

STRATEGIC PLANNING AND ORGANIZATIONAL EFFECTIVENESS IN SOCIAL SERVICE ORGANIZATIONS IN PORTUGAL *

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This study aims to understand the reality of social service organizations, the level of implementation of strategic planning as well as the impact of its application on organizational effectiveness. Firstly, we will group organizations in clusters according to the level of strategic planning implementation and its degree of effectiveness. Secondly, we will conduct the analysis of those groups. Given the growing number of social service organizations and the consequent complexity of their structures, there is a need for these organisations to adopt formal management techniques. Strategic planning is one of such - a valuable strategic management tool and one of its main objectives is to make organizations more effective. Therefore, the research has been conducted in order to determine if strategic planning is implemented in social service organizations and what effects has its application had on organizational effectiveness. The survey, applied to 220 social service organizations, allowed us to group them into different clusters, showing that different levels of strategic planning determine distinct degrees of organizational effectiveness. We believe that the findings of this research may be relevant to decision makers in such organizations, since the research has shown that the adoption of strategic planning has a positive influence on organizational effectiveness of social service organizations.

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1. INTRODUCTION

In recent decades, many countries have experienced a significant expansion of the third sector. However, the increase in the number of non-profit organizations (NPOs) was not accompanied by a similar increase in terms of available resources, so these organizations have been adopting a more pragmatic approach, using techniques and processes often used in for-profit organizations (Cruz, Martins, Reis, & ElKouba, 2009; Randle & Dolnicar, 2009). The understanding of NPOs in terms of interpretation and importance of management and planning is sometimes unclear and the more evident concerns are those related to funding due to the fact that management roles are often pushed to a secondary position (Pope, Isely, & Asamoah-Tutu, 2009).

Traditionally, management was associated with organizations that were intended as for profit, and for NPOs this concept did not have much meaning, because it was believed that NPOs should not be thinking about profit and because it was considered that NPOs did not require management (Drucker, 1999). Currently, the growth, development and complexity of the organizational structure of NPOs demonstrate the need for establishing guidelines and expert guidance on how to effectively manage those organizations (Drucker, 1999) and therefore the use of appropriate tools (Carvalho, 2005). The emergence of the idea of more professional management roles became inevitable (Willis, 1991), whereby management has been based on the concepts such as flexibility, good will and natural capacity which turned out to be quite insufficient for proper functioning of those organizations (Cunningham, 1999). Thus, the success of these organizations is underpinned by changes in management structures at various levels, including strategic management since, as Drucker (1989) points out, good intentions are not a substitute for management and leadership, responsibility, performance and results.

It is evident that the changes in NPOs environment call for a more formal management structure, in order to understand the relationship between strategy and organizational effectiveness (Akingbola, 2013). The use of policies, strategies, structures and generally tested and successful for-profit administrative practices does not always result in a non-profit environment. In Portugal, there are no specific standards for NPOs management models (Carvalho & Braga, 2010) so is very natural that this isomorphism occurs. However, we noted that NPOs are now more aware and sensitive to a

professional management (Dartington, 1991) and to market orientation, since this alignment can help NPOs facing pressure to become more business-like due to increasing competition in the current global environment (Chad, 2014). Nevertheless, its contours have still not been completely defined (Anheier, 2000).

The context of our research is based on the recognition that the future will bring a growing third sector with more pressure being put on the economies (Carvalho, 2005) and on the need for NPOs to adopt formal management techniques (Alfirević & Gabelica, 2007). Thus, our main objective is to analyze the degree of implementation of strategic planning in social service organizations in Portugal and the impact of higher or lower degrees of adoption of those techniques on organizational effectiveness.

2. LITERATURE REVIEW

Strategy can be understood as a long-term orientation that an organization should aim at, with the purpose of achieving their goals (Johnson, Scholes, & Whittington, 2008). It can also be understood as the formulation of a plan that brings together organization objectives, policies and actions, with the assumption of creating a sustained competitive advantage (Freire, 2008). Strategy is also defined as the plan that incorporates organization's overall objectives, policies and actions (Mintzberg & Quinn, 1991). Finally, strategy can be considered as the aggregate of coherent, unifying and integrative resolutions for establishing long-term goals, actions and priorities in the allocation of resources (Hax & Majluf, 1988). Thus, the overall perception of strategy is that of a reconciling force between the organization and its environment (Junior & Vital, 2004).

Strategic planning is a systematic, methodical and complementary process of cooperation, which takes into account strategic thinking of organization's members (Freire, 2008). The concept of planning involves determining what the main objectives of the organization are, the criteria leading to it and the allocation of resources towards the achievement of those objectives. Strategic planning enables the organization to benefit from key advantages that come from external opportunities, to minimise the impact of external threats, to capitalize on their strengths and to improve aspects that constitute the weak points (Junior & Vital, 2004; Thibodeaux & Favilla, 1996). Strategic management can be understood as the process of formulation and implementation of plans that guide the organization (Johnson et al., 2008), reinforcing the idea that strategic management brings together strategic

planning and decisions related to their implementation, evaluation and control. Strategic planning is a premeditated orientation, aiming at formulating key decisions that guide the organization (Siciliano, 1997). Organizational planning should be guided by a structured orientation, focusing on long-term goals in order to achieve a sustained impact (Renz, 2001).

Strategic planning in the third sector has been widely recognized in recent research as the key aspect of organizational planning (Alexander, 2000; Courtney, Marnoch, & Williamson, 2009; Durst & Newell, 2001; Skloot, 2000). Although reinvention of government agencies is being broadly discussed, relatively little is known about the reinvention of strategies in non-profit organizations (Durst & Newell, 2001). The research of these authors aimed at understanding how non-profit organizations respond to changes in their environment. According to the findings presented, most NPOs have experienced some reinvention, the most common being the use of strategic planning or strategic management. Top-level administrators were reported as the important catalysts in the reinvention process, with pressures from governing boards and fiscal stress as the next crucial causes of change. Respondents mention that reinvention efforts have had some effect on the day-to-day procedures of these organizations. The research of Alexander (2000) reviews the results of longitudinal focus groups and of the final workshops held for the purpose of analyzing strategies for maintaining organizational viability. Effective adaptations involved strategic development of services and customer/user oriented strategy, networking as a means of obtaining and stabilizing revenue streams and resources, and the increase in the use of business techniques and technologies to generate outcome measures as well as to project the image of effectiveness with funders. Another research reports that most of the organizations studied use strategic planning, since most of the associations included in this study had incorporated a sophisticated approach to strategic analysis, planning and implementation. The same research outlines that the impact of strategic planning on organizational performance can be observed through indicators such as growth, resource acquisition, financial performance, internal efficiency and customer service. This research concludes that, broadly speaking, the effects of planning indicators in organizational performance is positive (Courtney et al., 2009).

Nonprofits can create their own networks, they can share information between diverse specializations to improve or reorganize services and they can treat clients/users better. To sum up, non-profit organizations can succeed if they are able to demonstrate a high level of quality of their work through the use of strategic planning (Skloot, 2000). Another factor that enables these entities to

solve their problems effectively is the investment in intellectual capital (Bargerstock, 2000) i.e., retention of skilled staff. It is also important to emphasize that the adoption of strategic planning by non-profit organizations is more common in larger organizations (Courtney et al., 2009; Stone, Bigelow, & Crittenden, 1999; Suárez & Marshall, 2012). This is influenced by the factors such as management abilities, government policies, financing strategies and trends in market competition growth (Durst & Newell, 2001). Strategic planning in nonprofit organizations must have the following aspects: a mission that is achievable, financial management adjusted to the organization resources, an orientation program directed to the target market; total reinvestment of profit; risk minimization strategies and, finally, techniques for measuring results with appropriate indicators (Courtney et al., 2009; Skloot, 2000).

Defining the concept of *effectiveness*, due to the lack of consensus and diversity of perspectives, can be quite a challenging issue (Nobbie & Brudney, 2003). Organizations can be perceived as effective when they have the ability to meet the needs of the target audience, when a network provides information about the activities performed and when they reach the proposed objectives (Balsler & McClusky, 2005). An organization might be considered effective if it has great organizational flexibility, if it generates continuous innovation, if it has a sense of responsibility, as well as an awareness that employee involvement and motivation can enhance organizational effectiveness (Thibodeaux & Favilla, 1996). Employee participation in decision-making (empowerment) leads to higher quality and productive resolutions, promoting democratic leadership and communication among stakeholders (Parnell & Bell, 1994). Employee satisfaction is often intertwined with organizational effectiveness, this being a determining factor in an organization, influencing service provisions (Cho, Johanson, & Guchait, 2009; Zweigenhaft, Armstrong, Quintis, & Riddick, 1996). Thus, knowledge promotion and intellectual capital are aspects that have a stronger impact on organizational effectiveness, due to the greater ability of employees to solve problems, create new services, develop new processes and analyze and meet customer needs (Bargerstock, 2000). Finally, we also noted that organizational effectiveness is influenced by organizational culture (Steers & Sanchez-Runde, 2002).

Numerous problems appear in the attempts to conceptualize and measure *organizational effectiveness in non-profit organizations*. However, research literature identifies a relationship between each of the aspects mentioned below and organizational effectiveness, including: reaching goals, financial viability, internal processes, job satisfaction and management effectiveness (Nobbie & Brudney, 2003). Some authors suggest that tasks formalization (e.g. formal

mission statement, creation of the Board of directors or the development of operational procedures), as well as strategic planning, can have an impact on the organizational effectiveness of NPOs (Carman, 2008; Hwang & Powell, 2009; Suárez & Marshall, 2012).

The effectiveness is related to the issue of goal fulfillment, since NPOs goals include realising behavioral changes in order to ensure a higher quality of life for target population as well as for all those involved in these activities, eventually generating growth and the general welfare of a society (Carvalho, 2005). Therefore, measuring an organization's success depends on the specific goals and objectives, communication and management policies (Sawhill & Williamson, 2001). For the purpose of analysis in this study, we can also consider the relationship between effectiveness and efficiency using target audience adherence (Kotler & Roberto, 2002). Finally, we should mention an evaluation model of organizational performance called balanced scorecard that, although emerged in a for-profit environment, can be adopted by NPOs, putting the mission as the central factor in organizational effectiveness (Kaplan & Norton, 1992).

3. EMPIRICAL ANALYSIS

3.1. Sample

Our sample includes 220 third sector organizations belonging to the designated social services subsector, according to the International Classification of Nonprofit Organizations. The dominant NPO activity in Portugal is the provision of social assistance (Salamon, Sokolowski, Stone, & Tice, 2012). In this sense, the category of organisations considered includes all the Portuguese organizations with legal status of Associations, Peoples House (Casa do Povo), Social and Parish Centre, Cooperatives, Institute for Religious Organizations, Foundations, Associations of Volunteer Fire Department, Mutual Societies, Cooperatives and Holy Houses of Mercy (Santas Casas de Misericórdia). It is important to note that a significant share of social assistance is represented by the Holy Houses of Mercy (Santas Casas de Misericórdia), publicly funded Catholic relief organizations that provide both social assistance as well as health services. There are about 400 Holy Houses of Mercy in Portugal, operating 19 hospitals that deliver about 90 percent of non-profit health care services.

Associations are formed either according to the guidelines of private law and specific sections of the Civil Code and, in some cases, under the Public

Utility Statute. They can be associations of voluntary firemen, consumers, students, women, youth, immigrants, environmental activists, and the disabled. Foundations, as a category of non-profit organization which is a relatively recent phenomenon in Portugal (Franco, Sokolowski, Hairel, & Salamon, 2005), are very much different in size and scope of their activities, with a majority of them being small foundations. Mutual societies provide mutual aid to members and their families, and are financed essentially through membership fees (Simaens, 2007). Cooperatives are autonomous collective organizations, which, through collaboration and mutual support for their members, aim at satisfying the needs and economic, social and cultural aspirations of their members (Franco et al., 2005).

For the purpose of this research, we used databases available in Social Security, Union of Holy Houses of Mercy and Associations of Volunteer Fire Department. We collated all the available information and elaborated a single database. We will use a stratified sample since we want to consider the factor of legal status in the analysis. During the research procedure, we managed to collect responses from 88 Associations, 3 Peoples House, 57 Social and Parish Centre, 7 Cooperatives, 11 Institute for Religious Organizations, 9 Foundations, 23 Associations of Volunteer Fire Department, 3 Mutual Societies and 19 Cooperatives and Holy Houses of Mercy.

3.2. Measures and procedures

Our questionnaire was divided into four parts, each with different objectives. The first part refers to the characterization of the respondent, the purpose of which is understanding the management's sensitivity for strategic planning (Medley & Akan, 2008; Parsons & Broadbridge, 2004). The second part concerns the legal status and size as factors that may influence, to a certain degree, the adoption of strategic planning (Courtney et al., 2009; Siciliano, 1997). Topics related to strategic planning are in the third part of the questionnaire and the goal here is to try and find and understand different stages of strategic planning, from basic or non-existent to the most complex (Siciliano, 1997). The last part of the questionnaire is related to organizational effectiveness and aims to verify whether or not organizational effectiveness exists (Carman, 2008; Hwang & Powell, 2009; Suárez & Marshall, 2012; Thibodeaux & Favilla, 1996).

Being aware of the importance of the questionnaire for this research, we did a pre-test. This pre-test was conducted on 9 organizations chosen randomly but we tried to be close to the original sample considering the influence of

different legal statuses. Based on the pre-test analysis we carried out some adjustments in the questionnaire, and we removed some questions. Data analysis used in our research includes Multiple Correspondence Factor Analysis (MCFA) and Cluster Analysis.

4. RESULTS

In order to make a brief characterization of different organizations, particularly in terms of their dimension, level of education of the Management Board, degree of initiative and legal status, we did some descriptive analyzes that allowed us to identify relevant aspects of those organizations, which will be discussed later in the paper.

In terms of organizations' dimension, measured by the number of users and staff, most of them have between 31 to 60 users (40%) and less than 15 employees (40.9%) or 16 to 30 employees (34.5%). Therefore, most organizations are medium- or small-sized organizations. Considering the level of education of the Management Board, majority of them have a university degree (50%) or have finished high school (42,3%), which makes us conclude that the level of education of the Management Board is relatively high.

Table 1. Relationship between school and degree of initiative

		Level of initiative					TOTAL
		1	2	3	4	5	
Education	Less than junior high school	0	0	1	0	0	1
	Junior high school	0	3	10	3	0	16
	High school	1	13	44	34	1	93
	University degree	1	0	35	57	17	110
	TOTAL	2	16	90	94	18	220

Notes: 1- without contribution; 5 - high contribution.

When analyzing Table 1 we can see that intermediate or high levels of education are associated with higher levels of initiative. Therefore, the highest level of initiative occurs when management board has high levels of education.

Table 2. Sources of funding

Sources of funding	Frequencies	Percentage
Public funding	15	6,8
Public funding and some private	173	78,6
Private funding and some public	23	10,5
Private funding	9	4,1

In terms of funding, we can see in Table 2 that the majority of organizations are funded by public sources, although there is also some private funding, though in smaller amounts. Therefore, public funding is the main source of funding for the analysed organizations. Considering funding distribution according to their legal status (Table 3), we see that associations and social and parish centers are the ones that have as their main source public funding.

Table 3. Relationship between funding sources and legal status

Sources of funding	Associations	Associations of Volunteer Fire Department	Peoples House	Social and Parish Centre	Cooperatives	Foundations	Religious org.	Holy Houses of Mercy	Mutual societies
Public funding	3	1	2	0	3	2	1	3	0
Public funding and some private	68	18	0	57	4	4	10	12	0
Private funding and some public	10	4	1	0	0	2	0	4	2
Private funding	7	0	0	0	0	1	0	0	1

In terms of this stage of our research, we can conclude that the analysed organisations are mostly small- and medium-sized organizations (given the number of employees and users), the level of education of the Board members range from a university degree or completed high school, and the most advanced levels of initiative were linked with this characteristic of the Board. The main source of funding is public, although organizations still have some contribution through private funding, but this was less significant.

Regarding multiple correspondences factor analysis, each axis contains the main differences between individuals considering the procedure with the highest contribution to the formation of these axes. The information retained by each axis is greater for the 1st axis and decreases with the introduction of new axis, being that the introduction of more axes adds more information to the research, but the information held by them is always less than the information already held by the previous axis. Based on the Cattell criterion, we find that from the 4th axis there is a greater decline in the inertia explained, so in these four axes we have the most significant differences in data. It was found reasonable to explain a number of axes that retain approximately 50% of data variability, which matches the first ten axes of MCFA. For the interpretation of the axes it is necessary to identify which types of initial variables contributed most to their development and see which ones are more associated with the positive and the negative part of the axis, in order to assign a value to the axes, transforming them in indicators thus facilitating further processing with new variables. In order to identify the modalities that contribute most to the formation of the axes we use the coordinate values on the axes, their absolute (CTAs) and relative contributions (CTRs) for the formation of the axes. Therefore, we should consider modalities with the highest CTAs. We will consider them until we obtain a total value of CTAs, for each axis, nearly 80%, in order to ensure a good representation in each axis.

Axis 1: On the positive component of the axis, we have organizations with lower levels of goal setting, which do not identify strategic issues or formulate strategies. They also show insufficient adjustment to the external environment, lower customer satisfaction, less innovation, lower level of empowerment, lower levels of promotion of intellectual capital, weak democratic leadership, lack of communication with stakeholders, and lack of monitoring and supervision. These organisations are less concerned with future planning. In contrast, the negative part of the axis highlights the organizations that have higher levels of analysis of the internal and external environment (SWOT analysis), better definition of goals, higher levels of communication with stakeholders, existence of a written vision statement formally communicated to

all employees, higher action priorities and clear strategy for future planning. They also demonstrate greater ability to promote innovation and implement tighter control and supervision (see Figure 1).

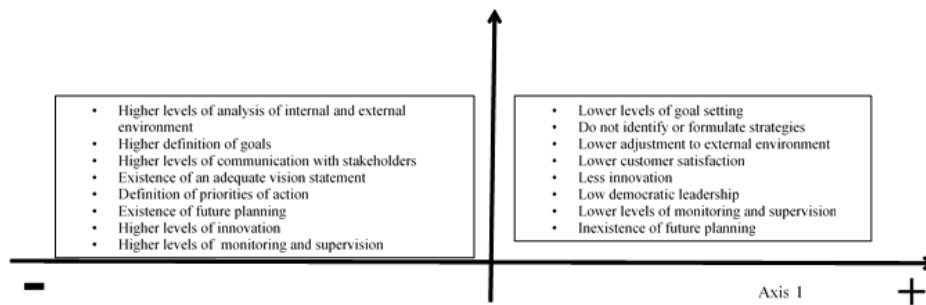


Figure 1. Analysis of axis 1

Axis 2 highlights on the positive side, the worst- performing organizations in terms of strategic planning level. Such organizations do not have a person responsible for the strategic planning process, they have no mission statement, nor clearly laid out organizational values; there are no evident goal-setting policies, and the level of goal-fulfillment is very low. These organizations are more vulnerable to external environment, but they have a higher degree of flexibility. Organizations in this category are also less innovative, have lower level of employee empowerment, as well as the lack of communication with stakeholders; they have weak democratic leadership, unclear organizational culture, lower levels of performance evaluation and future planning. However, these organizations are characterized by high employee motivation and frequent promotion of intellectual capital.

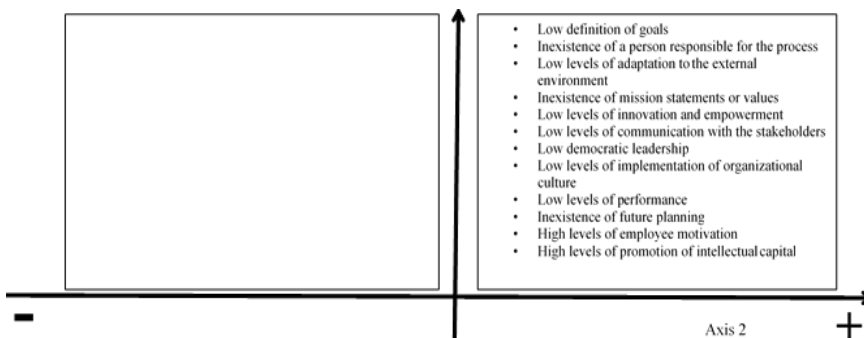


Figure 2. Analysis of axis 2

Axis 3: This axis highlights, on the positive side, organizations that, although having a lower organizational flexibility, exhibit high democratic leadership, high employee motivation and high organizational culture, higher levels of evaluation of performance and greater control and supervision. However, these organizations also show the highest levels of complaints. On the negative side, we have organizations with lower levels of goal-setting, lower adaptation to the external environment, reduced communication with stakeholders, and lower levels of innovation and empowerment, low level of democratic leadership, weak organizational culture and lack of future planning associated with low rate of performance evaluation.

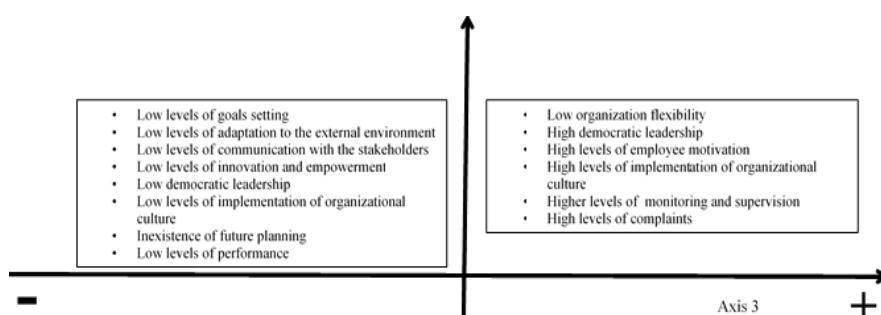


Figure 3. Analysis of axis 3

Axis 4: This axis highlights, on the positive side, organizations with low levels of prioritization of activities, as well as low rates of goal-setting and project management. They also have lower capacity of adaptation to the external environment. These organizations score medium level of strategic decision-making, since there are certain strategic issues identified related to the environment in which an organization operates. These organizations have high levels of organizational flexibility, innovation and empowerment. On the negative side, we highlighted organizations that have intermediate level of action priorities, monitoring and supervision, as well as of innovation and flexibility.

It is possible to assign a meaning to the four axes with higher information capacity and interpret the most relevant information in terms of the differences between organizations regarding the level of strategic planning and organizational effectiveness. In the first stage of cluster analysis, we used hierarchical classification using Ward's method, to identify the natural grouping of organizations according to the aspects shown in each of the new variables. Through the hierarchical classification it was revealed that the natural grouping

of organizations according to the aspects presented on each of the 10 axes of MCFA, originate five different groups.

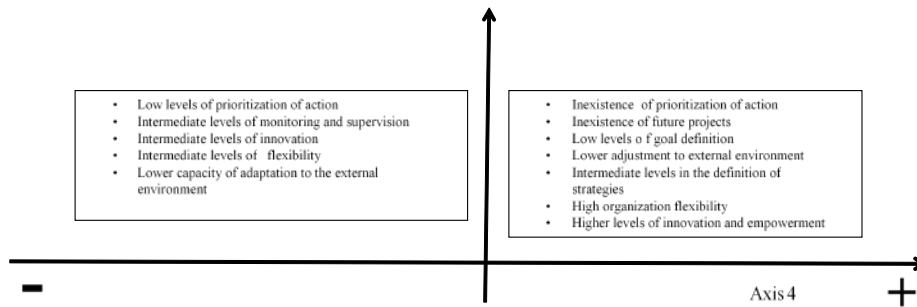


Figure 4. Analysis of axis 4

Once the optimal number of groups is identified, it was important to understand the elements that are part of each group and the variables (MCFA axes) related to each axis in order to identify which aspects are more evidenced in each one of the groups. These aspects showed the main differences between organizations, related to the level of strategic planning and the degree of organizational effectiveness. It was then possible to segment the set of organizations identified using the five groups, taking into account that organizations are going to be gathered in the group with values closer to the average value of a certain group.

Table 4. Number of clustered elements

Number of Clusters	Frequencies	Percentage
1	111	50,5
2	59	26,8
3	6	2,7
4	5	2,3
5	39	17,7

From Table 4, it is visible that the largest amount of organizations (111), i.e. 50.5%, belongs to Group 1. Group 2 and Group 5 have 59 and 39 members respectively, corresponding to 26.8% and 17.7%. Groups 3 and 4 have a smaller number of members. Once we identified the number of organizations that

constitute each group, it was important to understand distribution of variables, in order to identify key aspects highlighted in each of them, thus assigning a meaning to the obtained segmentation.

5. DISCUSSION

Once we identified the main results in terms of organizations characterization, and the main aspects that distinguished organizations in five groups, we consider it relevant to briefly discuss the information obtained, referencing it with the theoretical framework and considering the relevance of the results to social service organizations. Theoretical analysis of strategic planning found that this is an under-explored topic in terms of social service organizations. With that in mind, we wanted to understand the extent to which this issue would be reflected in the minds of organizations decision makers and would be implemented in the context of the Portuguese reality. To understand the extent to which decision makers would be sensitized to this issue, we characterized decision makers according to their education. It was found that they have relatively high qualifications and this fact is related to higher levels of organizational initiative. However, it was noticed, that other aspects, such as the size, legal form and sources of funding could influence organizations' management in terms of their strategies. Courtney et al (2009) report that the propensity to adopt strategic planning is influenced by the size of the organization, which was also true for the Portuguese case, where organization's size, in terms of users and number of employee, was not independent from the group to which the organizations belong.

Chiavenato (2001) and Bargerstock (2000) found that knowledge promotion and intellectual capital are aspects with considerable impact on organizational effectiveness. Our research is consistent with their findings, since sample characterization identified that higher levels of qualifications are related to higher levels of initiative. At the same time, we do not reject the relationship between the qualification variable and the groups to which organizations belong since it shows a clear relationship between levels of qualification and an increasing awareness of best management practices. It is evident that there are a number of aspects that influence, more or less, the propensity of an organization to be a part of a group whose level of planning and organizational effectiveness are higher and these aspects are, essentially, organization's size and managers' skills.

Finally, another aspect considered important is that organizations are not indifferent towards adopting higher or lower forms of strategic planning, since

the degree of adoption is directly related to the level of organizational effectiveness. In fact, the overwhelming conclusion is that organizations, adopting higher levels of strategic planning, will be more successful in future planning, particularly in terms of satisfaction of its users. The higher levels of strategic planning are associated with the analysis of the external and internal environment, the identification of opportunities and threats, the definition of goals and priorities, measurement of goal realization, through better communication with stakeholders are organizations, higher levels of control and supervision, as well as employee motivation and democratic leadership.

In this sense, the overall results of organizations' segmentation is consistent with the perspective of some authors (Morgan, 2006; Thibodeaux & Favilla, 1996) that consider strategic planning as a management tool that allows the improvement in organization's performance through the improvement of organizational effectiveness. Therefore, there is an agreement between the obtained results and different theoretical approaches, demonstrating a positive relationship between levels of adopted strategic planning and organizational performance which, in turn, influence organizational effectiveness.

At the same time, organizations that do not adopt any practices of strategic planning are much less effective in providing their services, when compared to those who adopt strategic planning. Lastly, the reality of strategic planning in social service organizations in Portugal is characterized by five distinct levels of implementation associated with different impacts on organizational effectiveness and, consequently, with five different degrees of organizational effectiveness, as demonstrated by Table 5 and Figure 5.

Table 5. Relationship between strategic planning and organizational effectiveness

	Number of organizations	Level of strategic plan	Level of organizational effectiveness
Group 1	111	Intermediate	Intermediate
Group 2	59	Intermediate with favorable tendency	Intermediate with favorable tendency
Group 3	6	High	High
Group 4	5	Low	Low
Group 5	39	Intermediate with unfavorable tendency	Intermediate with unfavorable tendency

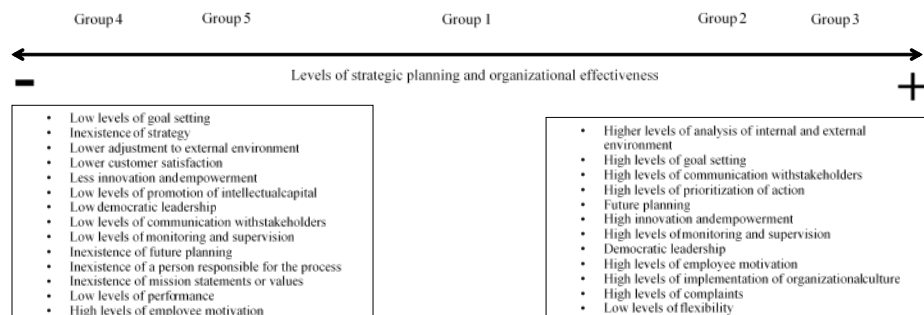


Figure 5. Group characterization considering levels of strategic planning and organizational effectiveness

6. CONCLUSION

The main conclusion to be drawn from this research refers to the existence of a clear relationship between the levels of adopted strategic planning and levels of organizational effectiveness. Different levels of strategic planning are also influenced by organization's size and the degree of sensitivity of the Management Board in terms of management practices. In this sense, we can conclude that social service organizations are not indifferent towards adopting different forms of strategic planning, as it was evident in all the analyzes, particularly in the differences identified through cluster analysis. That analysis proved that the level of organizational effectiveness has always been positively related to the level of strategic planning adopted.

Another essential aspect is that only a small group (composed of six organizations) has high levels of planning and effectiveness. However, a number of organizations (group 4 – with five organizations) entirely disregard the importance of strategic planning. In fact, it can be seen that the vast majority of organizations (111 organizations) show an intermediate level of strategic planning and organizational effectiveness, although some are closer to better performance, including those comprising the second group (59 organizations). Still, there are few organizations that do not have any form of implementation of strategic planning. Therefore, it can be stated that social service organizations have some awareness related to strategic management, although still insufficient and with a long way to go in terms of its application in more advanced areas.

In terms of management implications, findings of this research may be useful for managers / directors / technicians from social service organizations because the information gathered in this research indicate that the adoption of strategic planning has positive influences on organizational effectiveness. This study suggests that the implementation of strategic planning can add value to nonprofit organizations.

In terms of limitations and perspectives for future research, we can mention that the use of effectiveness as a single dimension of analysing the impact of strategic planning on organizational performance of social service organizations is a limitation, because other dimensions can be considered. Therefore, future research should consider the impact of strategic planning in a more extensive and inclusive way. It would also be interesting to investigate all subsectors of the third sector, allowing for comparison between them.

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STRATEŠKO PLANIRANJE I ORGANIZACIJSKA EFEKTIVNOST U PORTUGALSKIM ORGANIZACIJAMA KOJE PRUŽAJU SOCIJALNE USLUGE

Sažetak

U ovom se radu želi utvrditi razina implementacije strateškog planiranja u organizacijama koje pružaju socijalne usluge, kao i utjecaj njegove primjene na organizacijsku učinkovitost. Organizacije se prvo grupiraju u klasterne, prema razini implementacije strateškog planiranja i organizacijske učinkovitosti, nakon čega se provodi analiza dobivenih skupina. S obzirom na rastući broj organizacija koje pružaju socijalne usluge i posljedičnu složenost njihovih struktura, može se govoriti o potrebi za prihvaćanjem formalnih menadžerskih metoda. Strateško je planiranje jedno od takvih, vrijednih alata strateškog menadžmenta, s temeljenim ciljem unapređenja organizacijske učinkovitosti. Stoga se ovo istraživanje usmjerava na utvrđivanje razine implementacije strateškog planiranja u organizacijama koje pružaju socijalne usluge te analizu doprinosa strateškog planiranja organizacijske učinkovitosti. Ono se temelji na anketi, provedenoj u 220 organizacija, a na temelju koje su definirane skupine, u kojima su se pronašle organizacije s različitim razinama implementacije strateškog planiranja i

ostvarenja organizacijske efektivnosti. Vjeruje se da rezultati ovog istraživanja mogu biti relevantni za donositelje odluka u opisanim organizacijama, s obzirom da se utvrđuje pozitivna veza između strateškog planiranja i organizacijske efektivnosti.

