

STRATEGIC THINKING CAPACITY OF PUBLIC SERVANTS FROM ROMANIAN LOCAL ADMINISTRATION: EMPIRICAL EVIDENCES FROM DISTRICT 1 OF BUCHAREST MUNICIPALITY

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ABSTRACT

The article presents the defining aspects of strategic thinking concept, highlighting the diversity of existing approaches in literature. The analysis emphasizes the different types and patterns of thinking and behaviors associated with strategic thinking in the public sector. The empirical research carried out in the District 1 City Hall, with the purpose of evaluating the level of maturity and the strategic thinking capacity of the civil servants in the local administration, revealed organizational, administrative and managerial issues. Most of the civil servants included in the research demonstrate a primitive knowledge of the strategic thinking and planning, with a limited applicability capacity, but there is a high level of interest regarding the strategic thinking capacity development. It is obvious that civil servants from District 1 City Hall are aware of the advantages to which strategic thinking development can lead, at individual, group and organization levels.

KEYWORDS: *strategic thinking, public servants, local administration, leadership*

1. INTRODUCTION

Strategic thinking is an intertwining of innovative thinking with intelligent thinking. Nonlinear, dynamic, random, entropic thinking models, with a high emphasis on creation and non-linearity are placed at the base of human thinking. Combinations of these thinking patterns in different proportions and modalities prove to be expressions of strategic thinking, insofar as their result is the synergy effect and as long as they suggest a creative, innovative approach (Baboș, 2005).

Both the organizations in the public sector and private companies are forming a distinct organizational culture over time, and these cultures are focusing on logic, reason and compliance in the case of the vast majority. This ensures the success of the organization, which is being measured in terms of organizational performance, economic efficiency and institutional continuity. Is this the success a long-term organization wants? Factors from the external organizational environment, which is mainly turbulent, can generate adjustments problems of the organizations to the environment in which they operate. In order to adjust themselves to these challenges, organizations must leap from linear and random thinking to creative and dynamic thinking.

The strategies formulation process involves the use of nonlinear, entropic and random methods, and creativity at the same time, while static and linear analysis methods have to be excluded from the strategic planning process. With reference to the great human achievements, which were conceived by strategists, inventors and great artists of the world, we can confidently consider that they have effectively used rational methods of analysis, while approaching innovative solutions using intangible and indefinable intellectual capabilities. Therefore, strategic thinking is a creative, innovative,

modernist and intelligent thinking by its very nature, being capable of generating new solutions, with goals placed in the dynamic future, and not in the static present.

Strategic thinking facilitates the construction of appropriate mechanisms for implementing the strategies generated at organizational level by raising awareness about the present competitive advantages, of the risks associated with them, and also about the obstacles/ limitations that might interfere in the strategic planning process. The concept of strategic thinking, which was developed initially in the field of military strategies, is currently associated with organizational management and it is being used mainly in the elaboration of company strategies, in designing government programs, in the field of non-profit organizations, and in developing public service provision mechanisms, etc. As a matter of fact, Brătianu (2015) considers that strategic thinking is present in all fields of the economic, political and social environment, both at the micro and macro level, and knowing this thinking model proved out to be extremely important.

When referring to the vision, as an essential expression of the strategic thinking capacity, Brătianu and Murakawa (2004) analyse the contribution of managers' thinking to designing the future of organizations, emphasizing the importance of strategic thinking for the decision-making process and for making decisions adapted to the dynamic, uncertain and risky future.

2. LITERATURE REVIEW

Reference literature focuses on the activities and behaviours specific to strategic thinking. Mintzberg (1995) and Liedtka (1998) recognize four major activities that occur when managerial thinking is a strategic thinking: scanning, interrogation, conceptualization and testing. Goldman and Casey (2010) assert that the activities characteristic to the strategic thinking process have a continuous but nonlinear basis; while employees receive feedback from the strategic planning process, their strategic thinking capacity is developing continuously. Similarly, Tovstika (2010) coded the practice of organizations in the matter of the strategic planning process and concluded that it is necessary to go through the following stages: identifying problems, understanding the causes and factors that generate their occurrence, reconceptualising the organization's position in relation to problems, generating solutions, selecting the relevant strategy and evaluating the strategy. Steensen (2014) creates "the strategy wheel model" which includes five types of organization strategy: shared, hidden, false, learning and realized; all this types can be linked to the officials strategic thinking capacity within an organization.

The strategic thinking capacity involves several types and ways of thinking. Wootton and Horne (2002) consider that an analytical, reflective, numerical, predictive, imaginative, creative, critical thinking, but also an ethical, pragmatic, visual and empathic thinking are essential for a perfect strategic thinking. Horwath (2018) approaches strategic thinking from the perspective of organizational management, defining it as generating and applying business understanding on a basis that has continuity in order to gain the competitive advantage. Strategic planning is thus totally different compared to strategic thinking. Strategic planning is a managerial process that involves directing the development prospects of an organization to an action plan in order to achieve strategic objectives. On the other hand, strategic thinking occurs regularly, and strategic planning is periodical. Moreover, establishing the goals of an organization and the way in which they are being performed is the basis for assessing success in accomplishing tasks. Therefore, strategic thinking involves determining and raising awareness of the goals set in the strategic planning process and making the necessary decisions in the spirit and logic of the goals already envisaged (Heracleous, 1998).

Strategic thinking rests with the leaders of the organizations, who are responsible for substantiating, elaborating and coordinating the implementation of the strategic plan (Fairholm, 2004). Abraham

(2005) tackles strategic thinking as an important aspect of the responsibility assumed by each leader. The author argues the need to develop an organizational strategy by the existence of competition, specifying that the distinction between making a plan and developing a strategy is given precisely by the existing competitive context, to which the organization is relating itself. When transposed to the public sector, this perspective is the basis for developing the strategic thinking capacity of civil servants, because it facilitates the rational management of resources and the provision of services in terms of efficiency and effectiveness that are highly required in the public sector. Furthermore, Fairholm (2009) argue that civil servants need to understand and assume the role/position of employees in the service of citizens and perceive their profession as an opportunity to get involved in the strategic development of the community of which they are part of. Ratten (2017) considers the entrepreneurial university existence in relation to the environment and to the community from which they originated; the university implications and links to community and business actors is an expression of rational and responsible thinking in relation to the society and the environment, as an integral factor for strategic thinking capacity development at local level. Similar researches was made in Spain to analyse the social responsibility of public organizations and the citizens perception of such implications (Vázquez, Aza and Lanero, 2016).

Inertial thinking gives the feeling of stability and of keeping current actions over time; it provides control and security over the day of tomorrow and things that are intended to be constantly under control. It is a timeless thinking in an unchanging context. Inertial thinking translates at organizational level into inertial operational management, which provides stability to the organization . Once the organizational and functional structure of a public institution is established, organizational management becomes an inertial management that exclusively seeks to ensure functional stability. This is why Brătianu (2015) considers that inertial management is like a brake in the way of change. The author draws attention to the fact that inertial thinking is partially compatible with strategic thinking. Thus, the essence of inertial thinking consists in the exclusive use in situations of need to ensure the continuity of values and principles.

Being a superior model to inertial thinking, dynamic thinking has the capacity to represent reality in its dynamics and considers change as a dynamic process of equilibrium or as a reversible process. Waldman (2007) asserts similarly that there are no closed systems, a fact that forces the thinker to consider the wider implications of his decisions. After becoming aware of the limitations, a strategist must have the ability to plan and be aware of the importance of the interaction between components the internal relations of the processes within the system and the dynamics of the interconnections between the systems. Brătianu (2015) refers to a flawed implementation of the dynamic thinking model in Romania: once the government team is changed, not everything should be taken right from the very beginning, as if no one had been there before, but a moment of the comeback state should be established in relation to the performances achieved until the moment of taking over the leadership. We are thus talking about returning to a current initial state and not about returning to the initial state of the system.

Unlike dynamic thinking, entropic thinking integrates both characteristics of time: the quantitative characteristic – duration, and the qualitative characteristic - orientation on the past-present-future axis. This kind of time is able to describe any process of irreversible and real transformation, both in nature and in society. Brătianu (2015) considers that entropic thinking is essential for the development of the strategic thinking capacity, because it allows organizational change efforts to be conceived and accomplished in their temporal evolution. As a matter of fact, entropic thinking is also relevant because it allows leaders to design a process of change in their minds, to estimate where it leads are and to (pre)view the achievement of the desired goal, and then to foresee and anticipate possible resistance factors to change, and therefore to define their strategic vision. As major changes in an

institution or organization occur as a result of implementing some strategies, the vision becomes an essential quality of strategic thinking.

Shiyong and Avery (2009) present the use of entropic thinking by Jack Ma, the founder of Alibaba.com, a well-known online sales company worldwide, as a mental training technique used in martial arts: the fighter focuses on something in the distance and then on something close by, and then, with his eyes closed and keeping this view in mind, to move the reality he focused on from one place to another. The same can be done in organizational management: the strategist trains an internal eye to visualize different realities or scenarios at different moments in time, as determining factors of change.

The fact that the future consists of more or less likely events makes it possible for its nature to be essentially probabilistic. By making entropic thinking resembling with entropy, Brătianu (2015) considers it capable of creating anticipations and probable scenarios for a desirable future, as a solid basis for developing the strategic thinking capacity.

3. RESEARCH METHODOLOGY

The District 1 is one of the most active areas of the Bucharest from an economic, administrative, political, social point of view, where real estate and business projects are permanently being developed. With an area of 67.5 square kilometres and approximately 300,000 inhabitants (Primăria Sector 1, 2018), the District 1 has important residential areas and key economic and social objectives of the Bucharest municipality. With the highest concentration of corporate headquarters, including those of multinational corporations, it can be designated as a key point for investors. But all these opportunities are accompanied by a series of complex challenges that District 1 City Hall must handle. The administrative apparatus at local level and the employees of the city hall and decentralized services subordinated to the local council must prove full capacity of exercise, efficiency and effectiveness, to obtain superior performances and results in the projects implemented at local level and thus to prove the administrative capacity of local authorities. The foundation for achieving all these needs is undoubtedly the development of the strategic thinking capacity at individual and organizational level.

The empirical research conducted within the District 1 of Bucharest Municipality is meant to highlight the extent to which civil servants are aware of the need to develop their strategic thinking capacity. Thus, the aim was to determine the current level of being aware of strategic thinking in the workplace and the benefits derived there from, to identify the extent to which officials consider the training and improvement programs essential for developing the strategic thinking capacity and the institution's degree of concern with regard to the development of the public servants strategic thinking capacity. The research also aimed at analysing the influence of a leadership style oriented to strategic thinking on the development of the strategic action civil servants capacity.

The research methodology mainly focused on the use of the questionnaire-based survey, but four structured interviews were conducted with the directors of four city hall departments. The questionnaire contains 16 questions and it was submitted to the director of Strategy and Socio-Economic Development Department and to the head of the Institutional Development Division for pretesting and formulating proposals for improvement. Once finalized, the questionnaire was distributed off-line and online to the civil servants working at District 1 City Hall from February to April 2018. The respondents were selected using a non-probability sampling method. After checking how the questionnaires had been filled in, 56 copies were validated. The sample representativeness of the respondents was ensured from the following categories point of view: gender, nature of their position (management or execution position) and department to which the respondent belongs. The

public servants were informed about the confidentiality and anonymity of the answers offered, so as to determine them to provide information as objective as possible.

4. RESEARCH RESULTS

The summarization of the survey results through the questionnaire allowed highlighting some interesting aspects regarding the development of the strategic thinking capacity of the institution's employees. Approximately 83% of the respondents state that they have a strategic thinking capacity, applying it appropriately in meeting the objectives at the workplace, an aspect which is also supported by the opinions of the four department directors interviewed. This is in contradiction with the respondents' answers to the question regarding the appropriation degree of desirable behaviours characteristic to strategic thinking. Thus, less than 18% of the participants in the survey stated that they identify themselves very much with the following aspects at the workplace: creating opportunities to support team work, promoting lifelong learning, creating a commitment between the institution's stakeholders, aligning the institutional objectives with the ways projects and programs are being conducted, making the projects initiated compatible with the institutional capacity and available resources.

Despite the stated strategic thinking capacity, civil servants do not resonate with a number of essential behaviours, characteristic to strategic action and planning, which actually argues the inability of the administrative apparatus to properly and efficiently operate the vision and strategies, but also a relative compromise of the principles and values specific to strategic management. And yet, employees acknowledge at the level of the District 1 City Hall the advantages of strategic thinking, for example: it leads to increased predictability (over 57% of respondents) and facilitates the improvement of the institution's performance (over 62% of respondents). It arises, in addition, from the discussions with the 4 department directors within the city hall that their own experiences in strategic planning have led to another essential advantage: strategic thinking stimulates teamwork and inter-human relations, on the background of increased decision-making transparency and improved internal communication that are absolutely necessary during the strategic planning process at local level.

With regard to the possibilities offered to civil servants by the institution to benefit from training and improvement programs in the field of strategic management, approximately 61% of the employees included in the survey did not participate in any trainings on the development of the strategic thinking capacity, given that 34%, respectively 27% of the respondents have one to three years of service in this institution, and the rest less than one year here. It is worrying at least that at institutional level there are no concerns in the field of professional development of employees, in general, and in the field of strategic management, in particular. This concern is accentuated by the dynamics of administrative, technical and managerial challenges to which the local authorities in the Bucharest districts have to respond, by the complexity of the infrastructure projects to be implemented at community level and by the diversity of economic, social and environmental problems that local authorities must tackle. Interestingly, even though most of the respondents did not attend trainings in the field of strategic management, 72.1% of them assert that the other training programs they attended helped them develop their ability to think strategically. This idea is also supported by three of the four department directors interviewed, who highlighted the usefulness of the training programs organized by the Romanian National Agency of Public Servants in various fields of interest for the local public administration, to stimulate the strategic thinking capacity of the attending civil servants. The correlation of all these aspects suggests that officials may not be aware of their own ability to think strategically, or use this ability unconsciously. Equally, there is a risk that employees may not

know/recognize strategic thinking and erroneously consider part of their behaviour as appropriate to strategic thinking and planning. In addition, the fact that there are no dedicated training programs for civil servants in the field of strategic management, but part of the skills, abilities and behaviours specific to strategic thinking and action are developed by public servants within training programs in other fields, is questioning the very capacity of these officials to think and act strategically, efficiently, consciously and coherently in different contexts.

To the extent that strategic thinking tends to be an attribute of employees in management positions, the research also aimed at identifying potential differences that would exist between the perception/awareness of strategic thinking ability by employees holding management positions and those holding execution position. The answers of the two categories of respondents were similar, with the exception of the item regarding the creation of a commitment between the institution's stakeholders. Respondents' responses highlighted a greater concern for the existence of such an engagement by those occupying management positions, than by those on the execution side. In addition, the answers to the questions regarding the strategic thinking capacity of the hierarchical superiors within the institution and the possibility that this may lead to a higher level of performance indicates a positive perception on the strategic thinking ability at top management level. Two questions were addressed in this regard. One of the questions sought to establish the extent to which hierarchical superiors represent a model to follow in applying strategic thinking: 56% of the respondents said they appreciate and recognize a lot and very much behaviours that are typical of strategic thinking with their hierarchical superiors. The other question aimed at the aspects that can be found in a hierarchical superior so as to become a model to follow in matters of strategic thinking. It turned out that the most important aspect is to have the ability to translate the strategic vision into objectives, action plans and budget for the future period (36%), followed by his/her ability to support the institution in important decisions and to ensure that it remains focused on the relevant strategic priorities (29%). Therefore, at the level of top and middle management of District 1 City Hall, public servants and managers are considered agents of strategic development, with a real capacity for strategic thinking and action, being well enough perceived by subordinates as imprinting them with a strategic management „culture”.

The need to develop the strategic thinking capacity at different organizational levels is conspicuous within District 1 City Hall. The research results reflect the fact that officials consider strategic thinking as an essential aspect to be continuously developed. In fact, the questioned public servants estimated the beneficial effects of stimulating strategic thinking at all managerial levels. More than 64% of the respondents considered that the development of strategic thinking leads to the improvement of the organization's performance, being aware of the relevance and importance of strategic thinking in general, but especially at organizational level. About 58% of the public servants participating in the survey said that improving the strategic thinking capacity at institution level might increase the degree of satisfying the needs of citizens and business environment locally.

5. CONCLUSIONS

Reference literature in the field of strategic management proposes to separate the strategy into two approaches: the first one, strategic thinking, which is seen as thinking in an innovative, creative and correct way, as a process that encourages open exchange of ideas and solutions in order to solve some dynamic, often unpredictable problems that organizations may face; the second one, strategic planning, which represents the operationalization form of strategic thinking, consisting in the systematic and logical implementation of a strategy (Johnsen, 2015). It is obvious that both approaches involve a close link between leadership and strategic management.

Leaders are responsible for creating an environment and culture favourable to the development of strategic thinking (Goldman, 2012). Thus, the successful application of strategic thinking by the hierarchical superiors of an organization has a significant impact in achieving the institution's performance, in motivating the staff, and in forming a positive perception of the top management results, an aspect confirmed in the case of the empirical research conducted within District 1 City Hall. The purpose of the research was to analyse the development level of the strategic thinking capacity of the civil servants within the institution, so that there was a significant difference determined by the nature of the position held. While hierarchical superiors are perceived by subordinates as having a good strategic thinking ability, thus representing a model for the latter, public servants holding execution positions manage to develop their strategic thinking rather informally. Respondents believe that superiors demonstrate their ability to think strategically by translating the strategy into objectives, action plans and budget allocations to meet the organization's objectives and can guide the institution on its essential priorities. Top management plays an important role in the proper fulfilment of organizational objectives and motivating the staff regarding the development of strategic thinking. However, approx. 32% of the respondents state that they are required to carry out daily activities other than those that serve the fulfilment of organizational objectives.

The opportunities offered to public servants from District 1 City Hall to develop a coherent strategic thinking are still limited. Employees do not feel constrained by legal provisions or internal procedures, but rather consider that the development of the strategic thinking capacity is the key to achieving the institution's performance, which is also the reason why strategic thinking has a greater interest among execution positions than among managerial positions. According to the results of the research conducted within the city hall, most of those surveyed, among those with execution positions, consider that the continuous evaluation of the institution's strengths and weaknesses and the identification of their causes, as well as the focus on the key factors correlated with a fundamental problem the institution is facing, are not aspects that need to be given special attention in the strategic planning process. Apparently, city hall officials are convinced that lifelong learning and creating an engagement among stakeholders in the institution are a priority in the context of strategic planning. In conclusion, most of the public servants included in the research demonstrate a limited knowledge of the concept of strategic thinking, demonstrating a primitive applicability of strategic thinking and planning, but in the same time are extremely interested in the possibilities of developing the strategic thinking capacity. Beyond the specific features of strategic thinking and action, one can observe that public servants from District 1 City Hall perceive correctly the institutional advantages that can lead to the development of the strategic thinking capacity, at the individual, group and organizational level.

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