

## STRATEGIC MANAGEMENT OF GOVERNMENT PUBLIC POLICY: KEY FOR ECONOMIC STABILITY

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**ABSTRACT:** *Strategic Management basically deals with discovery and description of the strategies that leaders/managers can take so as to realize improved competitive advantage and performance for their organization. Firm is said to have competitive advantage if its profitability is higher than the average profitability for all competing firms in the same line of business. The guiding philosophy in any strategic management procedure, either public or private sector, is all about understanding what changes are desirable, how to implement and manage these changes, and how to create a blueprint for sustaining improvements that lead to better performance. Strategic management provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans. The objectives of this paper are to: Examine the degree to which government public policies impact positively on economic stability of Nigeria. Ascertain the extent to which strategic management of government public policies enhance economic development of Nigeria. Find out how strategic management of new government public policies enhances public confidence on the Nigerian leadership. This study engaged analytical and qualitative research methods as we did not test any model. Data was gathered from multiples sources, including internal documents, policy documents, and publications of research organizations, articles published in management and social sciences journals and the internet. The current Nigeria public policy have definitely started to reflect a shift from traditional management concepts about public management and organizational design, a coherent procedure for creating and sustaining enhanced performance that reflects changes in the internal and external environment is clearly deficient. Indication does suggest that change is affecting the Nigerian economy, and this change is manifesting in all sphere of structures and processes of many private and public organizations. The paper demonstrated that strategic management of government public policy is one of the basic tool for economic stability and development of Nigeria Economy. Findings also reveal that strategic management of new government public policies enhances public self-reliance on the Nigerian leadership particularly when there is growing understanding on the part of many that policies have to be formulated through the vigorous participation of the concerned communities. A learned anointed professional would do better than unlearned but do anointed, therefore expert that are knowledgeable about strategic management should be allowed to be at the forefront of strategic management of government public policies. This will certainly enhance economic development of any Nation.*

**KEYWORDS:** Strategy, Policy, Management, Strategic Management and Government Public policy.

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## INTRODUCTION

Policy and strategic management are seen as the art of formulating, implementing, and evaluating cross-functional decisions that enable an organization or government to achieve its goals and objectives. The implication of this definition is that, policies and strategic management focuses on integrating various departments such as: marketing, personnel, finance, production, research and development, and information and communication technology to achieve organizational success. The current global situation demands that managers not only manage actions domestic to the firm but must also adopt a strategy and laid down policies that will enhance its competitive position in the external environments of the firm's. The external environment constitute major threat to any business organization's and managers must monitor the activities of the political, competitors, financial conditions, technological advancement, amongst others in the environment, all of these must be expected and monitored in the decision making process of a manager's as the growth and profitability of firms depend largely on how well managers manage everything strategically using management techniques that will place the firm in its merit competitive position by utilizing and managing changes in its internal and external environment.

Cole, (2004) maintained that, due to escalating complexity of modern business organizations, strategic management has grown in significance over the years. In his own observation, the significant contributing factors include: increased expectations of customers for quality and variety of goods, rapid advances in technologies, increased ability of firms to compete with each other due to the benefits of new technology, entry into world markets of new low-cost manufacturing firms from Asian countries, greater concern among nations for protecting the natural environment, greater emphasis on consumer rights, improvement in worldwide communication systems and interconnectedness, and growth of multinational corporations etc. Strategic management has in history been referred to as business policy in variously ways, its nature cannot be over emphasized. Umoh, (1996) argues that, strategy seem to be popularly regarded as a military term, we use it in management to reflect broad overall concepts of organizational operation.

The idea originated from the lexicon of armed forces, where strategy implies the knowledge of planning and directing large-scale military operations. Similarly, the concept of strategy was first used by the private sector in its quest to win marketable battles with its competitors. Subsequently, it trickled along the public sector and is being applied by governments to win their wars against scarcity, social injustice and underdevelopment. Primarily, strategy represents a broad-spectrum programme of action and the application of available funds to achieve specified organizational objectives. The current Nigeria public policy have definitely started to reflect a shift from traditional management concepts about public management and organizational design, a coherent procedure for creating and sustaining enhanced performance that reflects changes in the internal and external environment is clearly deficient. Indication does suggest that change is affecting the Nigerian economy, and this change is manifesting in the all sphere of structures and processes of many private and public organizations.

The guiding philosophy in any strategic management procedure, either public or private sector, is all about understanding what changes are desirable, how to implement and manage these changes, and how to create a blueprint for sustaining improvements that lead to better performance. The complexity in strategic management is the challenge of setting groundwork for achievement in the future while meeting today's need. The thought that government can manage itself strategically, in a similar manner to well-performing private sector organizations, has featured prominently since the inception of Muhammedu Buhari administration in Nigeria.

One of the critical success factors of government is the capacity to make good decisions, and manage their execution effectively. Modern private and public organizations are complex. It demands one thousand and one actions to be taken each day. The multipart effect of these decisions is enormous, due to the size and popularity of management. There is growing understanding on the part of many that policies have to be formulated through the vigorous participation of the concerned communities', trade union government, state, local and federal governments. This belief largely emanated from the conviction that nation building and growth has to be initiated from below and not be forced from above, this make it realistic and justifiable. Public Policy addresses a host of issues like- social services, transportation, education, health, among others and it creates orderly structures and standards as well as sense of direction which a government adopts to tackle specific public concern in the form of programmes, laws and regulations etc. The rationale of this paper therefore, is to examine strategic approach to government management of it public policy in other to enhance economic stability.

### **Research Questions**

Research questions centered on what borders the mind of the researchers. Therefore, the following research questions are presented for this study.

- i). To what degree does government public policies impact positively on economic stability of Nigeria?
- ii). To what extent does strategic management of government public policies enhance economic development of Nigeria?
- iii). Does strategic management of new government public policies enhance public confidence on the Nigerian leadership?

### **Objectives of the Study**

This investigation seeks to:

1. Examine the degree to which government public policies impact positively on economic stability of Nigeria.
2. Ascertain the extent to which strategic management of government public policies enhance economic development of Nigeria.
3. Find out how strategic management of new government public policies enhances public confidence on the Nigerian leadership.

### **Conceptual Framework of Strategic Management and Public policy**

Strategic management provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans. Strategic management involves a general programme of action and formulation and implementation of the major goals and initiatives

taken by a firm's top management on behalf of owners, based on consideration of available funds and evaluation of the internal and external environments in which the organization operate.

According to Bhalla et al. (2014), strategic management was born as a hybrid discipline, influenced by both sociology and economics. It may be considered an evolution of theories of organizations. He stress that, it only began receiving more attention, from both the academic and the business worlds, in the 1950s.

Strategic management attempts to address the long term view of an organization. It answers such questions: What is our core business? Where are our core markets? Where do we want to be in 5, 10, or 20 years' time? What are the prospects for growth in the business? What threats are we likely to face in the future? How can we gain and/or retain competitive advantage over others? How do we plan for the future, yet remain flexible in the face of short-term problems? These questions indicate the principal challenges that top management of organizations face. It is the task of management to ensure that the business has a healthy and prosperous future (Hamza, 2009).

Ansoff and McDonnell (1990) maintain that, Strategy is a set of rules for decision making to guide the behaviour of an organization. There are four distinct types of rules: standards by which the present and future performance of the company is measured (objectives, targets); rules for the development of relationships with the external environment (product strategy and marketing, or business strategy), rules for establishing relations and internal processes in the organization (organizational concept); and rules by which the company shall conduct its activities in the day-to-day (operational policies).

Andrews (1991) argues that, strategy management is the pattern of settlement in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans to achieve these targets and ascertains the scale of business that the company should get involved in, the type of economic and human organization and the nature of the economic and non-economic benefits generated for shareholders, employees and communities. Strategy is the deliberate search for an action plan to develop and adjust the competitive advantage of a company. The differences between the organization and its competitors are the basis of its competitive advantage (Henderson, 1991). Diana (2015), opine that, strategic management is the process in which an organization develops and implements plans that espouse the goals and objectives of that organization. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve.

Public policy is the principle guide to action taken by the administrative executive branches of the state with regard to a class of issues, in a manner consistent with law and institutional customs. The foundation of public policy is composed of national constitutional laws and regulations. Further substrates include both judicial interpretations and regulations which are generally authorized by legislation. Public policy is considered strong when it solves problems efficiently and effectively, serves justice, supports governmental institutions and policies, and encourages active citizenship (Pellissery, 2015).

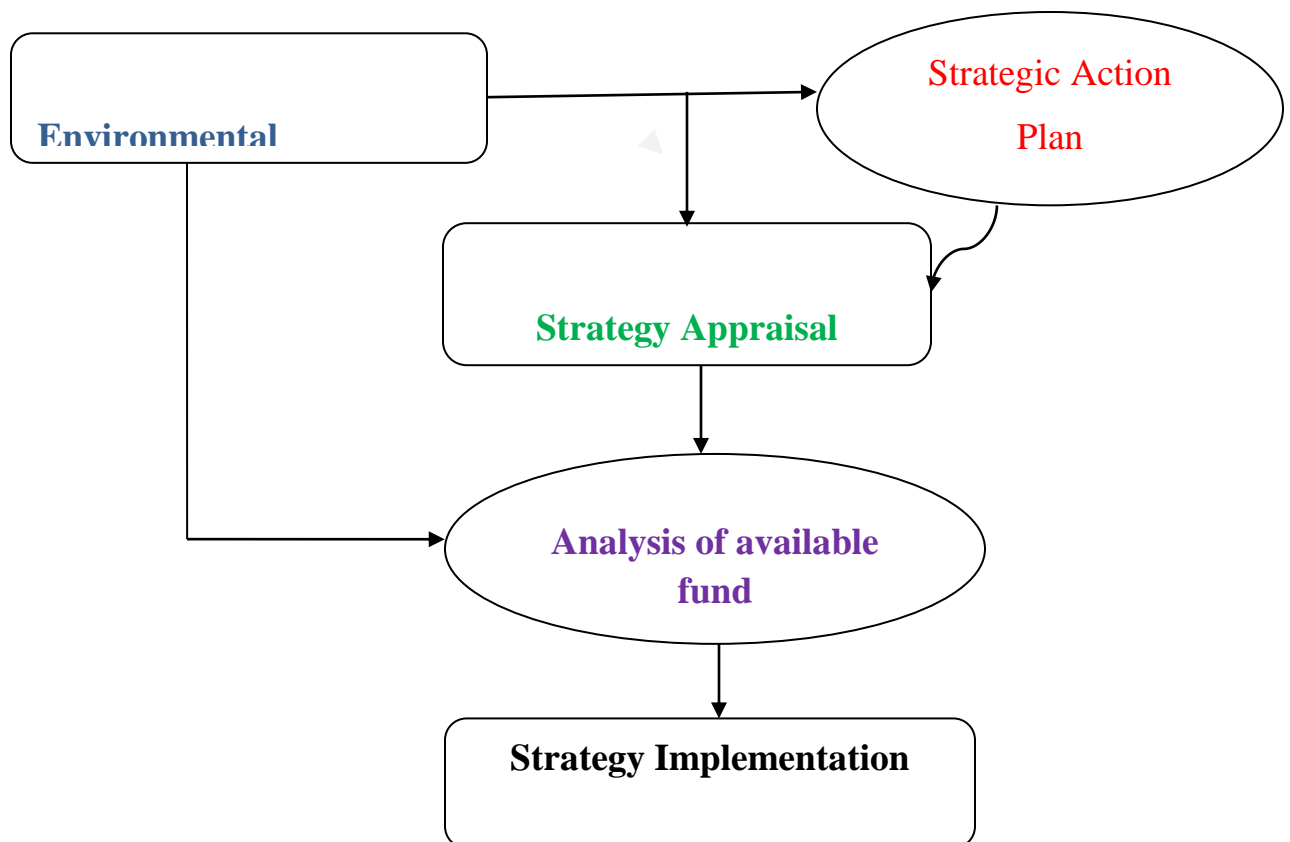
Public policy is what governments' do, why they do it, and what difference it makes on society. David (1971) defines public policy as "the authoritative allocation of values for the whole society".

Laswell and Kaplan (1971) define public policy as a projected programme of goals, values and practices. Thomas (1978) view public policy as "whatever governments choose to do or not to do. This assumption implies that if a government chooses to do something there must be a goal, objective or purpose and even the government's inaction will have as great an impact on society as the government's action

Other scholars define it as a system a course of action, regulatory measures, laws, and funding priorities concerning a given topic promulgated by a governmental entity or its representatives. Public policy is commonly embodied in constitutions, legislative acts, and judicial decisions.

### Process/Steps of Strategic Management

Process of strategic management basically deals with defining organizational strategy, by which manager's make a choice out of a set of strategies for a firm that will enhance better organizational performance. These steps are necessary component required in chronological order when creating a new strategic management plan.



**Fig. 5.1:** Element of Strategic Management Steps

**Source:** Culled by the authors

**Environmental evaluation:** Environmental evaluation deal with assessment of both the internal and external environment of a firm that influences its performance either positively or negatively. Environmental evaluation requires collecting relevant data and providing information for strategic direction.

**Strategic action plan:** Strategic action plan focus on the sequence of deciding the best pathway of action for achieving institutional/organizational aims and objectives. This second step enable leaders/manager, formulate strategic business unit, functional and corporate level strategy.

**Strategy appraisal:** Strategy appraisal examine internal and external factors that influence strategic action plan, measuring level of performance and taken appropriate steps to correct deviation to make sure that the organizational strategy meet the stated objectives. **Analysis of available fund:** Analysis of available fund present holistic view and assessment of the available fund required for integrating the above steps in order to achieve effective implementation in the final stage.

**Strategy implementation:** This is the final stage of strategic implementation process that imply making the strategic action work as intended by designing necessary organization structure, managing human and material resources based on the available resources. .

These process is an ongoing process that required each component to interact together constantly for effective implementation of strategy.

### **Significance of Strategic Management**

There are several reasons given by scholars as to why Government or firms should engage in strategic management. Both financial and nonfinancial benefits can be derived from strategic management techniques.

**Financial Benefits:** Research performed by Eastlack and McDonald (1970), Thune and House (1970), Ansoff et al. (1971), Karger and Malik (1975), and Hofer and Schendel (1978) posit that strategic management does result in organizational performance and profitability. They conclude that formalized strategic management process does make a difference in the recorded measurement of profits, sales and return on investment. Firms that adopt strategic management Approach can expect that the new system will lead to improved financial performance.

**Nonfinancial Benefits:** Regardless of the profitability of strategic management, several behavioral effects can be expected to improve the welfare of the firm. Yoo and Digman emphasize that strategic management is needed to cope with and manage uncertainty in decision making. They present several benefits of strategic management which include the following:

- i. It provides a way to predict future tribulations and opportunities.
- ii. It results in more effective and better performance compared to non-strategic management organization.
- iii. It provides employees with clear objectives and directions for the future of the organization.
- iv. It increases employee satisfaction and motivation.
- v. It results in fast and better decision making, and



vi. It results in cost savings

Furthermore, Greenly maintained that strategic management offers the following personal benefits:

- i. It allows for identification, prioritization, and exploitation of opportunities.
- ii. It provides an objective view of management problems.
- iii. It represents a framework for improved coordination and control of activities.
- iv. It minimizes the effects of adverse conditions and changes.
- v. It allows major decisions to better support established objectives.
- vi. It allows more effective allocation of time and resources to identified opportunities.
- vii. It allows fewer resources and less time to be devoted to correcting erroneous or ad hoc decisions.
- viii. It creates a framework for internal communication among personnel.
- ix. It helps to integrate the behavior of individuals into a total effort.
- x. It provides a basis for the clarification of individual responsibilities.
- xi. It gives encouragement to forward thinking.
- xii. It provides a cooperative, integrated and enthusiastic approach to tackling problems and opportunities.
- xiii. It encourages a favorable attitude towards change.
- xiv. It gives a degree of discipline and formality to the management of a business.

These and other research studies have concluded that strategic management is an integral and important function of organization life. Nevertheless, successful organizations are successful for many reasons: adequate resources, good products and services, among others.

### **Benefits of Government Public Policy**

Public policies in essence capture the intentions of the government. To govern there must be a set of guidelines because without a policy there cannot be effective governance. Policies provide those guidelines that enable the public to measure the achievements of the government. If there is a public policy it can be critiqued and government can be queried for not implementing its policies.

Policies usually provide some of these benefits and functions (Pearce and Robinson, 2003; Glueck and Jauch, 1984):

- a. Policies promote uniform or consistent handling of similar activities. This aids the coordination of work/task and helps reduce problems of favoritism, discrimination and so forth.
- b. Policies ensure quicker decisions by standardizing answers to previously answered questions or problems. The time spent by managers on decision making is reduced as policies lay down clearly what has to be done.
- c. Policies establish indirect control over independent action by clearly specifying how things are to be done. Policies control decisions yet empower employees to act. It tends to prevent deviations from courses of action.
- d. Policies offer predetermined solutions to routine problems and provide managers a mechanism for avoiding hasty and ill-conceived decisions.
- e. Policies reduce uncertainty in repetitive and day-to-day decision making thereby providing a necessary foundation for coordination. It provides a basis for controlling activities in different functional areas.

Policies exist at all levels of management and may flow upward and downward along the organization. Policies can also be instigated internally or externally depending on its nature and those to be affected by the policies. For illustration, policies on road safety are frequently developed in compliance with external requirements, and policies regarding sources of funds to run a firm successfully may be influenced by internal necessities.

## **MATERIAL AND METHOD**

This study tries to focus on the nature of strategic management of government public policy and its effects on economic stability of Nigeria. For this purpose, the researchers depend mainly on the secondary data. The secondary data is collected from policy documents, publications of research organizations, articles published in management and social sciences journals; national dailies and press statements.

### **Summary of Findings**

Government public policies impact positively on economic stability and development of Nigeria as policies focus on integrating various components that address a host of issues like- social services, transportation, education, health, among others and it creates orderly structures and standards as well as sense of direction which a government adopts to tackle specific public concern in the form of programmes, laws and regulations.

Finding also reveals that strategic management of government public policies enhances economic performance and development as it provides a way to predict future tribulations and opportunities thereby resulting in more effective and better implementation of the stated policies. Strategic management of new government public policies enhances public self reliance on the Nigerian leadership particularly when there is growing understanding on the part of many that policies have to be formulated through the vigorous participation of the concerned communities', trade union government, state, local and federal governments.

## **CONCLUSION**

Strategic management is an essential part of organization life. Nevertheless, successful organizations are successful for many reasons: sufficient funds, good quality products and services amongst others. Strategic management process is a powerful tool for economic stability. Its values lie with decision-making institutions and their ability to use strategic management instrument in managing the enterprise effectively. The strategic management mostly involves top management, board of directors, and planning staff. In its final shape, a strategic decision is molded from the streams of inputs, decisions, and actions. Many research studies show both financial and nonfinancial benefits which can be derived from a strategic-management approach to decision making. Besides, the concept of strategic management is still evolving and will continue to go through change. Therefore, one can certainly conclude that understanding and following the steps of strategic management can help practicing managers and leaders to gain economic stability and development.



## RECOMMENDATIONS/POLICY IMPLEMENTATION

Individual, Firm's, government, or Nation's that failed to formulate policies that will guide its operation is doomed to failure. Therefore, there should be standing policies that will serve as bases for individual, firms or government actions or in-action. This will enable checkmating actions of government and reminding the government of their standing policies if they derailed thereby resulting in economic stability. A learned and anointed professional would do better than unlearned but do anointed, therefore experts that are knowledgeable about strategic management should be allowed to be at the forefront of strategic management of government public policies. This will certainly enhance economic development of any Nation. For acceptance and self-reliance on leadership, concerned communities that will be affected by government public policies should be involved in policy making and be drafted to be part of the implementation process. This will certainly boost public confidence on the leadership. Finally, organizations should see strategic management as a bedrock for survival, economic stability, growth and development because any Nation or firm's experiencing economic recession lack strategic management.

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