positively by officials than by politicians, by officers at the corporate center than by those in service departments, or by staff in nonprofessional services. These traditional arguments on the problems of rational planning fail to explain differences in individual perceptions of the planning process.

This evidence implies that the hypotheses for these three measures of organizational politics require reconsideration. The hypothesized positive effect of *OFFICERS* was based partly on the view that elected politicians see planning as a threat to their power and prospects for reelection. Equally, however, planning may provide the impression that politicians

have created systems of good management and promise the opportunity to demonstrate that targets have been hit. Indeed, the current Labour government in the United Kingdom has developed hundreds of performance indicators and targets and seem only too happy to be held accountable on this basis (the expectation, of course, is that the news will be mostly good—attitudes are likely to change if significant numbers of targets are missed). The hypothesis for *OFFICERS* also assumes that officials are more comfortable than politicians with clear performance indicators and targets. Our interview evidence is inconsistent with this view. We found that many local authority officers were skeptical about this aspect of planning and were unwilling to have their performance measured and monitored. For example, one complained that he had been forced to become “more concerned with service monitoring than service delivery.” The costs of extra monitoring of performance were regarded as being particularly unwelcome in services that already had small budgets. Furthermore, there was little sign that officers felt that power had shifted from politicians to them. A widespread view was that the BV planning regime had shifted power from local government to central government rather than enhancing the strength of the local bureaucracy. As one service officer remarked, “BV has resulted in us being more accountable to Central government.”

The hypothesized positive effect of *CENTRAL* was based on the argument that planning strengthens the grip of corporate officers on front-line departments. It is possible that this effect is real but failed to materialize in the pilot phase of the BV planning process. At the time our research, the requirements of BV were new to both corporate policymakers and service managers and often seemed to be poorly understood by both. For officers at the corporate center, the planning process was frequently going on around them rather than being steered by them. The following statement is typical of the views expressed by many officers: “The center has provided us with no guidance whatsoever. Frankly, I don’t think they know what they’re doing. It’s simply a question of the blind leading the blind.” It may be that a stronger corporate grip will emerge after successive annual cycles of BV planning. However, this would not strictly support the conventional wisdom that planning quickly collapses because service managers resist the centralization of organizational power that it entails. A subtle but important refinement of the hypothesis may be that planning *eventually* fails for this reason. This, in turn, raises questions about how long it takes for planning to have this effect, whether the pace differs between organizations, and why such differences occur.

Finally, the argument underpinning the *NONPROF* hypothesis is that planning is technically more difficult in professional services and is seen as a threat to the autonomy of staff such as teachers and social workers. As noted above, the response to BV in Labour councils was conditioned by expectations that it entailed the abolition of competitive tendering and the subsequent realization that this was not the case. A similar phenomenon may have affected the perceptions of BV planning by staff in nonprofessional services. All the services affected by CCT in Welsh local government were blue-collar services with low levels of professionalization (e.g., street cleaning, garbage collection, vehicle maintenance). The managers of these services had come to understand, and in many cases like, the requirements of CCT (James & Field, 1999). Our interview evidence suggests that they frequently viewed BV as an unwelcome change in the framework for service management. For instance, a blue-collar service manager noted that "my staff are frightened of what may be the outcome of the BV process." Furthermore, BV was seen by this officer as a "gimmick replacing CCT, but unlike CCT it seems to be a statistical management exercise with little to do with the service we provide to the public." Another blue-collar service manager said that "BV is harder to do than CCT. You saw some hope under CCT." Such reactions to BV would explain the absence of a significant difference in the perceptions of officials in professional and nonprofessional services. An important general point, moreover, is that, to understand the problems of rational planning, it is necessary to know not only what it comprises but also what it *replaces* and to know the relative preferences of different groups concerning the old and new regimes.

CONCLUSION

There has been much speculation about the problems that beset rational planning in the public sector, but this has not been informed by empirical tests of the underlying theoretical arguments. In the absence of such tests, a conventional wisdom concerning the problems of rational planning has emerged from case studies and commentaries on planning reforms. In this article, we have converted the often-implicit theory in this field into a series of explicit hypotheses and tested a multivariate model of the problems of planning. The conventional wisdom implies that planning is difficult because of a lack of resources and expertise and because it generates political opposi-

tion within organizations. Our empirical evidence shows that the ease of planning does vary with organizational resources and expertise. In particular, local authority services in our sample were more likely to produce formal planning documents if (a) planning activity was limited to a small number of functions and (b) they had prior experience of some elements of planning and had the support of a corporate policy unit. By contrast, we found no evidence of sharp differences in perceptions of planning between elected politicians and appointed officials, between the corporate center and front-line departments, or between professional and non professional services. Thus, contrary to the prevailing view, intraorganizational politics does not appear to be a significant obstacle to the adoption of rational planning. In light of this evidence, we reviewed the traditional hypotheses concerning these political variables and argued that their logic is flawed. Conventional arguments concerning political problems effectively ignore the policy stream into which planning is launched. A new planning system does not enter a vacuum but replaces preexisting organizational processes. The responses of different groups to the introduction of planning will partly depend on whether they prefer the old or the new regime.

It is important not to draw strong general conclusions from this initial empirical analysis. We have studied a particular planning reform in a specific organizational context in one time period. The results might have been different if we had used other dependent and independent variables, tested our variables at a different time, or studied different organizations. Nevertheless, the evidence implies that planning problems are largely technical rather than political. Moreover, if sufficient resources and expertise are made available, then rational planning need not fail everywhere that it is tried.

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