

Demystifying Strategic Planning and Performance in Public Organisations in Malawi

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Abstract

The debate surrounding the effectiveness of strategic plans in enhancing organisational performance has given rise to two opposing perspectives among scholars. While one camp advocates for the positive impact of strategic plans, another argues against their efficacy. This study is driven by the need to demystify this ongoing debate, which has gained relevance since the Government of Malawi implemented a policy directive in 2000, mandating all public organisations to formulate strategic plans. The underlying belief was that the adoption of strategic plans would lead to more efficient service delivery. Employing a qualitative research approach and drawing from both principal-agent and public value theories, this study conducted a content analysis of data to unravel the complexities of this issue. The study's findings reveal that, despite the widespread adoption of strategic plans, public organisations in Malawi continue to underperform. Consequently, this research advocates for the establishment of a comprehensive legal and policy framework aimed at ensuring more efficient and effective service delivery within these organisations.

Key words: Strategic plan, public sector reforms, governance and public service delivery

1.0 Introduction

This paper aims at demystifying the myth about strategic planning and performance in public organisations in Malawi as some scholars believe that a strategic plan is a tool that enhances performance in organisations whilst others believe it is a sham. According to Bryson (2018), a strategic plan is defined as a direction or control mechanism for allocating resources in an organisation in order to meet certain objectives. It is a way of determining how organisational resources, skills and competencies should be combined to create a competitive advantage. A strategic plan is a popular management instrument within contemporary public organisations worldwide (Bryson, 2010). Despite its popularity, it remains a myth whether or not a strategic plan actually 'works' in a public sector setting. Some scholars argue that the

complex adaptive context of public organisations inhibits effective application of strategic plan and incremental processes might be needed whilst other scholars argue that a strategic plan is more than a fad and can contribute to positive outcomes (George, 2017).

This paper is produced against a background of divergent views and beliefs that exist amongst scholars, practitioners and academicians as to the myth about strategic plans and performance in public organisations. One school of thought, led by Bryson (2018) and Bert (2019), backs the implementation of strategic plans as an efficient and effective tool for achieving organisational goals and objectives. This school states that a strategic plan has become a valuable tool and major technique that organisations use to posture themselves with a sense of direction, increase operational efficiency, and increase market share and profitability in the ever-changing environment.

Another school of thought, led by Mintzberg (1994) and George (2018), opposes the view that a strategic plan is a tool that enhances performance in organisations. This school states that contrary to the positive performance derived from elaborate, well developed and designed strategic plans, evidence suggests that some organisations with strategic plans continue to register unsatisfactory performance in achieving commitments derived from the implementation of these plans. This group criticises strategic plans by asserting that public sector organisations are not meant to embark on strategic plans because they tend to reinforce a unitary, centralised hierarchical mode of decision making which is antithetical to the types of flexible, decentralised decisions organisations must take in a changing environment. They even wonder if strategic plan as a management tool works (Vinzart et al, 1996).

Despite this debate on the myth about strategic plans and performance, the Government of Malawi introduced strategic plans in public sector organisations in September, 2000, as part of public sector reforms. The aim of introducing strategic plans was to enhance performance in public organisations. It was believed that the introduction of strategic plans would lead to efficiency and effectiveness in the delivery of public services as the public sector acts as an engine for development (Khunga and Magolowondo, 2023).

Public organisations in Malawi play a significant role in the economy. In accordance with the 2003 Public Finance Management Act, public organisations, also known as state owned enterprises (SOEs), are defined within the broad spectrum of a statutory body as a corporate or unincorporated body that has been set up as a specific entity to provide a specific good and/ or service. This includes any corporation or subsidiary of a corporation where the Government directly or indirectly controls the composition of any board of directors, controls more than 50% of the voting power of the body or holds more than 50% of any of the issued share capital of the body either directly or through another agency or statutory body. Public organisations are a channel that Government uses to address its strategic economic and social objectives and its commercial objectives.

This paper seeks to demystify the myth on whether or not strategic plans enhance performance in public organisations. This stems from the fact that the main reason why the Government of Malawi introduced strategic plans was to improve efficiency and effectiveness of service delivery in Malawi.

2. Conceptual and Theoretical Framework of the Study

Strategic plans have been central to several public sector reform efforts. Kimuyu (2015) observes that in recent times, many public sector organisations have been engaging in activities that will improve their service delivery to their clients. One such activity is the development of strategic plans. Byrne (2010) states that not only is a strategic plan used as a tool to improve service delivery in most organisations, it is also an indicator of top management's commitment to developing and implementing coherent and comprehensive organisational strategies and a key for promoting inclusive public management in a democratic society and a way of creating public value. According to Bryson (2018), it is through strategic plans that an organisation can predict changes in the environment and act proactively.

A number of scholars, including Rothwell and Kazanas (2003), have vehemently defended strategic plans as a means to achieve company objectives and enhance organisational performance. Johnsen (2022), who conducted a study in Norway in about 140 public organisations, found out that strategic plans are used extensively in the public sector and have improved service delivery. Likewise, Wachira (2015) found a resounding success in service delivery in public hospitals in Kenya all because of the implementation of strategic plans as tools for the improvement of service delivery.

However, much as there are such revelations, there are some scholars who dispute the importance of strategic plans as tools for improving performance in public organisations. Collins and Porras (1994) claim that it is only a myth that companies perform because of strategic plans. They observe that there are many organisations that have both performed and grown without strategic plans. Despite the introduction of strategic plans in public sector organisations by the Government of Malawi in 2000, both Kayuni (2016) and M'banga and Sharma (2021) state that evidence suggests that government agencies continue to register unsatisfactory performance in achieving commitments derived from the strategic plans. This is despite that every financial year these public sector organisations enter into an agreement with the Government, called the 'Shareholder's Letter of Expectations', where they agree on targets in order to improve public service delivery. This dismal performance is also evidenced by the Malawi Annual Economic Report (2023).

Several studies have been conducted on strategic plans in public organisations worldwide but most of them have either concentrated on the process of devising the strategic plans rather than the implementation thereof. For example, Ugboro (2011) and Johnsen (2015), who conducted their studies in the USA, showed that strategic plans in Government were a successful innovation that contributed positively towards improving the agencies' performance. Likewise, Huang (1997), who conducted his

research in Florida's Department of Corrections in USA, found that all managers expressed commitment to the strategic planning process and made positive assessment of its organisational impact. However, his study is faulted for concentrating on the executive management in the organisation leaving behind the other workers who are also involved in the strategic planning process in the organisation.

In Malawi, Kayuni (2016) analysed the strategic planning process in the public sector by asking who initiated the process, what approach determined the process and what was the possible potential of the adopted strategic plan approach in enhancing the reform agenda. He concluded that leadership (political and professional) has played a role in the failure of strategic plans. He observed that leaders are responsible for spearheading the process of managing these plans to achieve the goals contained within them.

This is corroborated by Malunga (2007), who considered means of improving the role of strategic plans in local non-governmental organisations (NGOs) in Malawi and argued that an effective strategic plan requires top managers' active roles in defining the strategic direction of the organisation and creating an environment that recognizes a strategic plan as a tool of strategic management.

From the foregoing discussion, it is clear that the trend for most of the scholars has been to focus on the process of formulation of the strategic plans as opposed to exploring why and how strategic plans can be a tool in enhancing performance in public organisations. This paper aims at demystifying this myth about strategic planning and performance in that while some scholars have touted strategic plans as a magic wand for enhancing performance in public organisations in Malawi, other scholars doubt its effect and impact on performance. This myth has not been fully demystified in current literature in that whilst strategic plans have been considered as a tool that can contribute to positive outcomes in an organisation, some scholars still doubt their effectiveness and contend that they are a sham, not worthwhile and only a waste of resources. This motivated this study as there is a gap in the available literature to demystify the myth on whether or not strategic plans are tools for enhancing performance in public organisations in the context of Malawi.

There are a number of theories which explain strategic planning in public and non-profit making organisations. These include New Public Management (NPM) theory, public choice theory, principal-agent theory and public value theory. On NPM, Tambulasi (2009) stipulates that its paradigm features dominate in both contemporary public-sector reform and public-sector management literature. Key to NPM is the introduction of market principles in the running of the public sector. The rationale of NPM is to replace the excessively rigid and bureaucratic traditional public administration with a fast-moving form of public management so as to achieve high levels of efficiency, effectiveness and economy in the delivery of public goods and services.

Tambulasi and Kayuni (2013) state that NPM is an approach that seeks to build an administration by implementing flexibility, transparency, minimum government, de-bureaucratization, decentralization, the market orientation of public services and privatization. The NPM philosophy seeks to reinvent government business by being adaptable, accountable and responsive to citizen needs as asserted by Osborne and Gaebler (1992). However, this theory lies contrary to how public organisations are run in the western world. Even within Malawi, shareholders, boards and management of public organisations believe in corporate governance as a way of running public organisations instead of applying market principles in the running of the public sector.

Public choice theory by Buchanan (1958) states that decision makers in government institutions prioritize their own interests over public interest and social benefit. Sikwese (2021) states that this theory advocates the application of economic models of human action to politics and other social activities, basically pointing to the behaviour of individuals that men and women always seek to maximize their benefits and pursue the least costs in their decisions. However, this also is not the way public organisations are managed as it runs contrary to corporate governance tenets of transparency, accountability, integrity and openness, among others. This research will employ two theories—principal-agent theory and public value theory—as they are more relevant as per the aims and objectives of this paper.

2.1. Principal-agent theory

Cheshire et al (2017) state that principal-agent theory is a contractual and governance theory which sets out a fiduciary relationship between the principal and the agent. In this case, the shareholders of the public organisation are taken as principals, and they appoint directors to act as ‘agents’ to run the affairs of the public organisation on trust. When principals appoint agents, their aim is to ensure that the agents run the affairs of the organisation according to the aims and objectives for which they established the public organisation. In other words, the shareholder, who is the owner or principal of the organisation, delegates day-to-day decision making in the company to directors, who are the shareholder’s agents.

Pont (2020) clarifies this by stating that in corporate governance, the directors are vested with the following fiduciary duties in running the organisation: duty to act in accordance with the purposes for which the organisation was made, duty to use powers for a proper purpose, duty to promote the success of the organisation, duty to exercise independent judgment, duty of care and skill, and duty to avoid conflict of interest, amongst others.

The problem that arises as a result of this system of corporate ownership is that the agents do not necessarily make decisions in the best interests of the principal. One of the principal assumptions of principal-agency theory is that the goals of the principal and agent conflict and that creates the agency problem as elaborated by Busch et al (2015).

The reason why Government, who is the owner or principal shareholder in public organisations, establishes public organisations is to deliver efficient and effective services to its citizenry. Knowing Government as the principal shareholder cannot be involved in day-to-day running of the affairs of the public organisations, it appoints directors on its behalf who make decisions in the day-to-day running of the public organisations (Muhome, 2016). In the Malawian case, Government directed that strategic plans should be implemented in public organisations to enhance delivery of public services and that those services should deliver public value. It is therefore the aim of this paper to assess whether or not strategic plans are indeed enhancing performance in public organisations.

2.2. Public value theory

This theory was advocated by Moore (1995) as an alternative approach to the New Public Management theory and espouses principles of good governance. The theory describes the value that an organisation or activity contributes to the society and is centred around the needs of the public as citizens as well as consumers, and the creation of value rather than achieving targets. Public value theory urges leaders and managers of public and non-profit organisations to be effective strategists to fulfil their missions, meet their mandates, satisfy their constituents, and create public value (Bryson, 2018).

Moore's central proposition in advocating the concept of public value in public management was that public resources should be used to increase value in a way which is analogous to how the private sector creates, increases, or maximizes value on inputs to the satisfaction of its customers. The crux of the public value theory is that if the private sector is guided in their operations by the shareholder values, so too public sector managers should be guided by the citizen's choices as citizens are ideally the shareholders of the public service (Seddon, 2008).

According to Bryson (2018), public value theory has four key dimensions which augur well with the aim and objectives of this paper. These are:

- (a) *Outcome achievement*: this is the extent to which a public body is improving publicly valued outcomes across a wide variety of areas. These can be social, economic, environmental, and cultural outcomes.
- (b) *Trust and legitimacy*: this is the extent to which an organisation and its activities are trusted and perceived to be legitimate by the public and key stakeholders.
- (c) *Service delivery quality*: this is the extent to which services are delivered in a high-quality manner that is considerate for users' needs. These will be maximized when service users are satisfied and when they perceive the service to be accessible, convenient, and responsive to their needs.

- (d) *Efficiency*: this is the extent to which an organisation is achieving maximal benefits with minimum resources. (By using these key dimensions, the question arises on how the strategic plans is a magic wand for enhancing performance in a public organisation by creating public value. Sikwese (2021) states that for public managers to be guided by the citizenry, there is need to have a mechanism for engaging these citizens in planning, delivery, and evaluation. It is the strategic plan which will be used in holding public officers and managers accountable for the quality delivery of services they are responsible for and to evaluate public value in the delivery chain. It is therefore public value that will concretize the aims and objectives of this study to assess whether strategic plans enhance performance in public organisations.

The linkage of principal-agent theory to public value theory rests on the fact that the Government, who is the principal in the public organisation, sets up the organisation with managing of its affairs delegated to the directors who act as agents on behalf of the Government. Their aim in managing and running the day-to-day affairs of the public organisation is to ensure that the services provided create a public value to the citizenry. Once the directors are running the affairs to the contrary then there will be an agency problem as they are under a fiduciary duty to create public value in their managing of the public organisation.

In order to create public value, the Government as the shareholder has directed that the directors should create an instrument that will be used to measure their performance and evaluate the public value. That is the strategic plan.

3. Context of Strategic Planning and Performance in Public Organisations in Malawi

The debate on the myth about strategic planning and performance in organisations was initiated as far back as 1980s by people such as Mitchell and Birnbaum (1981) who stated that there is no clear systematic relationship between a strategic plan and a firm's performance. Since then, several authors have criticised the effectiveness of strategic plans. These include critics like Collins and Porras (1994), who claimed that many companies make profits even without strategic plans. Shrader et al (1984) state that strategic plans are not effective in public organisations and cannot enhance performance because of their rigidity as they encourages excessive bureaucracy in organisations. This was corroborated by Mintzberg (1994) and Miller and Cardinal (1994), who criticised strategic planning by asserting that it is not equal to strategic thinking and that a strategic plan tends to reinforce a unitary, centralized hierarchical mode of decision making which is antithetical to the types of flexible, decentralized decisions organisations must take in a changing environment. They have wondered if the strategic plan as a management tool works.

The debate is also supported by Vinzart and Vinzart (1996), who note that strategic planning is rigid and drives out important innovations that are not a part of the plan, and Martin (2014), who emphasizes the big lie of strategic plans and claims that

strategic plans deceive managers into believing that a strategy can be controlled. This debate is echoed by George (2018) who concludes that public sector organisations are not to embark on strategic plans as they are a waste of time. This debate is opposed by proponents of strategic plans, such as Martinez (2014) and Bryson (2018), who assert that strategic plans have a positive, moderate and significance impact on organisational performance. This is supported by Walter and Monster (2019), who vehemently support strategic plans as a means to enhance organisational performance. They state that strategic plans are necessary tools for organisations to survive the harsh turbulent business times and make appreciable contributions in such an environment. However, although there has been a debate on the effectiveness of strategic plans in public organisations, the question that emerges in this paper is: why are governments like that of Malawi so keen on strategic plan implementation?

Initially, strategic planning in public organisations in Malawi was not mandatory. It largely depended on the preferences of particular leadership in their respective Ministry, Departments or Agency (MDAs) to either initiate the process or not (Kayuni, 2016). Strategic plans in Malawi were introduced with the establishment of public sector reforms in early 2000 when Government started implementing the more comprehensive public sector reforms initiatives for Ministries, Departments and Agencies (MDAs). Tambulasi and Kayuni (2013) state that public sector reforms in Malawi can be categorized into two: first-generation reforms and second-generation reforms. First-generation reforms refer to those implemented in the Kamuzu Banda era while second-generation reforms are those implemented in the democratic era.

The democratic era reforms undertaken between 1994-2014 aimed at improving efficiency and effectiveness of all branches of the state i.e., the Executive, the Legislature, and the Judiciary. It is in this democratic era that public sector organisations in Malawi started developing strategic plans following the directive from Government through a circular that directed that all Ministries, Departments and Agencies (MDAs) should develop strategic plans as part of a renewed impetus for reforms (Kayuni, 2016).

However, since the promulgation of the public sector reforms, the renewed impetus for reforms and the subsequent introduction of strategic plans, there have been mixed views on the role of strategic plans in enhancing performance in public organisations. According to 2023 Malawi's Annual Economic Report, some public sector organisations with strategic plans performed well whilst others did not. This has led to a debate as to whether strategic plans assist in enhancing performance in public organisations, or if they are just white elephants that gather dust in the offices of management personnel, given that public sector reforms have been heralded as a panacea for enhanced service delivery and public sector efficiency and effectiveness (Khunga and Magolowondo 2023).

4. Research Methodology

The research for this paper was conducted at Malawi Communications Regulatory Authority (MACRA) and Malawi Posts Corporations (MPC) which were used as the main unit of analysis. These organisations were selected because they are both public organisations and operate in the communications sector. MACRA is a regulator of Information and Communication Technologies (ICTS) services and MPC is an operator of postal services. These two organisations are also categorized as commercial public organisations by Government, meaning they are expected to declare dividends to Government as their principal every financial year. The choice of these public organisations was because the Ministry of Finance, Economic Planning and Development has been reporting MACRA in its Annual Economic Reports and Consolidated Reports for State Owned Enterprises from 2016-2022 as one of the best performing public organisations in the communications sector, while MPC has been listed as one of the organisations with a dismal performance. Apart from MACRA and MPC, the research was also conducted at Ministry of Finance and Economic Planning as they house the Public Reforms Unit, the Department of Statutory Corporations (which looks after all public organisations) and the Department of Human Resource Management and Development (DHRMD), who are overseers of strategic plan implementation in public organisations. This was done for triangulation purposes.

The researcher used a qualitative research approach. This approach was adopted because it provides the flexibility to consider different dimensions of the problem in question. As asserted by Wilson (2014), the qualitative research approach is feasible to generate rich, quality data on the subject matter. The study had 50 participants in total, who were selected by purposive sampling. These respondents were Executive Management and top managers from MACRA, MPC and Government officials from the above-mentioned Government sections. The research used a number of data collection methods. Primary data was collected through interviews and secondary data was sourced through desk research using journals, books, magazines and government reports in assessing how strategic plans enhance performance in public sector organisations in Malawi. The study was undertaken with an open mind in order to guard against infidelity of implementation as espoused by Creswell (2016) and Saunders (2019). As such the researcher crafted the interview questions with this point in mind. After gathering all the data, the researcher therefore analyzed the data by content analysis.

5. Results and Discussions

Having analyzed the data from the respondents, the researcher found out that the majority of the respondents indicated that strategic plans can be used as tools for enhancing performance in public organisations. However, they further stated that most public organisations encounter problems in implementing strategic plans due to governance, political, economic, social, technological, environmental and legal

challenges which affect successful performance of the strategic plans and efficient and effective service delivery and creation of public value as follows:

5.1. Governance challenges

Many respondents from both MACRA and MPC reported that most of their leaders had not embraced public sector reforms by Government and the introduction of strategic plans in their institutions as they felt threatened by change that this would bring. This posed a threat in implementing strategic plans as there was resistance from the top as one respondent avidly put it as follows:

The directive from government that all public organisations should implement strategic plans came as a shock to many leaders as they had no knowledge of how strategic plans work. Most had neither been trained in strategic plan processing nor implementation. As such, it posed a threat to their contracts as they were afraid that once the contracts came to an end, Government as their principal would not renew them.

30 out of 50 respondents insisted that leaders in public organisations were dragging their feet in implementing strategic plans as they feared that once they were found out that they are not following the strategic plans they would be dismissed by their Board of Directors. As such, they were not willing to present progress of strategic plan implementation at each and every Board meeting for fear that they would lose their jobs.

A significant number of respondents noted that instead of presenting the progress reports of strategic plan implementation at each and every quarter to the Board of Directors, Management waits until the end of the strategic plan period to present a report to the Board, which should not be the case.

One individual commented that “most leaders who are in the executive management team fear for their jobs. As such, they do not present a true picture of how they are implementing strategic plans to their bosses who are the Board of Directors representing Government.” This comment is also asserted by Kayuni (2016), who found that leadership has contributed to failure of strategic plans in public organisations due to the absence of security of tenure. Most leaders are politically appointed and once the government that put them into power loses elections, they get dismissed by the new government.

5.2. Political challenges

A majority of respondents reported that it was a challenge to implement strategic plans successfully due to political interference by Government in the process. It was noted that, due to change of Government after the 2020 elections, most public organisations had their top management teams replaced and this affected proper implementation of the strategic plans as the new teams had to be oriented on the implementation of the plans. One respondent commented that:

...because of change of Government in 2019 after Malawi Congress Party and Tonse Alliance came into power replacing Democratic Progressive Party (DPP), there was change of leadership in most public organisations with a new set of management teams replacing the previous management teams. These new guards had no clue about what their counterparts wanted to achieve in implementing the strategic plans which were already in place. As such, they had to be oriented first in order to adopt what their counterparts wanted to achieve. This took valuable time of the organisation instead of concentrating on the core business of implementing the strategic plans' goals and objectives.

This is also echoed by M'bunga and Sharma (2021) who indicated that like all African democracies, in Malawi, the change of government means a complete overhaul in government priorities and ad-hoc developments emerge at the expense of planned change. Most public organisations experience the unusual change of direction whenever a new government is ushered into power and implementation of activities outside the strategic plans becomes the order of the day.

5.3. Economic challenges

Some respondents reported that due to inadequate funding of the public organisations, it was a challenge to implement strategic plans as most of the activities that were lined up for implementation required some funding. 35 out of 50 respondents noted that because of the economic downturn in Malawi, it was a challenge to implement most of the activities lined up in the strategic plan. An example was given of Malawi Posts Corporation which requested for a bailout from Government when it was failing to perform effectively. MPC also reached the extent of suggesting the retrenchment of some of its employees as a result of economic challenges.

Interview with the Postmaster General was telling:

MPC is going through tough economic times because of the economic downturn the country is going through. The organisation has found itself in an economic quagmire that it is failing to implement most of the activities that it had lined up in its 2016-2022 strategic plan. MPC has twice requested for a financial bailout from government to assist in performing some activities it had put in its strategic plan, to no avail.

Most respondents also noted that most strategic plans in public organisations have no financial resource frameworks to provide an indicative cost estimate for their implementation as observed by M'bunga and Sharma (2021). This was, however, not the case with MACRA which had budgeted and did set aside finances for the implementation of its 2015-2020 strategic plan and had a dashboard with a dedicated official to highlight areas which needed urgent implementation at any given time.

5.4. Social challenges

A significant number of respondents indicated corruption as a social challenge that affected implementation of strategic plans in enhancing performance in public organisations. It was observed that the levels of corruption in most public organisations have increased to alarming rates such that it has become the norm.

One respondent had this to say:

In most public organisations, funds that are set aside for implementation of strategic plans are not well policed, such that they become prone to corrupt use. There is no accountability and transparency in the way strategic plan activities are implemented and this leaves room for corruption by officials who are involved in implementation of strategic plans.

This finding is collaborated by the Transparency International (TI) Corruption Perceptions Index (CPI) data that shows that Malawi's fight against corruption has weakened in the 10 years dating back to 2012 and that most of the corrupt activities are happening in public organisations.

5.5. Technological challenges

37 out of 50 respondents indicated that the use of modern technology is a challenge to most Malawians. This includes public organisations, where most people are not conversant modern technology. As most organisations are moving away from the use of brick-and-mortar methods to the use of modern technology, it was a challenge to implement strategic plans. Many respondents noted that for a strategic plan to be effectively implemented, it requires a dashboard to trace and track its implementation. This can be easily done through a software application which assists in tracing and tracking each and every activity to be implemented at a given time. With lack of capacity in the knowledge of ICT in most public organisations, this becomes a challenge. Lack of knowledge in ICT mainly affected MPC, as one individual observed:

MPC is in the process of restructuring as most of the employees do not have the requisite knowledge for the jobs they perform. The lack of knowledge in ICT is also one of the reasons why MPC is failing to compete with other new entrants on the market. MPC would have by now been a market leader in the provision of financial services had it grasped ICT since its establishment.

5.6. Environmental challenges

Most respondents reported that they faced environmental challenges in implementing strategic plans as there were limited monitoring and evaluation frameworks to measure success due to unwillingness by the leaders to embrace change. Many respondents noted that most public organisations do not have proper monitoring and evaluation tools to assist them with tracking the implementation of strategic plans. As already observed, it was noted that most public organisations lacked a tracking and

tracing device for strategic plan implementation. Comparing MPC and MACRA on this aspect, it was noted that lack of monitoring and evaluation of strategic plans did not affect MACRA as it had a dedicated member of staff who was obligated to monitor and evaluate the activities in the strategic plan using a dashboard and submit the reports every time there was a Board meeting.

5.7. Legal challenges

Most respondents indicated that there was lack of a comprehensive legal framework for the implementation of strategic plans in public organisations. They further reported that there is a *laissez-faire* approach in the implementation of strategic plans due to lack of a proper legal framework. There are no measures taken when a public organisation does not successfully implement a strategic plan and no rewards given to those who successfully implement strategic plans. One respondent from Government indicated the following in an interview:

The failure of Government to put in place stringent measures and a proper legal and regulatory framework for the implementation of strategic plans is what is breeding a *laissez-faire* attitude by most leaders in public organisations. These people know that regardless of the fact that their organisations have dismally performed in implementing strategic plans, they will still have their contracts renewed as there are no measures put in place to monitor progress. While most contracts are based on performance on paper, it is still lip service on the ground as politics take centre stage in renewal or non-renewal of contracts in public organisations in Malawi.

Apart from the interviews, the researcher also depended on secondary sources for data collection and these included books, journals, and Government reports. According to the Malawi Economic Report (2023), MACRA's revenue base has grown from K17 billion to K23 billion from March, 2022 to March, 2023, representing a 35 percent growth. MACRA's asset base also grew from K23 billion to K29 billion, unlike MPC which recorded losses and requested for Government bailout in the same period. MPC also requested Government to consider removing it as a commercial service provider as it was not making profits.

Analyzing the public organisations' financial performance from the Consolidated Reports for State Owned Enterprises from 2016-2021, the research found that MACRA continued to report increases in surpluses over the past years. However, MACRA recorded a drop in revenue in the 2018/19 financial year where the Authority realized K17.7 billion in revenue while its surplus was at K6.9 billion. The decline in revenue was due to a continuous decrease in incoming international call minutes which is the basis for circulation of international call termination fees. The other reason for the decline was due to the implementation of the Universal Service Fund (USF) where the Authority is required to apportion 20% levy receivable from operations to USF.

An analysis of the financial risk for MACRA from the Consolidated Report for State Owned Enterprises showed that in 2019/2020 the liquidity position of the Authority remained healthy and capable of meeting short term obligations as they fall due, as measured by a current ratio of 1.5:1 in 2020. Additionally, MACRA's working capital was adequate to finance its day-to-day operations. In comparison to MACRA, Malawi Posts Corporation's analysis of the 2016/2019 financials indicated that though the MPC reported a profit after tax amounting to K224 million in 2019, this was due to the accounting treatment of K2.4 billion on items not reclassified to profit on loss. However, the actual position was a loss of K1.5 billion, an improvement from a loss after tax of K3.6 billion recorded in the 2017/18 financial year, which worsened in the year 2018/19.

MPC's liquidity position remained very weak with a current ratio of 0.57:1 reported in 2018/19, a decline from the 2018 position of 0.64:1. This signified that MPC had inadequate resources to meet its current debt obligations as they fell due. Furthermore, the working capital was still on the negative side, signifying that it had inadequate working capital to finance its day-to-day operations. The performance of MPC was also poor in the year 2019/20, compared to the position reported in 2018/19. The revenues increased by 21 percent to K4.2 billion in 2019/20 from K3.5 billion in 2018/19. On the other hand, expenses slightly decreased by 5 percent in 2019/20 (from K4.8 billion to K4.6 billion during the same period 2018/19 financial year), resulting in a loss of K3.2 billion.

The financial performance by MPC led the organisation to perform dismally on creation of public value unlike MACRA as it did not meet the dimensions which were set up by Moore (1995). There was no trust and legitimacy for MPC from the general public and the service delivery quality of postal services by MPC was not satisfactory. MPC was also not efficient in its service delivery to the general public due to the financial challenges it was facing during the implementation of its strategic plan. From the foregoing, the research demystified the myth about strategic planning and performance in public organisations in that strategic plans enhance performance in public organisations in Malawi but not as much as expected. This is in line with Khunga and Magolowondo (2023) who also found that some public sector reform initiatives such as performance contracts help to improve service delivery but only marginally due to some challenges. In the case of strategic plans, some challenges which the public organisations face include those related to political, economic, social, technological, environmental, legal and governance matters.

6. Conclusion

This paper aimed to demystify the myth about strategic planning and performance in public organisations in Malawi. The research used the comparative case of MACRA and MPC as a unit of analysis. It is clear from the discussion that the paper has demystified the myth as it has shown that strategic plans enhance performance in public organisations in Malawi, but only to an extent due to some impediments such as political, economic, social, technological environmental and legal challenges.

These challenges need to be addressed if strategic plans are to truly be efficient and effective tools in enhancing performance in public organisations in Malawi. The study concludes that a strategic plan can be a tool to enhance performance in public organisations in Malawi if the challenges that it meets during implementation are ironed out. The paper therefore recommends that Government of Malawi, as the principal, should put in place supportive policies and stringent measures to enable strategic plans to enhance performance in public organisations in order to create public value and deter a laissez-faire attitude on their implementation. The Government need to develop a strong legal framework for the implementation of strategic plans in all public organisations in Malawi to punish public officers who do not implement strategic plans in their organisations.

In order to create public value, Government as a principal should also assist in building the capacity of members of executive management teams and officers in public organisations through its Department of Human Resource Management and Development (DHRMD) in order to enable them to implement strategic plans efficiently and effectively. This will reduce the cost of hiring consultants to draft strategic plans which in most cases do not reflect the happenings in the organisation. There is also need to raise awareness through civic education initiatives to the general public on the performance of the public organisations to enable them to demand the value they should get from the delivery of services. The citizens need to be vigilant to demand such services and even take to court public organisations and officials that are not delivering the services to their satisfaction. This is called active citizenship. Since this study only focused on two public organisations due to limited time and resources, the researcher recommends further research to obtain in-depth information on how strategic plans can enhance performance in public organisations using a quantitative methodological approach. The study will be significant as the results will inform policy makers on how strategic plans enhance performance in public organisations in Malawi to further demystify the myth.

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