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STRATEGIC PLANNING FOR METROPOLITAN COMMISSION OF FIGHTING CORRUPTION (HONEST QUITO)

Abstract:

The Metropolitan Anti-Corruption Commission is a specialized unit in the city of Quito that prevents corruption and promotes transparency in Municipal Management. The purpose of this research was to propose strategic planning for the organization; the type of research was qualitative, and the interview with experts from the same institution was used as a research technique. The results showed that the strength of the organization is the specificity of its work and its experienced, dynamic, and motivated personnel; the opportunity is the awareness of citizens in the processes of transparency and accountability in municipal management; the threat is the ever-increasing budget cuts to public institutions. Finally, for follow-up and control, the Balanced Scorecard was applied, where the SWOT was placed in each of the defined perspectives and in this way, the strategic objectives were defined to build a culture of transparency in the Metropolitan District of Quito.

Keywords:

Strategic Planning, Balanced Scorecard

JEL Classification: M19

Introduction

Due to the dynamism that surrounds the administrative environment and the demands of a changing world, public entities must incorporate new administrative tools that allow them to make effective use of their own or assigned resources. Thus, the fundamental objective of any organization, whether public or private, is to obtain the best performance from its operations with the appropriate use of its available resources, which is why it is essential to establish controls and evaluations of its procedures in order to determine the real situation of the company, in order to make effective decision making (Cruz & Pilicita 2011).

In this context, the Metropolitan Commission for the Fight against Corruption, as a public entity, was subject to a management audit review that was carried out under the Operational Control Plan of the Metropolitan Audit of 2009 and in compliance with Work Order No. 2009-10-AUDI of April 13, 2009, The results determined the existence of some very important shortcomings in their management, among which it was found that they do not have an updated strategic planning as an important element that every public or private institution should have, since it implies the process through which the vision and mission of the institution is declared, its internal and external situation is analyzed, general objectives are established, and the strategies and strategic plans necessary to achieve the desired objectives are formulated (Cruz & Pilicita 2011).

To begin the strategic planning process, five processes were established, which are presented below: analysis of the environment, establishment of a direction for the organization, formulation of strategies, while the execution of strategies and strategic control were left as a proposal for future implementation (Certo, 2001).

The purpose of this study is to establish a strategic planning proposal for the Metropolitan Anti-Corruption Commission "QUITO HONEST".

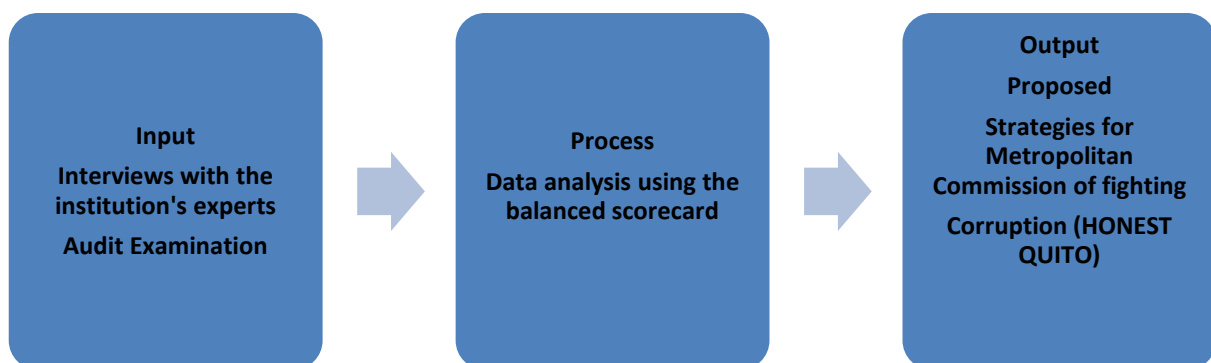


Figure 1.1 Paradigm of the Study

As shown in Figure 1.1, in order to achieve the objectives, interviews with experts from the institution and the Operational Control Plan of the Metropolitan Audit Office of 2009 were considered as inputs.

Once the SWOT has been identified, which lists the internal and external factors that influence the performance of an organization, the next step is to evaluate the internal and external situation of the company, using the Internal Factors Evaluation Matrix (MEFI) to perform the following analysis through the following steps:

- Assign a weight between 0.0 (not important) and 1.0 (very important); the weight given to each factor expresses its relative importance, and the total of all the weights together should add up to 1.0.
- Assign a score between 1 and 5, in order of importance, where 1 is irrelevant and 4 is evaluated as very important.

- Multiply the weight of each factor by its corresponding rating to determine a weighted rating for each factor, either strength or weakness.
- Add the weighted ratings for each factor to determine the weighted total for the organization as a whole (Ponce 2007).

The next step is to make a matrix derived from the previous one: the first one called MAFE (threats, opportunities, weaknesses and strengths) for the formulation of strategies (David 1997).

Finally the SWOT and strategic objectives were placed in the Balanced Scorecard in order to measure how their units or departments create value for their customers in this case the citizens and their future citizens, and how they should enhance internal capabilities and investments in personnel, systems and procedures that are necessary to improve their future performance. (Kaplan & Norton 2000).

METHODOLOGY

Research Design

This study used a descriptive research design, i.e., interviews were conducted with experts from the organization to determine the current situation of the institution.

Participants of the Study

The main participants were: the President of the Institution, the Director of the Administrative-Financial Directorate, the Director of Prevention, the Director of Research, the Legal Advisor, the Secretary of the Plenary of the Commission and those responsible for Social Communication.

Instrumentation

The primary data were obtained through the survey of experts, where the working groups and the tasks to be performed were designated. The dynamics are presented below:

Group number 1: Identify strengths and opportunities; analysis of exploitability and Offensive Strategy.

Group 2: Identify weaknesses and threats; vulnerability analysis and defensive strategy.

Data Gathering Procedures

For the development of this study has been guided and reviewed periodically and meets statutory standards established by the ESPE, in the Student Regulations of the Polytechnic School of the Army. Since the topic is applicable to the business reality of the company under study or any other that requires a similar study, its publication is recommended.

Data Analysis

The first point was the Internal and External Factors Evaluation Matrix (MEFI), then the SWOT strategies (Strengths - Opportunities) were formulated where the internal strengths of the company were applied to take advantage of external opportunities, as well as the SWOT strategies (Weaknesses - Threats) to reduce internal weaknesses and avoid environmental threats. Finally, the SWOT was placed in the four strategic perspectives to establish the strategic objectives for follow-up and control.

RESULTS AND DISCUSSION

Table 1. MEFI Matrix

N°	STRENGTHS	WEIGHT	RATING	WEIGHT WEIGHT
1	Own physical infrastructure.	0,05	3	0,15
2	Autonomy established by Ordinance 116.	0,08	5	0,4
3	Specificity of the work.	0,3	5	1,5
4	Good practice of ethical values.	0,04	5	0,2
5	Participatory leadership.	0,06	3	0,18
6	Experienced, dynamic and motivated personnel.	0,01	5	0,05
N°	WEAKNESSES			0
1	Lack of Strategic Planning	0,1	5	0,5
2	Lack of an internal communication plan.	0,05	5	0,25
3	Lack of an external communication plan.	0,05	5	0,25
4	Lack of follow-up of resolved cases in the implementation of recommendations.	0,05	5	0,25
5	Lack of budget execution.	0,03	5	0,15
6	Outdated functional organizational structure and absence of process manuals.	0,02	5	0,1
7	Insufficient physical space for archiving files.	0,05	3	0,15
8	Lack of IT improvement.	0,04	5	0,2
9	Lack of coordination and teamwork.	0,04	5	0,2
10	Absence of a training plan.	0,03	5	0,15
	Total	1		4,68
N°	OPPORTUNITIES	WEIGHT	RATING	WEIGHT WEIGHT
1	Non-reimbursable credit agencies.	0,05	3	0,15
2	Constitution of the Republic of Ecuador framed within the scope of the Commission's competenc	0,05	5	0,25
3	Municipal Ordinance 116 Empowers the Commission.	0,04	5	0,2
4	Loss of ethical and moral values in children and adolescents due to migration.	0,05	1	0,05
5	Global and national technology presence.	0,05	3	0,15
6	Political support of the Municipality of the Metropolitan District of Quito	0,04	5	0,2
7	Existence of national and international organizations related to the Commission.	0,03	5	0,15
8	Awareness of citizens in the processes of transparency and accountability in municipal management.	0,05	3	0,15
9	It has no competitors in the field of its management at the municipal level.	0,03	5	2,5
N°	THREATS			
1	Price increases due to inflation.	0,03	3	0,09
2	Budget cuts to public institutions.	0,02	5	0,1
3	Possible political pressure.	0,02	5	0,1
4	Possible increase in corruption due to unemployment.	0,04	5	0,2
	TOTAL	1		4,29

Now we can compare the total weighted weight of the strengths against the total weighted weight of

the weaknesses, determining whether the internal forces of the organization as a whole are favorable or unfavorable, in this case it was found that the internal forces are favorable to the organization, with a total weighted weight of 2.48, against 2.22 for the weaknesses. Similarly, it can be observed that the opportunities have a total weighted weight of 3.80 against 0.49 for threats.

Table 2. Cross-reference of offensive variables of strategic initiative "FO".

OPPORTUNITIES		Non-reimbursable credit agencies.	Constitution of the Republic of Ecuador framed within the scope of the Commission's competenc	Municipal Ordinance 116 Empowers the Commission.	Loss of ethical and moral values in children and adolescents due to migration.	Global and national technology presence.	Political support from the District Municipality Metropolitan de Quito	Existence of national and international organizations related to the Commission.	Awareness of citizens in the processes of transparency and accountability in	It has no competitors in the field of its management at the municipal level.	TOTAL	ORDER OF PRIORITY
		O1	O2	O3	O4	O5	O6	O7	O8	O9		
S1	Own physical infrastructure.	1	1	1	1	5	1	1	1	1	13	6
S2	Autonomy established by Ordinance 116.	3	3	5	1	1	3	3	3	5	27	3
S3	Specificity of the work.	3	5	5	1	3	5	5	5	5	37	1
S4	Good practice of ethical values.	1	3	3	3	1	1	1	5	1	19	4
S5	Participatory leadership.	3	1	1	1	1	5	3	3	3	21	5
S6	Experienced, dynamic and motivated personnel.	5	3	3	1	5	3	3	5	5	33	2
TOTAL		16	16	18	8	16	18	16	22	20	150	
ORDER OF PRIORITY		5	8	4	9	6	3	7	1	2		

Matrix Average Columns

$$\frac{\text{Matrix value}}{N_c} =$$

$$\frac{150}{9} = 16.67$$

Average Matrix Rows

$$\frac{\text{Matrix value}}{N_f} =$$

$$\frac{150}{5} = 30.00$$

Balance Ratio Force (RBF)

$$\frac{\text{Matrix value}}{\text{High weighting} \times N_f \times N_c} =$$

$$\frac{150}{5 \times 6 \times 9} = \boxed{0.56}$$

The result of RBF=56% for the FO matrix indicates that there is a high average probability that the opportunities of the environment can be capitalized from the strengths.

THREATS		Price increases due to inflation.	Budget cuts to public institutions.	Possible political pressure.	Possible increase in corruption due to unemployment.	TOTAL	ORDER OF PRIORITY
		T1	T2	T3	T4		
WEAKNESSES							
W1	Lack of Strategic Planning	5	5	1	1	12	1
W2	Lack of an internal communication plan.	1	3	1	1	6	8
W3	Lack of an external communication plan.	1	3	1	1	6	9
W4	Lack of follow-up of resolved cases in the implementation of recommendations.	1	3	5	3	12	3
W5	Lack of budget execution.	3	5	1	1	10	4
W6	Outdated functional organizational structure and absence of process manuals.	5	5	1	1	12	2
W7	Insufficient physical space for archiving files.	3	3	1	1	8	7
W8	Lack of IT improvement.	3	3	1	1	8	5

W9	Lack of coordination and teamwork.	1	1	3	1	6	10
W10	Absence of a training plan.	3	3	1	1		6
TOTAL		26	34	16	12	88	
ORDER OF PRIORITY		2	1	3	4		

Matrix Average Columns

$$\frac{\text{Matrix value}}{N_c} = \frac{88}{4} = 22.00$$

Average Matrix Rows

$$\frac{\text{Matrix value}}{N_f} = \frac{88}{10} = 8.80$$

Balance Ratio Force (RBF)

$$\frac{\text{Matrix value}}{\text{High weighting} \times N_f \times N_c} = \frac{88}{5 \times 10 \times 4} = 0.44$$

The result of RBF=44% for the DA matrix indicates that there is a low average probability that the weaknesses potentiate the effect of the threats.

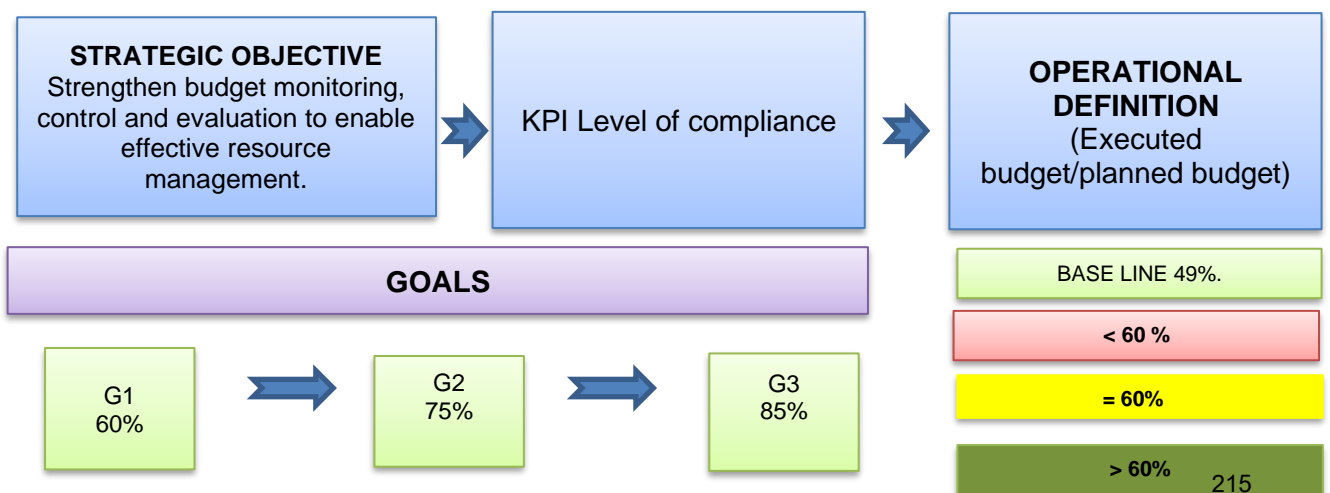
Table 4. Proposed strategic objectives using the four perspectives

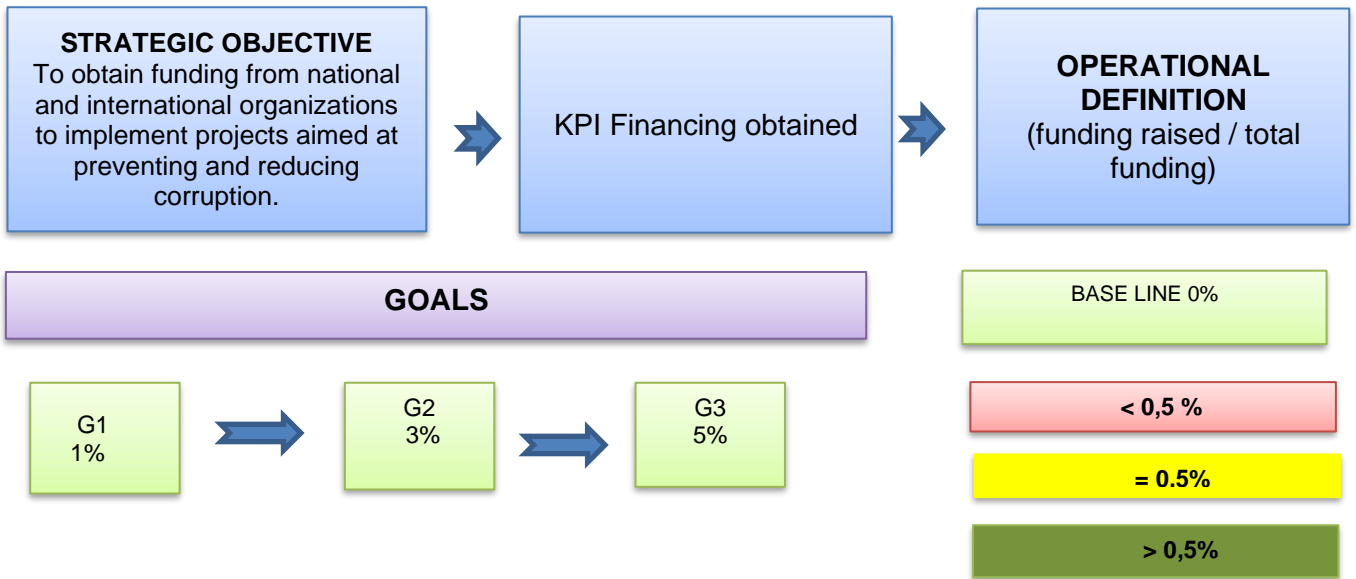
FINANCIAL PERSPECTIVE	SWOT	STRATEGIC OBJECTIVE
	Price increases due to inflation.	Strengthen budget monitoring, control and evaluation to enable effective resource management.
	Budget cuts to public institutions.	
	Lack of budget execution.	
Non-reimbursable credit agencies.	Obtain funding from national and international organizations to implement projects aimed at preventing and reducing corruption.	

CLIENT PERSPECTIVE	Awareness of citizens in the processes of transparency and accountability in municipal management.	To build a culture of transparency in the Metropolitan District of Quito.
	Loss of ethical and moral values in children and adolescents due to migration.	
	Possible increase in corruption due to unemployment.	
	Constitution of the Republic of Ecuador framed within the scope of the Commission's competence.	
	It has no competitors in the field of its management at the municipal level.	
	Existence of national and international organizations related to the Commission.	Increase institutional agreements to prevent and reduce corruption.
INTERNAL PROCESSES PERSPECTIVE	Political support from the Municipality of the Metropolitan District of Quito.	Ensure compliance with the recommendations to improve the Municipal service.
	Lack of an internal communication plan.	Standardize processes to strengthen the skills of the CMLCC.
	Lack of an external communication plan.	
	Lack of follow-up on cases resolved in the implementation of recommendations.	
	Possible political pressure.	
GROWTH AND LEARNING PERSPECTIVE	Absence of a training plan.	To have a strategic management model.
	Lack of coordination and teamwork.	
	Outdated functional organizational structure and lack of process manuals.	
	Lack of strategic planning.	
	Participatory leadership.	
	Lack of IT improvement.	Enhance the use of ICTs to improve the management of the CMLCC.
	Global and national technology presence.	
	Insufficient physical space for archiving files.	

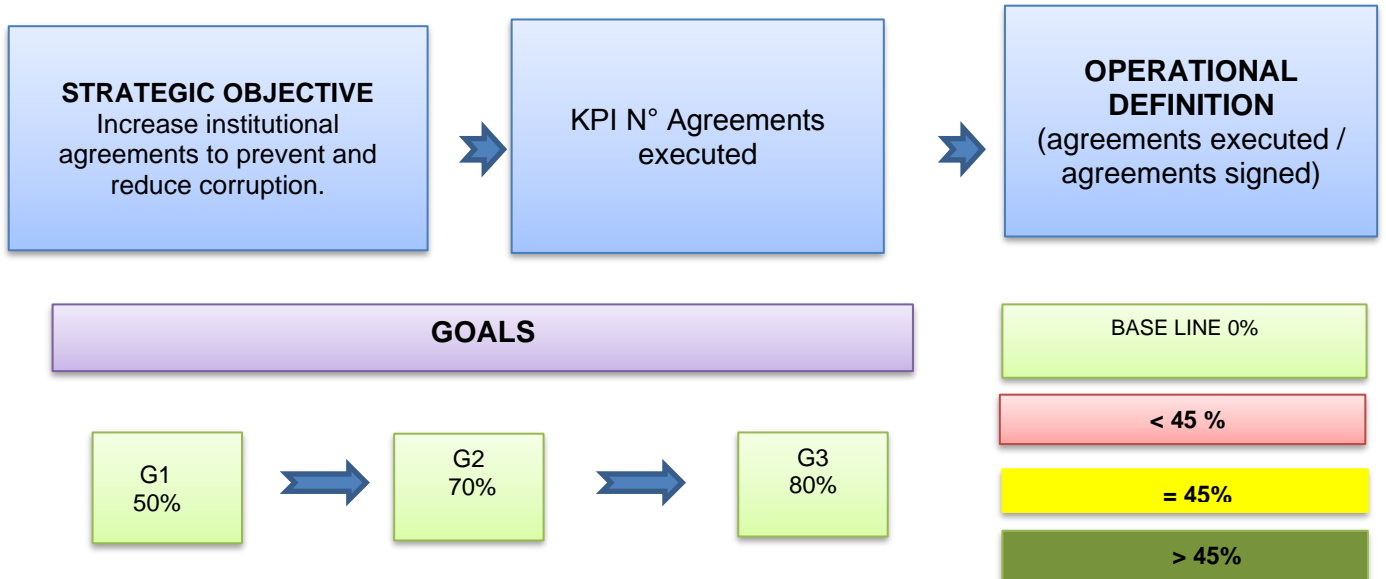
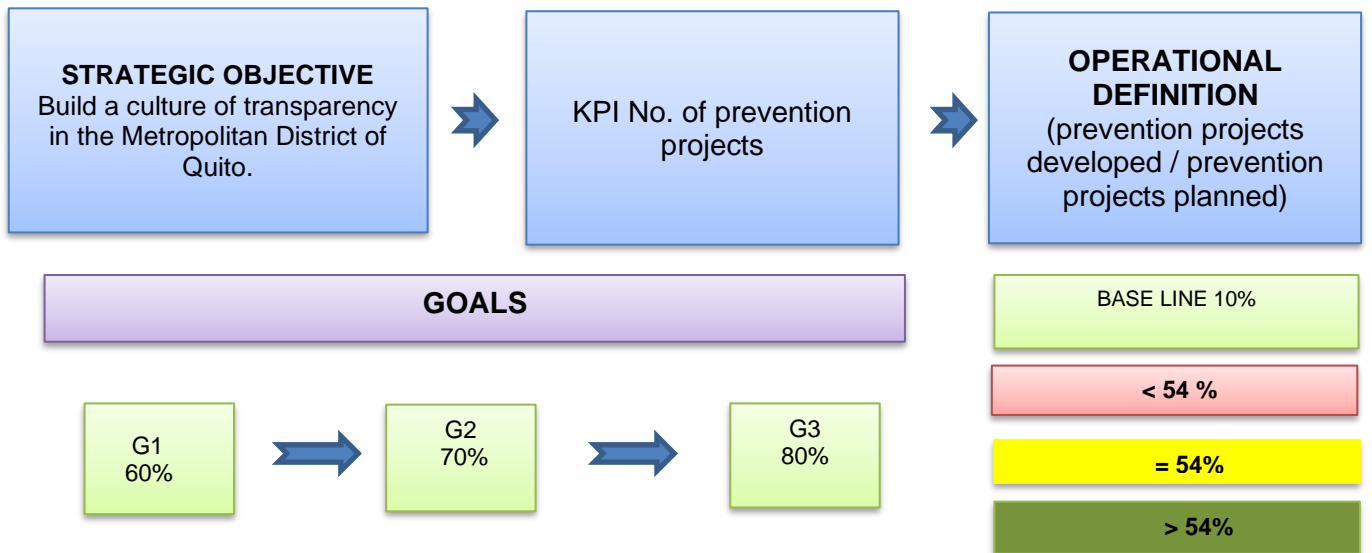
Proposal of strategies through the Balanced Scorecard

FINANCIAL PERSPECTIVE

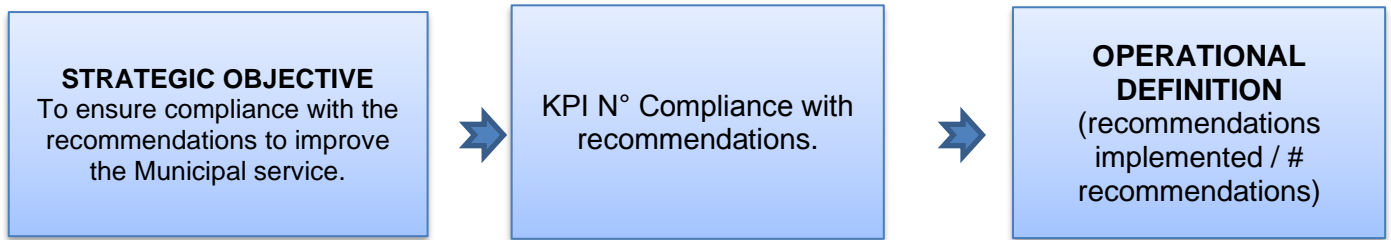




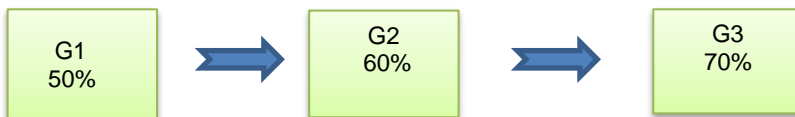
CLIENT PERSPECTIVE



INTERNAL PROCESSES PERSPECTIVE



GOALS

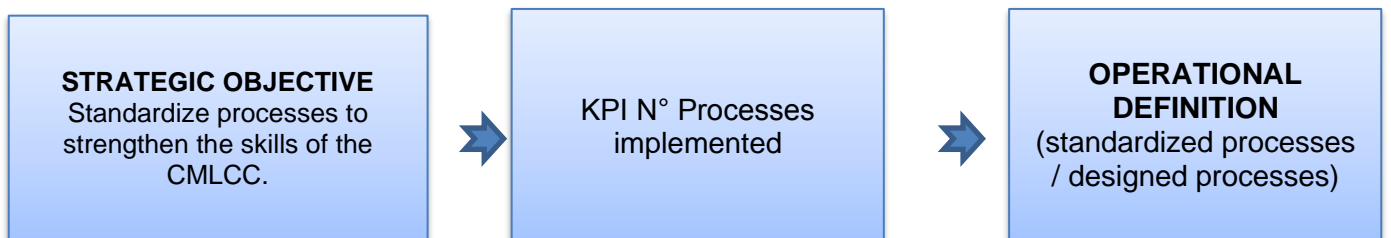


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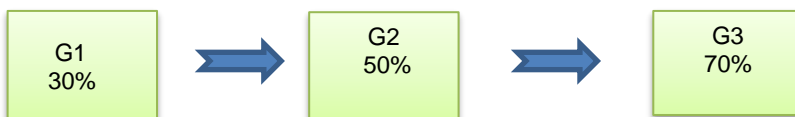
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GOALS



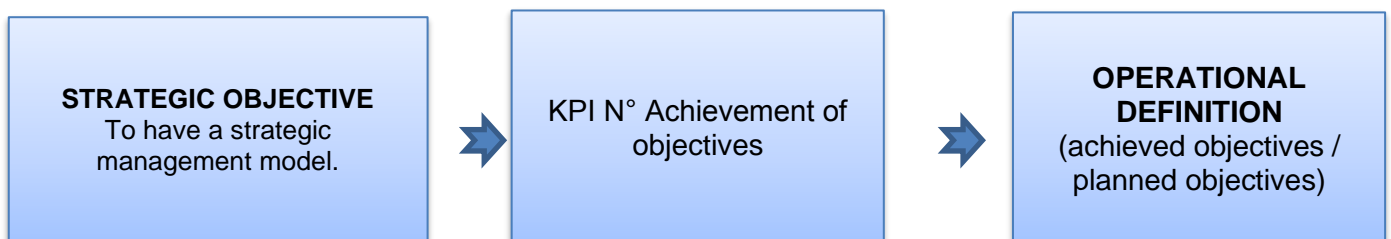
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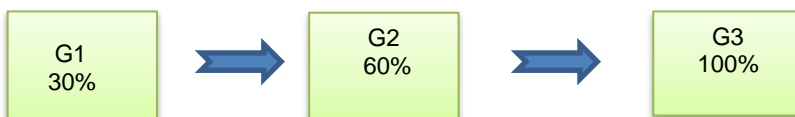
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GROWTH AND LEARNING PERSPECTIVE



GOALS

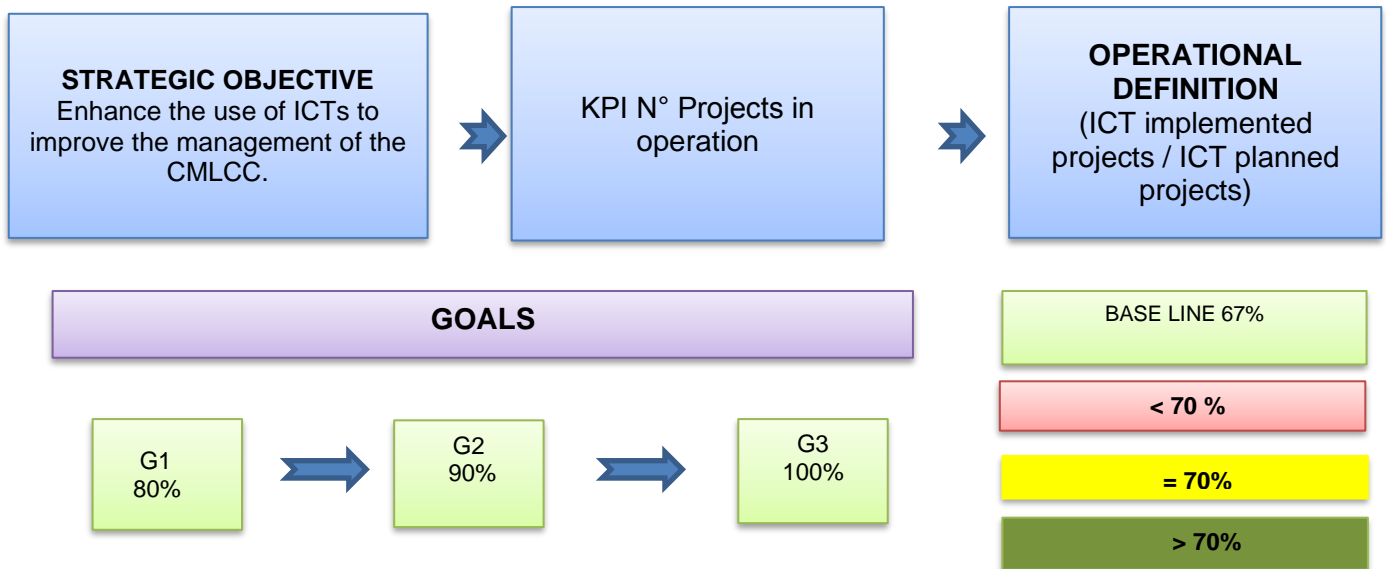


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CONCLUSION

Strategic planning based on the Balanced Scorecard is a control and management tool that allows measuring the performance of all the actors of the institution in an efficient manner, which is why the implementation of the strategic plan will allow the Metropolitan Anti-Corruption Commission to improve its management efficiency (Cruz & Pilicita 2011).

RECOMMENDATIONS

Disseminate and implement the strategic management model based on Balanced Scorecard according to the current situation of the Commission, in order to improve and have an efficient control of its management, thus periodically controlling the fulfillment of the objectives, projects and initiatives that the Commission undertakes (Cruz & Pilicita 2011).

If the decision to implement the Strategic Plan is delayed, it is recommended to review the situational diagnosis to determine if the strategic initiatives are in line with the objectives and future goals that the Commission intends to achieve, as for the opportunity identified, it is recommended to implement projects of municipal impact that will strengthen and make management in the Municipality of the Metropolitan District of Quito more transparent (Cruz & Pilicita 2011)

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