Is the governing coalition a strategic coalition? Analysing the relationship between political group characteristics, strategic plan quality and strategic consensus.

Kenn Meyfroodt*, Sebastian Desmidt*, Stijn Goeminne**

*Faculty of Economics and Business Administration, department of Human Resource Management and Organizational Behaviour, Ghent University, Ghent, Belgium.

**Faculty of Economics and Business Administration, department of Public Governance, Management and Finance, Ghent University, Ghent, Belgium.

Corresponding author: Kenn Meyfroodt, e-mail: kenn.meyfroodt@ugent.be, Tel: +32(0)92432957, ORCID 0000-0002-0587-1732.

2nd Author: Sebastian Desmidt, e-mail: sebastian.desmidt@ugent.be, Tel: +32(0)92432958, ORCID 0000-0002-5769-4440.

3rd Author: Stijn Goeminne, e-mail: stijn.goeminne@ugent.be, Tel: +32(0)92432958 ORCID 0000-0003-2946-467X.

First and second author have equally contributed to the paper.

Kenn Meyfroodt is PhD-student in strategic management in the Faculty of Economics and Business Administration, Ghent University, Belgium.

Sebastian Desmidt is assistant professor in strategic management in the Faculty of Economics and Business Administration, Ghent University, Belgium.

Stijn Goeminne is assistant professor in public governance, management and finance in the Faculty of Economics and Business Administration, Ghent University, Belgium.

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The meaningfulness and usefulness of a strategic plan is assumed to be contingent upon its ability to assist decision-makers in achieving a shared understanding or agreement. However, there is a lack of insights on how political group characteristics influence this plan-related strategic consensus (SC) in public sector settings. Therefore, the study at hand investigates whether municipal multiparty governing coalitions’ degree of SC is associated with (a) ideological diversity and (b) government power. Based on multi-source data gathered with 1,075 governing coalition members from 256 Flemish municipalities in Belgium, we found that governing coalitions which are more ideologically homogeneous and have less governing power perceived the strategic plan as of higher quality than powerful and ideological dispersed ones, whereas higher scores on the perceived strategic plan quality are related to higher levels of SC.

Keywords: strategic plan; strategic consensus; governing coalition; politics

Introduction

Strategic planning has become a central process in the majority of governments and public organizations (Bryson et al. 2009; Hendrick 2010; Poister and Streib 2005). One of the primary reasons for the proliferation of strategic planning is the assumption that “a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it” is beneficial for governments and public organizations (Bryson 2010, p. 256). Pivotal within most strategic planning processes is the development of a strategic plan (Elbanna et al. 2016; Vaara et al. 2010).

However, despite the omnipresence of strategic plans in public sector organizations, a strategic plan is only rarely of value by itself (Amason 1996; Dess
Therefore, it has been argued that the true value or perceived quality of a strategic plan lies in its ability to act as a boundary object facilitating “the transformation of diverse views into shared knowledge and understanding that can affect action” (Bryson et al. 2010, p. 508). The creation of such strategic consensus (SC), a concept defined by Kellermanns et al. (2011, p. 127) as “the shared understanding of […] a specific strategy-relevant content” within a group of decision-makers, is viewed as an important mediator in the relationship between strategic planning and organizational success (Wolf and Floyd 2013). More specifically, as one of the most important outputs of a strategic planning process, SC is assumed to improve coordination and cooperation, which fosters efficient strategy implementation, and hence, organizational performance (Amason 1996; Dooley et al. 2000; Kellermanns et al. 2011; Narayanan et al. 2011; Walter et al. 2013).

Notwithstanding the pivotal role attributed to SC by the cognitive perspective in strategy (Narayanan et al. 2011) as well as the ubiquity of strategic plans (Bryson et al. 2009), research on the degree and predictors of SC in a public sector setting, is virtually non-existent. To help address this issue, the study at hand uses data from 1,075 elected politicians situated in the multiparty governing coalitions of 256 Flemish city councils in Belgium to analyse (a) the degree of within-group SC, (b) the relationship between political group characteristics (i.e., ideological diversity and government power) and the degree of SC, and (c) the mediating effect of the perceived quality of the strategic plan on the said relation.

By focusing on the analysis of plan-related SC in a politicized public setting, the conducted study has 3 main contributions to the public strategic planning literature. First, the study answers the call from Bryson et al. (2010) to focus more on the practice of strategic planning, because attention for the social mechanisms underlying complex
strategic planning processes can provide insights in the determinants of strategic planning effectiveness. Hence, this study introduces concepts derived from the social-psychological perspective in strategic management (Hutzschenreuter and Kleindienst 2006; Narayanan et al. 2011; Oliveira et al. 2014) into public strategic planning research. As such the study counterbalances the contradiction that, on the one hand, the public strategic planning literature argues that “without development of some reasonable amount of shared knowledge and understanding […] it seems almost inconceivable that strategic planning could succeed” (Bryson et al. 2009, p. 176) while, on the other hand, insights on SC in public sector settings is lacking. Moreover, analysing data from elected politicians situated in multiparty governing coalitions allows to gain insights in public sector contingencies assumed to hamper the development of SC, and by extrapolation the effectiveness of strategic planning processes in the public sector (Diefenbach 2009). By focussing on this specific setting, the research design analyses SC among the strategic actors that (1) are expected to be driven by political motives (Askim 2009) which may not be compatible with the rational nature of strategic planning, (2) belong to subgroups with potentially different interpretations of the concept “public value” and how to realize it (Bryson et al. 2010), and (3) are confronted with a multiplicity of policy issues in various policy domains further fuelling potential conflicts (Chun and Rainey 2005; Jung et al. 2013). Although these forces are believed to be strong in the selected setting, they are also assumed to be present (albeit with varying strength) in a variety of public sector settings.

Second, the study investigates how political characteristics (i.e., ideological diversity and government power) of governing coalitions are related to SC. By incorporating politics into strategic planning, the analysed model provides insights into specific contingencies impacting the effectiveness of strategic planning in politicized
public organizations and governments. Such approach is consistent with the strategy-as-practice perspective that stresses the need to contextualize the micro-actions of strategy practitioners (Bryson et al. 2010). More specifically, the analysed model builds on to the central premises of upper echelon theory (UET) stating that group diversity is negatively related to SC (Hambrick 2007). Based on the ‘weak government theory’ (Roubini and Sachs 1989a; Roubini and Sachs 1989b), and as an extension to UET, first the hypothesis is made that political dispersed governments will display a lower degree of SC. Next, governing coalitions with low government power are hypothesized to have a higher level of SC given their need of unity to counterbalance their lack of political power based on large electoral margins (Solé Ollé 2003).

Third, by assessing the mediating impact of perceived strategic plan quality on the relationship between political group characteristics and SC, the study investigates the potential of strategic plans to act as a boundary object facilitating the conversion of diverse views into shared understanding (Bryson et al. 2010). Although strategic plans are often promoted based on the argument that they are valuable management tools aiding strategic decision-making and strategy implementation, in reality, their adoption is often the result of faddishness, coercion or normative mimesis (Bryson et al. 2009) while research on the relevance of strategic plans from a practitioner perspective is limited (Bryson et al. 2010; Bryson et al. 2009; Poister 2010). Hence, the study analyses if strategic plans are, in practice, able to make the transition from designated boundary objects (i.e., artefacts designed and intended to facilitate knowledge sharing and the creation of shared meaning) to boundary objects-in-use that have meaning and are useful for the work practices of strategic actors (Levina and Vaast 2005; Spee and Jarzabkowski 2009).
Our findings indicate that the premise of strategic plans potentially being boundary objects-in-use is contingent upon political group characteristics. Ideological diversity and government power are indirectly and negatively related to SC through their influence on the perceived quality of the strategic plan. A strategic plan that is perceived as of better quality is associated with higher levels of SC.

Theory and hypotheses
It is believed that the implementation success of the strategic plan is related to the degree of SC within the strategic coalition (Bryson et al. 2010; Dooley et al. 2000), which in turn is presumed to enhance organizational success (Kellermanns et al. 2011; Walter et al. 2013). In this regard, SC has often been studied from an UET perspective which argues that SC is negatively impacted by group diversity (Bromiley and Rau 2015; Hambrick 2007). However, the assumption that there is a negative relationship between group diversity and SC has almost exclusively been examined using samples derived from private sector organisations and by using observable demographic characteristics (e.g. age, gender) as operationalisation of group diversity (e.g. Gonzalez-Benito et al. 2012; Knight et al. 1999; Ramos-Garza 2009). Governing coalitions, however, are not only characterized by their demographic idiosyncrasies, but also by their political characteristics (e.g. Allers and Elhorst 2005; Fiva and Natvik 2013; Hettich and Winer 2005; Padovano and Petrarca 2014; Solé Ollé 2003). Based on the theoretical work of Roubini and Sachs (1989b) and Frey and Schneider (1978) our study adds ideological diversity (i.e. the combination of fragmentation and ideology) and government power as two relevant political group characteristics and, hence, predictors of SC next to the ‘traditional’ demographic ones put forward by UET. To determine if the strategic plans are in fact meaningful and useful boundary objects for the governing coalitions, the mediating role of governing coalitions’ perceived strategic plan quality
on the said relations is examined. Figure 1 depicts the formulated hypotheses which will be elaborated in the following paragraphs.

[INSERT FIGURE 1 ABOUT HERE]

**Ideological diversity**

Aligned with Roubini and Sachs (1989b)’s weak government hypothesis, ideological diversity consists of two interconnected components that have been the subject of empirical validation, namely fragmentation (e.g. Allers and Elhorst 2005; Solé Ollé 2003) and ideology (e.g. Edmark and Ågren 2008; Solé Ollé 2003). First, fragmented governments (i.e. governing coalitions that consist of multiple political parties) are presumed weaker and more divided (Boyne 1992). One reason is that the different governing coalition partners may have distinctive interests and conflicting objectives (Roubini and Sachs 1989a). For example, even though reducing budget deficits can be a goal of some majority parties, others prefer budget cuts not to be part of the joint strategic plan or linked to their agenda. Another reason is that there is also no clear enforcement mechanism for cooperation when governing coalitions are fragmented (Roubini and Sachs 1989b). This is illustrated by fragmented governing coalitions’ tendency to institute less restrictive policies, increased expenditures and larger investments as a result of (partially) adding instead of aligning goals and objectives (Goeminne and Smolders 2014; Ricciuti 2004), hence making a strategic plan more ambiguous (Chun and Rainey 2005; Jung et al. 2013).

Second, also ideology plays an important role within the ‘weak government hypothesis’ (Roubini and Sachs 1989a; Roubini and Sachs 1989b). Ideology is defined as the party positioning on a left-right scale, where left entails higher desired levels of government intervention and right entails the opposite (Imbeau et al. 2001). Even though some parties are expected to converge on ideology, others will differ more
radically (Imbeau et al. 2001). Consequently, it is presumed that the degree of ideological differences also influences certain outputs (Fiva and Natvik 2013; Goeminne and Smolders 2015). This can be illustrated through the assumption that leftist governing coalitions are more prone to higher spending, income redistribution and an active state than right-wing governing coalitions (Ashworth et al. 2005; Gärtner 2000). Therefor it can be expected that heterogeneity in left and right ideologies may result in more difficulties to transform the strategic plan from a ‘designated boundary object’ into a ‘boundary object-in-use’ due to issues in matching what is considered as useful for both sides of the ideology scale.

Combined, fragmentation and ideology form a proxy of ideological diversity. More specifically, it is deemed that a politically dispersed government (i.e. a governing coalition that consists of multiple parties with large distances between parties on the left-right scale) is assumed a weaker government in terms of high-quality decision-making than a more homogenous and ideological convergent governing coalition (Roubini and Sachs 1989a; Roubini and Sachs 1989b). this rationale is in line with UET and strategic planning literature. Namely, because of group diversity, strategic decision-makers can see the fundamental decisions about the organizational essence that form the base of the strategic plan differently. More diversity can lead to more differing viewpoints, which in turn can be expected to result in a less shared compromise (Amason 1996; Knight et al. 1999).

**Hypothesis 1:** Ideological diversity is negatively related to SC.

**Government power**

Governing coalitions are also characterized by their government power or, said differently, their electoral margin (Frey and Schneider 1978). Government power is considered an important antecedent of political decision-making because it may lead to
specific behaviour to secure or enlarge time in office (e.g. Allers and Elhorst 2005; Edmark and Ågren 2008; Solé Ollé 2003). Where government power is expected to impact policy related outcomes, it makes sense to also study its influence on strategic planning and SC. More precisely, governing coalitions having low government power are presumed to feel uncertain to maintain their position in a future governing coalition, making future shifts in compositions of the governing coalition expectable (Goeminne et al. 2008). The temporary nature of such a low power governing coalition, could force the political parties being part of that governing coalition to more quickly and profoundly reach a SC. This is because of their need of unity to counterbalance their lack of political power based on large electoral margins (Solé Ollé 2003). On the contrary, also the opposite reasoning holds. Governing coalitions having large government power are presumed to feel less need to showcase unified behaviour because of their abundance of political power based on electoral margins (Solé Ollé 2003). They are expected to have more space for debate and disagreement, even after strategic choices formalised in a strategic plan are made.

**Hypothesis 2:** Government power is negatively related to SC.

**Perceived strategic plan quality**

In order to know if a strategic plan has meaning and is useful for governing coalitions, the focus should be on “what actually happens when individuals use a strategy tool, rather than simply assuming their usage” (Spee and Jarzabkowski 2009, p. 1). However, how it is used may vary because, apart from the purely instrumental usage (i.e. problem solving and decision-making) (March 2006), a strategic plan also may serve to converge different political interests (Spee and Jarzabkowski 2009). As such it transcends being a ‘designated boundary object’ (i.e., an artefact that is meant to facilitate knowledge sharing and the creation of shared meaning) and becomes a boundary object-in-use
(Spee and Jarzabkowski 2009). More specifically, if a strategic plan is perceived as of high quality by the different members of the governing coalition, higher levels of SC can be expected. The main reason for this is that the strategic plan then acts as a boundary object-in-use (i.e., a strategic tool of value and perceived quality) that is expected to converse the diverse views into shared understanding (Bryson et al. 2010).

However, if a strategic plan is perceived as of high quality by governing coalitions is, in turn, expected to be contingent upon ideological diversity and government power. First, more ideological homogeneous governing coalitions can be assumed to perceive a strategic plan as of higher quality, because the distance to cross between the different views of political parties is considered smaller, and hence, the strategic plan’s potential of being a boundary object-in-use is larger. In group process literature this phenomenon is referred to as attitude-polarization (Henry 2011; Tajfel 2010). To illustrate, when members of the governing coalition cooperate and share ideas with similar others on a strategic plan that they support during the current legislation, then they can be expected to perceive the strategic plan as of higher quality. This is because they may not identify the strategic plan as a too far-reaching compromise but rather see it as shared high-quality decisions about the essence of the organization.

**Hypothesis 3:** The negative relation between ideological diversity and SC is mediated by the governing coalitions’ perception of strategic plan quality.

Next, research on politics illustrated that the tightness of the electoral margin (i.e., government power) is negatively associated with the level of aberrant and opportunistic behaviour concerning budgets, spending and taxes (e.g. Goeminne and Smolders 2015; Kemmerling and Stephan 2002). Governing coalitions having a tight electoral margin may feel the need to have more positive, or even opportunistic, perceptions on consequences, outputs and outcomes concerning an object of discussion.
(e.g., the quality of the strategic plan) in comparison to powerful governing coalitions that may prefer to illustrate more accurate (less opportunistic) and therefore less positive perceptions (Mizutani and Tanaka 2010). Said differently, the fact that strong governing coalitions generally may feel more certain to reign for multiple terms, makes them less worried about an acceptable loss of votes due to less opportunistic and more critical evaluations and perceptions (Crain and Oakley 1995; Goeminne et al. 2008).

**Hypothesis 4:** The negative relation between government power and SC is mediated by the governing coalitions’ perception of strategic plan quality.

**Method**

**Sample**
The research setting of Flemish municipalities in Belgium (i.e. the Dutch-speaking northern part of Belgium) is selected because legislative provisions mandate Flemish municipalities to adopt an integrated policy and management cycle, which includes writing a strategic plan (George et al. 2016). The multiannual strategic plan covers the duration of the policy and management cycle (e.g. 2014-2019) and needs the formal approval of the city council, which consists of the governing coalition and opposition (Vlaamse Vereniging voor Steden en Gemeenten, 2017). This entails that the approval of the strategic plan is a political decision subject to politics. In reality, the strategic plan merely always requires at least the support of the governing coalition in order to get approved. Therefore, the sample of this study consists of the city councillors of governing coalitions of all 308 Flemish municipalities. There are two mainly methodological advantages of using this empirical setting. First, the institutional context is homogeneous because electoral rules are comparable, economic change and turbulence are shared and budgetary processes are alike (Goeminne and Smolders
Second, the above mentioned rational planning approach was compulsory, meaning that the strategy formulation process was performed in a similar coerced setting within the same timeframe (George et al. 2016). Every municipality had to formulate a SP, allowing us to compare perceptions on SP-quality across municipalities.

Data collection procedure

The data collection procedure for the dependent variable followed three consecutive steps. First, based on the 308 Flemish municipal websites, a database was built up containing the contact information of 7,286 Flemish city councillors. The number of city councillors in Flemish municipalities varies from 7 to 55 based on the population of the municipality. Second, an electronic survey was prepared in line with the survey requirements that apply for public management research (Favero and Bullock 2015; Lee et al. 2012; MacKenzie and Podsakoff 2012). The survey was pretested, expert informants (i.e. governing coalition members) were identified and a policy report was offered as a reward to enlarge the possibility to obtain qualitative responses. We also included a cover letter which emphasizes that we seek personal opinions. Apart from this, we also labelled response options and highlighted items for reasons of clarity. Finally, we guaranteed anonymity to stimulate the level of accuracy in responses. Third, 1,740 city councillors out of 301 Flemish municipalities completed the survey, which equals a response rate of 23.88%. On average, 6 members per city council completed the e-survey (ranging from 2 to 15 respondents). However, within the research at hand we solely focus on governing coalition members. Given the fact that SC literature typically uses within-group data of at least 2 respondents per group (e.g. Meschnig and Kaufmann 2015; Rapert et al. 2002; Walter et al. 2013), we were able to use survey data from 1,075 governing coalition members located in 256 Flemish municipalities in
Belgium. 65.5% of the respondents is male, while respondents are, on average, 51 years old having a tenure of 11.5 years. The sample is believed to be representative for the population (Table 1) because the chi-square tests for municipal clusters ($\chi^2 = 2.188, p = .823$) and for gender of governing coalition members ($\chi^2 = .975, p = .323$) both indicated no significant difference in distribution between the sample and the population. Also, the one-sample t-test indicated no significant difference between the age of governing coalition members ($p = .639$) in the sample and population.

[INSERT TABLE 1 ABOUT HERE]

**Measurement of variables**

**Dependent variable**

SC is calculated in 4 steps. First, strategic plan quality (i.e. the object of SC) is measured based on the six items presented by Olson *et al.* (2007), which measure the overall perceived quality in 2016 of the strategic plan, the effect and results so far, the range of issues addressed and whether the strategic plan was well structured, clearly elaborated and expressed in debt (e.g. George *et al.* 2016). All strategic plan quality items are measured on a 7-point Likert scale ranging from 1 ‘definitely not agree’ to 7 ‘fully agree’ (Cronbach’s alpha of .969). The use of perceptual data to measure strategic plan quality is required for the consensus construct because SC comprehends “the extent to which intra-organizational perceptions converge” within groups of decision-makers (Rapert *et al.* 2002, p. 301). Second, the squared Euclidian distance dispersion measure is used to score differences between every other decision-maker (i.e. the other governing coalition member) of the same municipality. Third, the difference scores within every single municipality are averaged in order to obtain the SC measure at governing coalition level. Finally, following Walter *et al.* (2013) we reversed the sign of
the obtained results to facilitate interpretation in light of the formulated hypotheses. Scores closer to 0 indicate a higher degree of SC (West and Schwenk 1996).

Independent variables

Government power is measured as the seat margin. The governing coalition’s seat margin is calculated as the difference between the percentage of seats of the government parties in the council and 50% (Goeminne and Smolders 2014; Solé Ollé 2003). We use secondary data that is publicly available and was published at the start of the current term in office to compute the government power variable.

Ideological diversity is calculated in four steps. First, the number of political parties per municipal governing coalition and the number of governing coalition members per political party is determined based on secondary data. Second, to quantify the diversity of groups regarding political parties the Blau’s index for heterogeneity is used. The Blau index is calculated as as (1 - Σi2), where i is the proportion of the group in the i-th category (Knight et al. 1999). Third, to also include a left/right ideology weight into the index, survey information obtained from the party chairmen and spokespersons of the political parties is used. Both were asked at the start (i.e. 2012) of the current term in office to locate their political party on a ten-point scale (from 0 = left to 10 = right). Based on these results, every political party receives a score between 0 and 10 that reflects her ideological position (Deschouwer 1996; Rihoux 2001). Finally, the Blau’s index for political party heterogeneity is adjusted to a weighted Blau index for ideological diversity. Governing coalitions that are ideological diverse have an index score close to 1, while homogenous groups have an index score closer to 0 (Knight et al. 1999).
Mediator

“[…] organizational environments are enacted realities, and individual perceptions are a critical determinant of individual behaviour in organizations” (Wright et al. 2012, p. 209). Following this reasoning, the study at hand will rely on a perceptual measure for strategic plan quality, because such a measure is more appropriate with conducting research on behaviour (Wright et al. 2012). Moreover, the best way to assess plan or decision-making quality is “[…] to ask those who have observed its effects and understand its context to judge, retrospectively and on several dimensions, how the decision turned out” (Amason 1996, p. 134). Perceived strategic plan quality is measured as a governing coalition level average based on the items that are used to calculate SC. While our measure of SC and strategic plan quality are not statistically independent, our approach is in line with previous studies that also used the same items to measure a group mean and the within-group variance. For example, Walter et al. (2013) used the same items to measure the importance of strategic priorities and consensus on strategic priorities.

Controls

Two types of controls are used, namely demographic diversity and strategic plan compliance. First, based on the upper echelons theory, demographic diversity (i.e., diversity in age and gender) was controlled for. The degree of diversity for both demographic control variables is based on secondary data and calculated using the coefficient of variation and the Blau’s index for heterogeneity (Knight et al. 1999). The coefficient of variation is defined as the ratio of the standard deviation to the mean and is used for metric or scale variables like age. (Ensley and Pearce 2001; Knight et al. 1999). The Blau’s index is used for categorical variables like gender (Knight et al. 1999).
Second, because our study investigates the potential of a strategic plan to act as a boundary objects-in-use, Hence, it makes sense to control for the compliance of the strategic plan (Elbanna et al. 2014). SP-compliance is operationalized and computed as the average of the yearly difference between what is stated in the original strategic plan and what has actually been achieved regarding investments and self-financing margin. The latter is an evaluation ratio to determine the long term financial stability of municipalities. The ratio is computed by subtracting exploitation expenditures from income (excluding loan charges) (Goeminne and George, forthcoming). The basic idea of the self-financing margin is that a positive figure is an indicator of sufficient resources from the normal exploitation to cover the charges of taking up a loan and it thus signals that a municipality can make investments out of resources from the normal exploitation (Goeminne and George, forthcoming). To maintain the needed lag time regarding objective performance data and the effect on an output (i.e. SC), the data reported in 2014 and 2015 is used. The financial data for both controls is collected by consulting the website of the Flemish government’s Agency for Home affairs.

Data analysis

Analyses are conducted using the Statistical Package for Social Sciences (SPSS) Version 20, including the PROCESS macro of Hayes (2012). Correlation analyses and multivariate linear regressions, including bootstrapping and Sobel-test for mediation, are used at group level (Hayes 2009; 2013; Preacher and Hayes 2004).

Results

Table 2 lists the studies’ variables descriptive statistics and indicates an average SC score among governing coalitions of -2.095 and standard deviation of .877 (mean score
of 0 indicates full SC). In addition, the results of Table 2 support the expected importance of the independent and mediator variables. Both the independent (political) variables and the mediating variable (i.e. perceived strategic plan quality) are significantly related with SC, whereas the political characteristics are also related with the mediator. No problematic Pearson correlations (> .800) are observed (Field 2009).

[INSERT TABLE 2 ABOUT HERE]

The average governing coalition’s perceived strategic plan quality (Mean of 5.439 on a 7-point Likert scale ranging from 1 ‘definitely not agree’ to 7 ‘fully agree’; standard deviation of .523) illustrates that governing coalitions perceive the strategic plan quality as adequately elaborated, of high-quality, to the point and expressed in debt. The average government power (i.e. seat margin) is 11.629 (standard deviation of 8.837) and the average index score for ideological diversity equals .339 (standard deviation of .217). We calculate the variance inflation factor (VIF) to assess potential issues with multicollinearity. All VIF-values are below 1.200 indicating that multicollinearity (VIF ≥ 10) is not an issue (Field 2009).

To test the validity of hypotheses H1 and H2, and to further assess the impact of government power and ideological diversity on SC, multivariate linear regression analysis was used. Table 3 presents the results of the conducted analyses at governing coalition level.

[INSERT TABLE 3 ABOUT HERE]

The results indicate a significant negative impact from government power ($\beta = - .186, p = .003$) and ideological diversity ($\beta = -.564, p = .030$) on SC (c paths). The relation between the included demographic diversity and strategic plan compliance
controls and SC is non-significant. The findings presented in Table 3 provide support for hypotheses H1 and H2, meaning that both hypotheses are accepted.

We hypothesized that (H3 and H4) the relation between ideological diversity and government power (i.e. independent variables) and SC (i.e. dependent variable) is mediated by perceived strategic plan quality. Figure 2 shows the expected positive linear relation between the variables ‘perceived strategic plan quality’ and ‘SC’.

[INSERT FIGURE 2 ABOUT HERE]

The plotted results regarding both axes indicate that perceiving the strategic plan as of higher quality is associated with higher levels of SC. However, to test the validity of hypotheses H3 and H4, and to further assess the impact of government power, ideological diversity and perceived strategic plan quality on SC, the PROCESS macro of Hayes (2012) was used. Table 4 presents the results of the conducted analyses.

[INSERT TABLE 4 ABOUT HERE]

When analysing the mediation, ideological diversity indirectly influenced SC through its effect on perceived strategic plan quality. In what follows the unstandardized coefficients are reported, following Hayes (2013) recommendations in order to enlarge comparability across studies conducted by different investigators using different methods. As can be seen in Figure 3 and Table 4, governing coalitions which are more ideologically homogeneous perceived the strategic plan as of higher quality than ideological dispersed governing coalitions ($a_1 = -.404$), and governing coalitions that perceived the strategic plan as of higher quality had higher levels of SC ($b_1 = .700$). A bias-corrected bootstrap confidence interval for the indirect effect ($a_1b_1 = -.283$) based on 5,000 bootstrap samples did not include zero ($-.551$ to $-.084$). Also, the results of the Sobel-test suggest that the above-mentioned association is significantly mediated by
perceived strategic plan quality \((z' = -2.464, p = .014)\). There was no evidence that ideological diversity influenced SC independent of its effect on perceived strategic plan quality \((c_1' = -.281, p = .241)\), which indicates full mediation. Therefore, hypothesis 3 is confirmed.

[INSERT FIGURE 3 ABOUT HERE]

When analysing the second mediation, government power indirectly influenced SC through its effect on perceived strategic plan quality. As can be seen in Figure 3 and Table 5, governing coalitions which have lower government power perceived the strategic plan as of higher quality than the governing coalitions having high government power \((a_2 = -.009)\). The governing coalitions that perceived the strategic plan as of higher quality had higher levels of SC \((b_2 = .700)\). A bias-corrected bootstrap confidence interval for the indirect effect \((a_2b_2 = -.006)\) based on 5,000 bootstrap samples did not include zero \((- .013 \text{ to } -.001)\). Also, the results of the Sobel-test suggest that the above-mentioned association is significantly mediated by perceived strategic plan quality \((z' = -2.271, p = .023)\). Finally, there was some evidence that government power also influenced SC independent of its effect on the perceived strategy plan quality \((c_2' = -.012, p = .033)\), which indicates partial mediation. Therefore, Hypothesis 4 is accepted.

[INSERT TABLE 5 ABOUT HERE]

Discussion

By analysing (1) if SC is present within governing coalitions and (2) which factors are related to or (3) mediate SC, the study at hand contributes to the larger debate on strategic planning’s effectiveness in public organizations (Andrews et al. 2012; Boyne 2001; Bryson et al. 2009) in three ways.
First, we provide empirical results that can help to better understand the determinants of the effectiveness of strategic planning. More specifically, where a reasonable degree of SC is presumed necessary for the success of strategic planning (Bryson et al. 2009), we are, to our knowledge, the first to actually assess the level of SC in a politicized public setting. In this regard, the fact that in our study the degree of SC is contingent upon political group characteristics is particularly relevant because it is deemed that low levels of SC could lead to the pursuit of diverging goals and inconsistency in problem solving, which in the end can hamper organizational success and performance (Bundy et al. 2013; Tarakci et al. 2014). Our study results provide empirical support that SC within governing coalitions is possible, but negatively impacted by ideological diversity and government power. The perceived quality of a strategic plan by politicians in the governing coalition (i.e. important actors in strategic decision-making processes (Boyne 2002; Diefenbach 2009)) is impacted by political motives that hamper SC. To better understand the influence of politics on SC, we need a more social-psychological lens instead of the predominant rational perspective that previously is used in public sector planning (George and Desmidt 2014). This is in line with the work of Cohen (2003, p. 808) who demonstrated in four studies that “both the power of group influence in persuasion and people’s blindness to it” overwhelmed rational analytical arguments in effecting attitudes and behaviour. Our results support this idea. The rational inspired controls that are used in our study (plan compliance concerning self-financing margin and investments) did not relate to SC, while political group characteristics clearly did. Therefore, adding politics as predictor for strategic planning outputs does make sense in political inspired settings and can even help politicians to avoid the risk of self-deception and blindness concerning the impact of politics (Cohen 2003).
Second, at the micro-level, the study’s results, which confirm our four hypotheses, are as well an extension as a confirmation of UET’s premise that group diversity impacts SC (Bromiley and Rau 2015; Knight et al. 1999). More concrete, our research provides support for the assumption that a high degree of group diversity, which seems to be more than just diversity on demographic characteristics (e.g. Gonzalez-Benito et al. 2012; Knight et al. 1999; Ramos-Garza 2009) can be associated with deviating interpretations, hence disconsensus (Thatcher and Patel 2012).

Governing coalitions which are more ideologically homogeneous perceive the strategic plan as of higher quality than ideological dispersed governing coalitions, and the ones that perceive the strategic plan as of high quality have, in turn, a higher degree of SC. On the other hand, governing coalitions which have a lower seat margin (i.e. government power) perceive the strategic plan as of higher quality than the governing coalitions that are described as having high government power. Although the impact of political characteristics seems to be strong in the selected setting, it can be assumed that similar impacts (albeit with varying strength) occur in a variety of public sector settings.

Finally, different political inspired subgroups seem to have different interpretations of what public value is and how it should be realized. A strategic plan can be the tool of choice to converge different political interests. By transcending its first level facilitating role in knowledge sharing and shared meaning creation (Spee and Jarzabkowski 2009) a strategic plan can become a more valuable boundary object-in-use (Levina and Vaast 2005). Our study results support the idea that when different members of a governing coalition perceive the quality of a strategic plan as of high quality, then higher levels of SC can be expected. Therefore and put straight forward,
strategic plans have the potential to be useful for the work practices of governing coalitions.

**Conclusions, limitations and further research avenues**

Our study is complementary as well as innovative with respect to current organizational, often purely rational, performance oriented public strategic management and planning research. More concretely, we illustrated how the perceived quality of strategic plans can mediate the impact of political group characteristics on SC in Flemish governing coalitions. These Governing coalitions have the potential of being strategic coalitions that can perceive their strategic plan as impactful and of high quality. However, we argue that the presence of SC within governing coalitions is contingent upon the match between political characteristics (i.e. ideological diversity and government power) and the perceived strategic plan quality. Importantly, our study confirms that being open to sector specific group characteristics is relevant to understand why SC is or is not formed by governing coalitions. We conclude that within this perspective, the political variables seem to be important group-level determinants of SC, impacting a strategic plan’s potential of being a boundary object-in-use and a governing coalition’s potential to be a strategic coalition.

Although our study offers empirical support for the fact that political group characteristics are relevant predictors of SC, at least four limitations need to be noted. First, even though our methodological approach limits some negative consequences of common method bias, our design limits our work to associative relations. Second, as our study uses only one unit of analysis, namely governing coalitions, we should not ignore the fact that also the individual level (i.e. politicians) could provide more insights in the micro-level perspectives (Grimmelikhuijsen et al. 2017) of public strategic planning. Third, our research did not consider the potential influence of a learning curve
for governing coalitions during their time in office. It would be advisable to replicate our study throughout the duration of the policy and management cycle to capture the impact of experience. Fourth, our data, survey and analyses are based on data from very specific timepoints, which could blur the generalizability of our work.

Future research could apply some of these limitations as opportunities. For instance, combining individual- and team-level variable information in a multi-level model tackles the issue of only having one unit of analysis. Also, setting up experimental designs to discuss causal relations can give solace to the above-mentioned limitations. Apart from this, it stands to reason that also inserting a more qualitative methodological approach could bring the theoretical discussion about the effectiveness of public sector strategic planning even more to the core of the debate. Finally, future research could also reflect on the role of specific planning process characteristics (Jung et al. 2013), like for instance participation (and the inclusion of diverse public, private and voluntary actors) which could play a role in smoothing out potential negative influences of politics (Waheduzzaman and Alam 2015).

References


Hayes, A.F. 2012. Process: A versatile computational tool for observed variable mediation, moderation, and conditional process modeling: University of Kansas, KS.


Figure 1. Conceptual model for perceived strategic plan quality and SC.

Figure 2. Scatter plot of the relation between perceived strategic plan quality and SC.
Figure 3. Mediation model for perceived strategic plan quality and SC.

![Diagram of the mediation model with variables and coefficients](image-url)
Table 1. Individual and organizational characteristics of the respondents and the population.

<table>
<thead>
<tr>
<th>Municipal clusters</th>
<th>Respondents</th>
<th>Population</th>
<th>Significance</th>
<th>Null hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential municipalities %</td>
<td>27.3</td>
<td>26.9</td>
<td>(\chi^2 = 2.188, p = .823)</td>
<td>Accepted</td>
</tr>
<tr>
<td>Rural municipalities %</td>
<td>26.2</td>
<td>31.5</td>
<td></td>
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<tr>
<td>Municipalities with concentrated economic activities %</td>
<td>14.5</td>
<td>13.0</td>
<td></td>
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</tr>
<tr>
<td>Agglomeration municipalities %</td>
<td>14.8</td>
<td>13.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central cities %</td>
<td>14.1</td>
<td>12.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourist municipalities %</td>
<td>3.1</td>
<td>2.6</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender of governing coalition members</th>
<th>(\chi^2 = .975, p = .323)</th>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male %</td>
<td>65.5</td>
<td>63.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age of governing coalition members</th>
<th>p = .639 (^{(2)})</th>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age in years (SD)</td>
<td>51.0 (6.4)</td>
<td>50.8 (3.6)</td>
</tr>
</tbody>
</table>

\(^{(1)} = \text{chi-square test}; \ ^{(2)} = \text{one-sample t-test}\)

SD = Standard deviation
Table 2. Means, standard deviations, and correlations \((N = 256\) municipal governing coalitions).  

<table>
<thead>
<tr>
<th></th>
<th>Mean (Standard deviation)</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
<th>7.</th>
<th>8.</th>
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<tr>
<td>1. SC</td>
<td>-2.095 (.877)</td>
<td>1</td>
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<tr>
<td><strong>M</strong></td>
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<tr>
<td>2. Perceived strategic plan quality</td>
<td>5.439 (.523)</td>
<td>.446 **</td>
<td>1</td>
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<tr>
<td>3. Government power</td>
<td>11.629 (8.837)</td>
<td>-.186 ** -.174 **</td>
<td>1</td>
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<tr>
<td>4. Ideological diversity</td>
<td>.339 (.217)</td>
<td>-.165 ** -.179 ** .021</td>
<td>1</td>
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<td></td>
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<td><strong>X</strong></td>
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<tr>
<td>5. Demographic diversity (Age)</td>
<td>.239 (.041)</td>
<td>.044</td>
<td>.198 ** -.142 * -.006</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>6. Demographic diversity (Gender)</td>
<td>.443 (.060)</td>
<td>.068</td>
<td>.057</td>
<td>.080</td>
<td>-.224 ** -.002</td>
<td>1</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>7. Plan compliance (Self-financing margin)</td>
<td>26.785 (44.817)</td>
<td>-.060</td>
<td>-.028</td>
<td>.027</td>
<td>.128 * -.047</td>
<td>.112</td>
<td>1</td>
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<tr>
<td>8. Plan compliance (Investments)</td>
<td>-28.780 (149.607)</td>
<td>.004</td>
<td>-.067</td>
<td>-.003</td>
<td>.011</td>
<td>-.055</td>
<td>-.019</td>
<td>.101</td>
<td>1</td>
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</tbody>
</table>

Standard deviations in parentheses.  
Y = Dependent variable; X = Independent variables  
* \(p < 0.05\); ** \(p < 0.01\)
Table 3. SC (N = 256).

<table>
<thead>
<tr>
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<th>c path: Consensus on SP-quality</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Government power</td>
<td>.018</td>
</tr>
<tr>
<td>Ideological diversity</td>
<td>.564</td>
</tr>
<tr>
<td>Demographic diversity (Age)</td>
<td>.323</td>
</tr>
<tr>
<td>Demographic diversity (Gender)</td>
<td>.834</td>
</tr>
<tr>
<td>Plan compliance (Self-financing margin)</td>
<td>-.001</td>
</tr>
<tr>
<td>Plan compliance (Investments)</td>
<td>&lt; .001</td>
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<tr>
<td>Constant</td>
<td>-.117</td>
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</table>

|                                                |       |
| R²                                             | .065  |
| F-value                                        | 2.831 | .011 |
| Adjusted R²                                    | .042  |

SE = Standard errors
B = unstandardized coefficients
β = standardized coefficients
** p < 0.05; *** p < 0.01
Table 4. Ideological diversity (X), Perceived strategic plan quality (M) and SC (Y).

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Coeff.</th>
<th>SE</th>
<th>p</th>
<th>Coeff.</th>
<th>SE</th>
<th>P</th>
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<td></td>
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<td>M</td>
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<tr>
<td>Government power</td>
<td>-.009</td>
<td>**</td>
<td>.016</td>
<td>-.012</td>
<td>**</td>
<td>.033</td>
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<tr>
<td>Demographic diversity (Age)</td>
<td>2.208</td>
<td>***</td>
<td>.005</td>
<td>-1.222</td>
<td>1.236</td>
<td>.324</td>
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<tr>
<td>Demographic diversity (Gender)</td>
<td>.262</td>
<td></td>
<td>.638</td>
<td>.651</td>
<td>.862</td>
<td>.451</td>
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<tr>
<td>Plan compliance (Self-financing margin)</td>
<td>&lt; .001</td>
<td></td>
<td>.862</td>
<td>-.001</td>
<td>.001</td>
<td>.426</td>
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<tr>
<td>Plan compliance (Investments)</td>
<td>&lt; -.001</td>
<td>***</td>
<td>.349</td>
<td>&lt; -.001</td>
<td>&lt; .001</td>
<td>.600</td>
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<td></td>
<td>X a</td>
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<td>M b</td>
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<tr>
<td></td>
<td>-.404</td>
<td>***</td>
<td>.008</td>
<td>-.281</td>
<td>.239</td>
<td>.241</td>
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<td>5.022</td>
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<td>&lt; .001</td>
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<tr>
<td></td>
<td>R² = .095</td>
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<td>R² = .223</td>
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<tr>
<td></td>
<td>F = 4.313, p &lt; .001</td>
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<td></td>
<td>F = 10.062, p &lt; .001</td>
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<td></td>
<td>c_1' = -.281, CI [-.753, .190]</td>
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<tr>
<td></td>
<td>a_1b_1 = -.283, CI [-.551, -.084]</td>
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<td>Sobel (p = .014)</td>
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<td></td>
<td>c' = Direct effect of X on Y</td>
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<td></td>
<td>ab = Indirect effect of X on Y through M</td>
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<tr>
<td></td>
<td>Number of bootstrap samples for bias corrected bootstrap confidence intervals (CI): 5,000</td>
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<td></td>
<td>Level of confidence for all confidence intervals in output: 95</td>
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</tbody>
</table>
Table 5. Government power (X), Perceived strategic plan quality (M) and SC (Y).

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>M (Perceived strategic plan quality)</th>
<th>Y (SC)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coeff.  SE  p</td>
<td>Coeff.  SE  p</td>
</tr>
<tr>
<td>Ideological diversity</td>
<td>-.404  *** .152 .008</td>
<td>-.281  .239 .241</td>
</tr>
<tr>
<td>Demographic diversity (Age)</td>
<td>2.208  *** .784 .005</td>
<td>-1.222  1.236 .324</td>
</tr>
<tr>
<td>Demographic diversity (Gender)</td>
<td>.262    .556 .638</td>
<td>.651    .862 .451</td>
</tr>
<tr>
<td>Plan compliance (Self-financing margin)</td>
<td>&lt; .001  &lt; .001 .862</td>
<td>-.001   .001 .426</td>
</tr>
<tr>
<td>Plan compliance (Investments)</td>
<td>&lt; .001  &lt; .001 .349</td>
<td>&lt; .001  &lt; .001 .600</td>
</tr>
<tr>
<td>X: Government power</td>
<td>a2 = -.009  *** .004 .016</td>
<td>c' = -.012  *** .006 .033</td>
</tr>
<tr>
<td>M: Perceived strategic plan quality</td>
<td>--- --- ---</td>
<td>b2 = .700  *** .099 &lt; .001</td>
</tr>
<tr>
<td>Constant</td>
<td>I3 = 5.022  *** .324 &lt; .001</td>
<td>i4 = -5.630  *** .707 &lt; .001</td>
</tr>
</tbody>
</table>

R² = .095  
F = 4.313, p < .001

R² = .223  
F = 10.062, p < .001

c' = Direct effect of X on Y  
ab = Indirect effect of X on Y through M  
Sobel (p = .023)

Number of bootstrap samples for bias corrected bootstrap confidence intervals (CI): 5,000  
Level of confidence for all confidence intervals in output: 95