



Strategic Planning and Management in Small Municipalities in Mississippi – Implementation, Perceived Benefits, and Determinants of Use

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Abstract

Many municipalities use strategic planning and management, but there is a limited understanding of the use of these processes among small municipalities. This study examines the use of strategic planning and management across municipalities in Mississippi and studies the factors associated with that use. An analysis of over 38 municipalities shows low levels of strategic planning and management. The findings support the expectations of the capacity-performance paradigm, where financial, technical and administrative capacity, as well as goal clarity and leadership commitment, are associated with the use of strategic management.

Keywords Strategic planning · Strategic management · Municipality · Local government · Rural

Introduction

The adoption and use of strategic planning and management (SPM) offer public organizations a wide range of benefits such as improved decision-making, increased organizational effectiveness, better responsiveness to community needs, and enhanced resiliency to traumatic events (Bryson, 2010; Mitchell et al., 2018). To reap these benefits, many local governments engage in strategic planning and management to better serve their communities (Mitchell et al., 2018). Unfortunately, the extant academic literature that studies strategic planning and management in public organizations examine large exemplary cities (Poister & Streib, 2005; Rivenbark & Kelly, 2003) and state agencies (Berry & Wechsler, 1995) to the neglect of smaller cities. Consequently,

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there is scant critical research on the challenges confronting public managers in small and rural local governments with regards to strategic planning and management efforts as opposed to similar implementation experiences of their larger urban counterparts (Helpap, 2019; Bryson et al., 2018; Catlaw & Stout, 2016; Folz & French, 2005). Those seeking to implement strategic planning and management in small rural governments would have to assume that the findings in larger organizations could be applied to small organizations.

Although small-sized and rural municipalities provide essential services and encounter many of the issues and problems faced by larger metropolitan cities (Folz & French, 2005; Helpap, 2019), they face unique challenges that make them different than their larger counterparts (Nukpezah & Abutabenjeh, 2018). For example, small rural communities may not be experiencing rapid population growth and hence may not need to strategize for infrastructure needs, tend to have smaller budgets, and have less demographic and socio-cultural changes than urban cities. Clearly, a study that focuses on small government strategic planning and management is essential to get a better comprehension of the key organizational and administrative features of strategic planning and management (Helpap, 2019; Folz & French, 2005).

Acknowledging that strategic planning and management is not conducive to a one size fits all model (Eadie, 1983; Mulgan, 2009; Poister & Streib, 2005) and that small municipalities have distinct social and geographic issues and face unique challenges (Trautman, 2016), this study draws on the capacity-performance framework (Hall, 2017) to examine the determinants of the adoption and use of strategic management in small municipalities. The study focuses on Mississippi to examine municipal strategic planning and management in small public organizations and examines three research questions: (1) What is the level of implementation of strategic planning and management across municipalities in Mississippi? (2) What is the association between the perceived benefits of strategic planning and management processes and the decision to use them? and (3) What factors outlined in the capacity-performance paradigm influence the use of strategic management?

The study relies on primary survey data collected from professionals affiliated with 38 municipalities in Mississippi and uses frequency tables, t-test, and Fisher's exact test of significance to report the findings. The study finds that the adoption and use of strategic management is generally low in small rural local governments in Mississippi compared with what has been reported in previous scholarship (Rivenbark & Kelly, 2003). The study reveals that professionals' favorable rating of strategic management is related to the SPM use by their local governments. Furthermore, the study finds that the adoption and use of strategic management among local governments in Mississippi are related to their technological, financial, and administrative capacities, as well as leadership support and goal clarity, which aligns with the scholarship (Hall, 2017). The study conjectures that professionals in larger local governments are more likely to favor strategic management. Overall, the study makes an important contribution to the strategic management scholarship. One is that the level of use of strategic management differs among large and small local governments. Also, the factors that affect the use of strategic management may be the same irrespective of the size of the local government except that task and environmental complexity are not predictors of SPM among small municipalities. To increase the use, strategic planning may be made more appealing to

small governments by identifying those specific needs of small communities that might benefit from strategic planning and management.

By focusing on Mississippi – one of the most rural states with small local governments in the United States – this study contributes to the literature of small government management. Since 286 of its cities (96%) are considered small cities with a population below 25, 000 (Allen, 2017), an examination of small municipalities in Mississippi can provide valuable lessons to other municipal governments that aim to use strategic management. Through an examination of the level of SPM, this study is a step forward in filling the gap on small municipalities' SPM practices and comparing their practices with those in large municipalities. By way of organization of the article: the next section provides a succinct review of the literature on strategic planning and management. This is followed by an explanation of the capacity-performance paradigm (Hall, 2017) and the methodology. The remaining sections discuss the results and implications of the study.

Strategic Planning and Management

The origins of SPM could be traced to the Harvard Business Model from the 1920s and management scholarship that borrows from how military generals (Drucker, 1954; Selznick, 1957). The term “strategy” and “strategic” have now come to represent how leadership looks to the future by giving direction to their organizations and adapting to the complex environments in which they operate to give them a competitive advantage. An organization's strategy is informed by its internal strengths and weaknesses as well as the opportunities and threats in the external environment.

While strategic planning in businesses has been studied for a much longer period, its incorporation into the public sector started in the 1970s and 1980s (Eadie, 1983; Blackerby, 1994; Steiner, 1983) with the rise of new public management strategies and reinventing government innovations. Strategic planning expanded within state governments and the federal government notably with the Oregon Benchmarks in 1989, Texas House Bills in 2009, the Chief Financial Officers Act of 1990 and the Government Performance and Results Act of 1993 (GPRA) (Blackerby, 1994; Kravchuk & Schack, 1996; Radin, 2006; Tama, 2015). Strategic planning has been defined as “a systematic process for managing the organization and its future direction with its environment and the demands of external stakeholders including strategy formulation, analysis of agency strengths and weaknesses, identification of agency stakeholders, implementation of strategic actions, and issue management” (Berry & Wechsler 1995, 159).

Strategic planning provides answers to “what an organization (or other entity) is, what it does, and why” (Bryson, 2018, p. 8; Drucker, 1954). As such, it is a beneficial process for defining objectives, goals, and targets for current and future operations (Wheeland, 2003; Bryson, 2011; Bryson et al., 2018; Albrechts et al., 2016), foreseeing problems and designing tactics for future operations and desired outputs and outcomes (Blackerby, 1994; Gordon, 2005), fostering a means towards more efficient practices addressing change (Hințea et al., 2015), designing strategies to suit particular environmental needs (Poister et al., 2010) and “achieving goal alignment, continuity of effort,

and performance-related effectiveness” (Bryson et al., 2018, 318). Thus, strategic planning provides the sextant that charts the direction of an organization.

However, the production of a strategic plan by itself is not a sufficient condition for organizational outcomes. To make an organization’s strategy meaningful, it needs to transition from strategic planning to strategic management, which is a broader process and a more inclusive approach (Aydin et al., 2020; Poister, 2010). Strategic management involves setting the objectives, analyzing the environment, providing resources that are required, and monitoring the performance of the specified goal and addressing deficiencies that are identified.

Implementation of strategic management is the ongoing effort and long-term application of the strategic plan within an organization (Poister et al., 2010; Bryson, 2010). The implementation is a dynamic and nuanced process and “governments that use strategic planning may see little return if plan implementation goes awry” (Mitchell et al., 2018, p. 110). Hence, it is a critical component for administrators and managers to ensure the linkage between planning and implementation and integration of the process within the organization (Elbanna et al., 2016, 1020).

Regarding the implementation of strategic management, the scholarship identifies five stages (Vinzant & Vinzant, 1996; Poister & Streib, 2005). Before a local government considers the adoption of strategic management, it is at stage 1 – the process of a strategic plan has not been initiated. The initiation of the process is often triggered by the existence of some factors in the policy environment (Berry & Berry, 1990; Berry, 1994; Nukpezah, 2019; Benavides et al., 2020). Those governments that have favorable conditions, such as financial, social, and political capitals are more likely to initiate the process of using strategic management and progress through the stages. In stage 2, the process is initiated, although it is not completed. The difference between the first two stages is that organizations at stage two perceive the benefits associated with the innovation and have started considering the innovation. Organizations in stages 3 through 5 have adopted the SPM although they may be at different stages of its use. Stage 3 is when strategic management is adopted with a plan available to demonstrate the strategic direction of the organization. Stage 4 moves the process further and demonstrates a higher commitment to using innovation. At that stage, the government has completed the strategic plan and budget is tied to strategic priorities. An approved budget that allocates resources to different activities is considered the most important policy document of a government at all levels of government (Bland, 2013). Budgetary appropriation for a government program demonstrates the importance that it attaches to it. The most advanced stage (Stage 5) is when the local government has completed a strategic plan, appropriated funds to strategic priorities and has developed performance measures that track strategic goals and priorities. Those organizations at stage 5 see strategic management as a process that is continually improved based on feedback received from the policy environment.

Determinants of Strategic Management in Small Local Governments: The Capacity-Performance Paradigm

This study uses the capacity-performance paradigm elaborated by Hall (2017) to identify the factors associated with the adoption and use of SPM among small

municipal governments. Hall (2017) provides the theoretical synthesis on the capacity-performance paradigm and the obstacles for using performance-based management approaches. The present study extends the utility of that theory to strategic management as a managerial approach whose effectiveness is tailored and dependent upon performance metrics at the local level and provides an examination of how the factors outlined by Hall (2017) affect municipal strategic management.

Hall (2017) proposes that the various forms of capacity along with management support, clear vision, task complexity, and environmental factors impact the success of performance-based management approaches. In this process capacity is important, but research has shown that capacity is not sufficient to guarantee performance outcomes. Other organizational and environmental influences should also be taken into consideration if organizations would be successful. For example, in a study of local governments in Florida, Dimitrijevska-Markoski and French (2019) conclude that it is not administrative capacity but organizational institutionalization (practice) that serves as the most important predictor of performance information use. Furthermore, an extant study suggests that dedication to process design promotes goal clarity by effectively promoting successful strategic management methods focusing on strategic implementation via resource reallocation, including internal and external factors (Vinzant & Vinzant, 1996; Eadie, 1983). The next sections review the factors that have been outlined by Hall and have been identified in the literature as important to the success of strategic planning and management.

Financial, Administrative and Technological Capacity

Hall (2017, p. 47) argues that capacity is not “a singular concept, but rather one comprised of multiple dimensions.” Further, capacity (and its definition) are dependent upon the goals it aims to achieve, with most prominent dimensions being human and financial. Financial capacity is the foundation for the other forms of capacity (Hall, 2017) as an appropriate budget is necessary for the implementation of many innovative programs and reforms (Sillah et al., 2020; Benavides et al., 2020). Administrative capacity is referring to having appropriate staff, in terms of sufficient number but also appropriately training, skills and experience (Hall, 2017).

Technological capacity, on the other hand, maybe a challenge for smaller size municipalities because it may be more expensive for them to implement performance-measurement systems (Hall, 2017). Successful implementation is the desired outcome from the strategic planning process; therefore, it is important to expend resources during the planning stage ensuring a plan’s goals and desired results are accomplished (Mintzberg, 2000). The existing empirical research lends clear support for the impact of the capacity on the success of strategic management. Aydin et al. (2020) in an examination of Turkey’s public sector has concluded that the quality of the human resources and people’s knowledge, as well as appropriate budgeting, are among the most important factors affecting the success of the strategic management process (Aydin et al., 2020).

In a study of municipal strategies, Mitchell et al. (2018) conclude that in low-complexity situations, implementation is dependent on sufficient slack resources as well as linking with the performance measurement system (Mitchell et al., 2018), implying that technological and financial capacities are necessary. Another study of

over 1000 politicians and managers in the UK, came to similar conclusions as it determined that planning is impacted by ‘organizational resources and expertise’ (Boyne, Gould-Williams, Law, Walker, 2004, p. 347). Therefore, based on the premise of the capacity-performance paradigm and findings of empirical research, one may expect that municipalities that have higher administrative, financial and technological capacity are more likely to engage in strategic planning and management.

Leadership Support

Through years of implementation, organizations have demonstrated that strategic planning and management is a fluid process that changes, shifts and adapts to their environment requiring managerial commitment to ensure positive outcomes (Bryson et al., 2018; Roberts, 2000; Toft, 2000). Leadership support is a proven indicator of many administration reforms (Poister et al., 2010). Wheeland (2003, p. 65) examine Rock Hill’ (South Carolina) Community-Wide Strategic plan and conclude that its successful implementation was, among other things, due to the “commitment of the public leadership to the process and the plan”. In another study of 150 public service organizations from Canada, Elbanna et al. (2016) find that managerial participation or managerial commitment mediates the relationship between strategic planning and implementation success. A similar conclusion came from Kayuni (2017), who analyze the Malawi public sector and found that leadership had an active role in the “failure of strategic planning and management to achieve its goals” (p. 389). A recent study has also recommended that top managers should not only adopt strategic planning but also to motivate lower-ranked employees (Aydin et al., 2020). Even research on innovation in small municipalities also proposed that stakeholder support, leadership, and training may influence the capacities and innovation in these governments (Rivenbark & Kelly, 2003). As strategic planning and management is a complex and time-consuming process, the literature suggests that leadership support may serve as a facilitating factor in the process.

Goal Clarity and Task Simplicity

There is an old statement: “if you don’t know where you are going, any road will take you there” (Farazmand, 2017, p. 613). Similarly, organizations should have clear goals and objectives (Hall, 2017) to conduct effective strategic planning. Aydin et al. (2020) identified that “lack of clear goals and objectives” is one of the challenges in Turkey’s public sector. Therefore, one may expect that organizations with clearly outlined objectives may be more conducive to strategic planning and management. Poister et al. (2010) argue that policy areas with greater consensus on the mission such as fire department, public works, sanitation, among others, are better candidates for the strategic management process. Similarly, goal clarity and task simplicity would facilitate the use of performance management and positively impacts the strategic planning and management processes (Hall, 2017). This is because “complex tasks, by definition, require greater front-line discretion and less structure to implement; they will be difficult to measure, and proposed measures will likely generate resistance from employees” (Hall, 2017, p. 56). Consequently, the lack of clear goals and the more complex task would serve as impediments to the strategic management process.

Implementation Environment

With the increasing reliance of third parties to provide public services, it has become increasingly difficult for municipalities to control some of their organizational outcomes (Hall, 2017). Hence, there is an assumption that more complex environment would be negatively associated with strategic management success. Mitchell et al. (2018) examine 155 strategic initiatives from 36 municipalities and concluded that the context influences the success of the implementation of strategic initiatives. Poister et al. (2010) also argue that the operating environment is likely to influence the strategic planning process where stability and presence of turbulence impact the decision to engage in SPM. While one may expect small municipal governments to operate in more stable environments, it is also accurate that small changes may cause larger disruptions. Therefore, it is important to examine if the environment has any impact on strategic management among small municipal governments.

Methodology

Local Governments in Mississippi

Mississippi is one of the small states in the US with a population of 2.99 million that is organized into 82 counties and 298 incorporated municipalities (US Census Bureau, 2015). In fact, only two cities have a population greater than 50,000 and only 105 cities (35%) have population greater than 2000, which makes Mississippi unique. The state joins Maine, Vermont, and West Virginia as the most rural states (Nukpezah & Abutabenjeh, 2018). By virtue of its location, Mississippi has less access to urban centers in the North East and other major cosmopolitan centers of the U.S. The state is unique in other areas by having the highest African–American population (37.7%) and lags the national average in many socio-economic indicators such as population with a college education (20.7%), per capita income (\$21,057) and poverty rate (22%). The national averages are 30%, \$28,930 and 13%, respectively (US Bureau of Census, 2015).

Sources of Data

The present study uses data from municipalities in Mississippi. A survey was mailed to 200 of the 298 municipalities in the state. The decision not to survey all municipalities in Mississippi was because of their small size, lack of local tax revenue and resources within the community, as municipalities of this size are not typically expected to partake in strategic management practices. The surveys were preceded by an invitation letter sent approximately 1 week before the survey packet mailings. The survey was mailed 1 week later and offered several methods of return of the survey (paper and online) and was followed by a postcard and phone call reminders. The survey request elicited 74 responses from the online and hard copy versions. After the data cleaning, there were 53 usable surveys representing thirty-eight municipalities.

The unit of analysis is individual professionals associated with the local governments. The majority of the survey respondents were clerks (41.5%), followed

by aldermen (32.1%) and mayors (24.5%). There was a gender balance among the respondents who answered that question (43.4% female, and 41.5% male), as well as political party representation – Democrat (39.6%), Republican (32.1%) and Independent (11.3%) with some electing not to respond to the question on political ideology. Most of the respondents were more senior people with extensive public servant experience. 52.7% of the respondents were above 55 years old and 22.6% had more than 20 years of public service experience. When it comes to the educational level, only one third (34%) had a 4-year college degree.

Variables Used in the Study

The first research question assessed the *stage of implementation of strategic planning and management*. The respondents were asked to select the stage of implementation of SPM based on five levels proposed by Vinzant and Vinzant (1996) and Poister and Streib (2005). Stage 1: the local government has not initiated strategic plan; Stage 2: strategic planning is initiated, but not completed; Stage 3: strategic plan document is completed; Stage 4: the local government has completed strategic plan and budget is tied to strategic priorities, and Stage 5: the local government has completed strategic plan, budget tied to strategic priorities and uses performance measures to track strategic goals and priorities.

Perceived benefits of SPM is the dependent variable in the second research question. The study examined the perception surrounding the perceived benefits of strategic planning and management. The respondents were asked to rate the *benefits* of local governments developing strategic planning for various purposes: (1) focus on the mission, (2) define program priorities, (3) communicate with external stakeholders, (4) make sound decisions, (5) improve employee supervision, (6) contribute to employee development, (7) build positive organizational culture, (8) maintain overall financial condition, and (9) deliver high-quality service. Professionals were asked to rate these benefits on a five-point Likert scale from strongly disagree (1) to strongly agree (5). Because these nine variables are related, with Cronbach alpha of 0.98, we create an index variable called *perceived benefits of SPM*. Hence, provided that responded answered all 9 questions, the maximum on the scale is 45 points and the minimum is 9 points.

Strategic Management This is the dependent variable in the third research question. It is based on the five stage variables that were recorded as dichotomous variables as 1 if the local government does not use strategic management and 2 if it uses strategic management. The same coding was applied to the predictors. For instance, leadership support was coded as 1 if leadership does not support SPM, and 2 if leadership supports SPM.

Independent Variables This study uses the factors outlined in the capacity-performance paradigm to identify relevant variables for this study. The professionals surveyed were asked questions about their perceptions about the (1) financial, (2) administrative and (3) technological capacity, (4) leadership support, (5) goal clarity, (6) task complexity and (7) implementation environment. All variables evaluate professionals' subjective views about those factors related to an organization's capacity and performance. The

variables were measured on a five-point Likert-scale ranging from strongly disagree (1) to strongly agree (5). The respondents were asked to rate their level of agreement to the question of whether their municipality has an adequate budget for strategic planning and management, a sufficient number of employees with appropriate training, adequate technology, and if the leadership is supportive of the strategic planning and management process. Respondents were also asked whether the municipality has clear mission and goals, if the municipality mainly deals with routinized tasks, and if they consider that their local government operates in a complex environment.

Method of Analysis

To examine the level of implementation of strategic planning and management across municipalities in Mississippi (research question 1) the survey responses by professionals to the five stages of implementation are reported with a histogram.

To answer the second research question of the study as to whether municipalities that have adopted strategic planning and management have different perceptions than those who did not, a t-test was performed. The dependent variable was the *perceived benefits of SPM*, which was measured with an index variable. The independent variable was whether the administrator was affiliated with a local government that has adopted strategic planning and management or not. An independent-samples t-test compares the perceived benefits score of SPM for professionals in municipalities that use SPM and those in municipalities that do not. The descriptive statistics is presented in Table 1. It shows that the majority of professionals who responded to the survey had a positive perception of the usefulness of strategic planning and management with the mean being in high 3 on a scale of 1 to 5. The respondents indicated that SPM is most beneficial for helping to focus on the mission, define program priorities and make sound decisions.

The third research question pertains to the factors associated with the use of strategic management. Since both the dependent variable and independent variables are categorical, cross-tabulation analysis is the preferred method of analysis. However, because

Table 1 Perceived benefits of SPM

Variable	Obs.	Mean	Std. Dev.	Min	Max
Focus on the mission	43	3.93	1.055	1	5
Define program priorities	43	3.91	1.042	1	5
Communicate with external stakeholders	43	3.84	.998	1	5
Make sound decisions	43	3.91	1.065	1	5
Improve employee supervision	43	3.65	.997	1	5
Contribute to employee development	43	3.74	1.049	1	5
Build positive organizational culture	43	3.77	1.020	1	5
Maintain overall financial condition	43	3.81	1.097	1	5
Deliver high-quality service	43	3.81	1.006	1	5
Scale statistics		34.37	8.864	9	45
Cronbach alpha	.986				

of the small sample size ($N=53$) and the ordinal measurement of the variables, the use of common regression techniques is not recommended (Cochran, 1952). Moreover, the expected frequency was less than five in some of the cases. Therefore, to test the relationship between the predictor variables and strategic management, a series of Fisher's exact tests of significance were performed (Cochran, 1952). A description of the variables used in the analysis are in Table 2.

Results and Discussion

The results of the implementation of strategic planning and management in small local governments in Mississippi is reported in Fig. 1. This analysis of the first research question reveals surprisingly low levels of strategic planning and management across small municipal governments in Mississippi. Figure 1 illustrates that most of the professionals that provided information on the question regarding the stage of SPM in their municipality ($N=49$) have not even initiated strategic planning (40.8%), followed by governments that have initiated but have not completed a strategic plan (22.4%). This brings to total more than 63% of the professionals responding to the survey asserting that their local governments are not using SPM for forward looking decision making. Thus, only 37% of the professionals reported that their local governments use strategic management one way or the other. About 14.3% of the professionals report that their municipalities have completed a strategic plan, but these have not moved forward with its management.

While the results have documented low levels of strategic planning, it also reveals that a little more than a third of the professionals use strategic management to different degrees, meaning they have completed a strategic plan (14.3%), and in addition allocated resources for its implementation (10.2%) and or track the progress they made towards its completion (12.2%). These findings on the use of strategic planning and management (36.8%) are lower than those reported in previous research on smaller municipal governments in the US with populations above 2500 where approximately 61% of the municipalities use strategic planning at an organization-wide or programmatic level (Rivenbark & Kelly, 2003).

Table 2 Descriptive statistics of predictors of strategic management

Variable	Obs.	Mean	Std. Dev.	Min	Max
Technological capacity	46	3.39	1.105	1	5
Financial capacity	47	3.15	1.398	1	5
Administrative capacity	47	3.17	1.356	1	5
Leadership support	46	3.87	.909	1	5
Goal clarity	45	3.80	.944	1	5
Task simplicity	47	3.83	.940	1	5
Complex environment	47	3.17	1.204	1	5
Use of strategic management	49	1.224	0.421	1	2

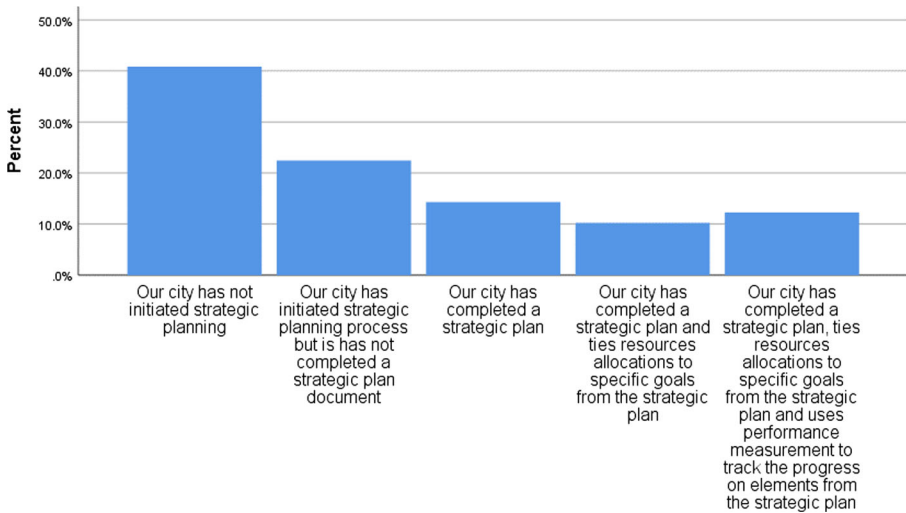


Fig. 1 Levels of strategic planning and management adoption

One of the motivations of the present study is that small and rural local governments may respond to strategic management differently because of the unique challenges they face. For example, small rural communities may report not only lower populations but lower population growths as well with consequent fewer infrastructure needs (Nukpezah & Abutabenjeh, 2018). Nukpezah and Abutabenjeh (2018) also find that smaller cities have lower budgets and consequently raise less revenues because of lower incomes and lower educational attainments of their residents. The differences between small and large local governments may also be because of less demographic and sociocultural changes in small towns compared with urban cities, which prevents such governments from strategizing for the future. It is also known that multiple local governments may depend on a larger nearby government or the county for the provision of public goods and services such as education, public safety, and utilities. Thus, such governments may not see the need for strategic management in these respects. To increase adoption and use, strategic planning may be made more appealing to small governments by identifying those specific needs of small communities that might benefit from strategic planning and management. For example, small rural communities in Mississippi that are experiencing population declines might consider how to improve the competitiveness of their farmers' markets through value addition rather than plan building new infrastructure for a growing population.

The results of the independent t-test of significance of comparison of means scores of professionals' perceived benefits of strategic management for those affiliated with local governments that have adopted to use the policy and those that have not are reported in Table 3. The results show that there is a statistically significant difference in score for municipalities with SPM ($M=34.38$, $SD=4.42$) and municipalities that do not use SPM ($M=27.8$, $SD=8.68$), [$t(41) = -3.25$, $p < 0.01$ (two-tailed)]. This demonstrates that professionals in municipalities that use SPM have more positive perceptions of the process than those that do not use it. These results support earlier research that found that municipalities that are engaged in strategic planning "tend to rate it quite favorably" (Poister & Streib, 2005, p. 51). While modeling the determinants of the

perception of the use of strategic management is outside the scope of the present study, what is clear is that those professionals in local governments that use it see a need for it and perceive it as more beneficial to their local government.

The results of the Fisher's Exact Test (two-tailed) for the predictors of the use of strategic management are presented in Table 4. The result shows that there is a statistically significant relationship between all forms of capacity and use of strategic management [technological capacity ($p < 0.001$), financial capacity ($p < .001$), and administrative capacity ($p < .001$)]. Furthermore, leadership support ($p < .01$) and goal clarity ($p < .018$) also have a statistically significant relationship with the use of strategic management. However, the analysis reveals that task simplicity (use of routine activities) and complexity of the environment do not have a statistically significant relationship with the use of strategic management. These findings may be because small organizations operate in less complex environments and deal with tasks that are generally less complicated.

When it comes to the predictors of the use of strategic management, this study provides support to many of the propositions outlined by Hall's (2017). Namely, the results of Fisher's exact tests show that capacity (technological, administrative, and financial), leadership support and goal clarity are positively associated with the use of strategic management. However, task simplicity and complexity of the environment are not associated with strategic management. These findings confirm earlier research that organizational capacity where the plan needs to be integrated with budgeting and information technology management is necessary (Poister & Streib, 2005). While Catlaw and Stout (2016) write that in small-town community capacities (financial, technical and physical) are not always the 'missing ingredient', our results show that when it comes to strategic management among small municipalities these capacities are important if these governments would use these tools.

Conclusion and Policy Recommendations

A decade ago, Bryson (2010) wrote that strategic planning and management is widespread primarily because of the perception that it works. Similarly, Poister (2010) argues that by 2020, strategic planning management would have to play a more critical role in public organizations. This study shows that despite strategic planning and management being a centerpiece of the reforms in the past couple of decades, the progress has not been uniform across public organizations. Small and rural

Table 3 Independent t-test result of perceived benefit of SPM and use

	Obs.	Mean	SD
Use SPM	18	34.388	4.421
Does not use SPM	25	27.800	8.684
Mean difference	6.588		
t-value	3.253		
P value	.002		

Table 4 Fisher's exact test of significance for determinants of strategic management in small municipalities in Mississippi

Predictors	N	Fisher's exact test P value (two-tailed)	Cramer's V (p value)
Technological capacity	45	.001	.532 (.000)
Financial capacity	46	.013	.407 (.006)
Administrative capacity	46	.005	.434 (.003)
Leadership support	45	.008	.402 (.007)
Goal clarity	44	.018	.370 (.014)
Task simplicity	46	1	.044 (.765)
Complex environment	46	1	.047 (.749)

municipalities have not engaged in SPM at the same rate as their larger counterparts. The results of the present study on adoption and use of strategic planning and management among small municipalities show that the majority of the municipalities (over 60%) have not completed a strategic plan. On the other hand, a little over a third of the municipalities have adopted a strategic plan and some of them tie resources to the strategic goals, and some of them even collect performance measures to track their completion. The majority of the respondents see the process of strategic planning as being beneficial to help them focus on the mission, define priorities, and make sound decisions, among other things.

The study answers the call of Catlaw and Stout (2016) for more research on small towns and adds to the body of knowledge on the often-ignored smaller municipal governments (Rivenbark & Kelly, 2003). While perceiving the benefits of innovation is important, the availability of capacities that enable the use of SPM is important. In this case, financial, technological, and administrative capacities enable use. Small municipalities that expect to be relevant in the future should consider investing in these capacities. The study also demonstrates the importance of leadership as well as goal clarity to enhance the commitment of employees to the organizational goal.

With regard to recommendations, this study suggests that to increase the use of strategic planning in small governments it is important to make it more appealing to small governments by identifying those specific needs of small communities that might benefit from strategic planning and management. Examples might include suitability, livelihood development initiatives, rural economic development and poverty reduction strategies. Also, to better respond to environmental conditions through strategic planning, it is imperative to improve the capacity of small governments to enable them to take advantage of the benefits of SPM innovation.

However, the results of this study should be interpreted with caution. First, this study focused on small municipal governments in one state, and, therefore, the results cannot be generalized to all municipal governments across the nation. Second, the study employed survey research and due to the sample size and nature of the variables, the analysis was conducted using frequency analysis, t-test and Fisher's exact tests. Future research should aim to test these findings on a larger set of governments and perform more sophisticated analyses that allow for use of control variables. As some argue that "it seems that at the local level, the squeaky wheel gets the grease" (Trautman, 2016, p.

222), future research would benefit from more in-depth understanding of the effective use of strategic management among small governments and providing best practices to other small municipalities interested to initiate the process.

Compliance with Ethical Standards

Conflict of Interest None. The authors declare that they have no conflict of interest.

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