

PAD 615

Strategic Management in Public Organizations

2015

Instructor: Professor Jeffrey D. Straussman
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Office: 318 Milne Hall
Office Hours: Thursday, 15:00-17:00 and by appointment
Class Hours: Thursday, 5:45-8:4500
Room: Husted 304

Course Description

This course, ***Strategic Management***, examines examples of large-scale change in governments and non-profit organizations either in the way(s) organizations do their work, engage with their stakeholders or engage with the private and non-profit sectors through collaborations and partnerships. Thinking strategically is common in the private sector; however, with selected exceptions such as national defense and security, it is less well understood and practiced in other policy areas.

Some of the themes of the course are reflected in the following questions:

What is the meaning of strategy, especially when applied to and in government and non-profit organizations?

How can managers learn to think strategically?

What are some of the obstacles to strategic management in government and how can they be overcome (or not)?

What are some of the contemporary examples of strategic management most widely used in government?

Assessment

- 1) **Participation in class discussions (15%).** You will be assessed in terms of your contribution to the discussions and analyses of cases and required readings. *Please read*

them before coming to class and be prepared to be an active participant in these discussions. If you are not in class, by definition, you cannot participate. After each class I will record your contribution to the class session. If you are not in class your contribution will be 0. In addition, in-class exercises listed on the syllabus require your preparation in advance of the class so that you are able to participate effectively. You may also be assigned the responsibility of initiating and directing discussion of a case. If you are unprepared this will affect your class participation score. (Acceptable excuses such as illness will be exempted from this rule.)

2) Two **Individual memos (40%)** The **individual memo** is a maximum of five pages (12 point font, one-inch margins), double-spaced. The memos will be based on two cases in the syllabus: (1) Dharavi: Developing Asia's Largest Slum (A) and (B) and (2)—due on 10/13—and (2) Homelessness in Harvard Square: Multi-Stakeholder Collaboration in Action—due on 10/27.

You should write your decision memos as though you are a manager who has been asked to provide guidance, feedback, and recommendations to a superior. You should not reiterate what is in the case. You must offer specific examples and recommendations. It is important to fully develop your recommendations. Do not simply present a bulleted list of options. The leader requesting your memo wants recommendations that can be implemented; therefore, you must justify your recommendations. Part of this justification should include the implications, positive and negative, of pursuing a particular strategy or decision based on the recommendations presented. The selection of the cases and the due dates will be given after the start of the semester. Late papers will not be accepted.

4) **Group assignment (20%)**. There will be a group-based **case study** assignment based on research and presentation of *a major strategic challenge*. Groups will have two or three members depending on class size. The written part of the assignment should be a maximum of 10 double-spaced pages including references, tables, figures, etc. The paper should briefly describe the context, the immediate response(s) and the strategic challenges going forward. You should write this as if you are part of a special task force established to advise a cabinet officer responsible for coordinating the government's effort to deal with any future situations similar to the one you have been assigned to. Consider part of your paper and presentation as "lessons learned." The due date is the last class session. Late submissions will not be accepted. In addition, the group should prepare an oral presentation to the class. The presentation should be approximately 15 minutes with 10 minutes of Q&A. The group should prepare a one page abstract for the class and a Power Point presentation with a maximum of six slides.

5) **Final examination (25%).** The **final examination** will be comprehensive and include questions that cover topics from the beginning of the course. The final examination will be a take home examination. You will receive the examination electronically and have 72 hours to complete the examination and return it electronically. Late examinations will not be accepted without a documented valid explanation. Adhere to the word limited noted for each question.

Class format

Most class sessions will focus on a case (occasionally two cases) and additional required readings. Some class sessions will include small group, in-class exercises. You are expected to read the materials in advance of the class session and be prepared to discuss both the cases AND the required readings. Some cases and readings are available through Blackboard. Some cases must be purchased from the Harvard Business School Press. These cases are followed by **(HP)** on the syllabus. Additional information will be provided in the first class session. Use the link below for the Harvard Business School Press cases.

<https://cb.hbsp.harvard.edu/cbmp/access/38285253>

About the instructor

Jeffrey D. Straussman was Dean, Rockefeller College of Public Affairs & Policy, University at Albany, State University of New York from 2006 to 2011. From 2011-2013 he was a visiting professor and Vice Dean for Executive Education at the Lee Kuan Yew School of Public Policy, National University of Singapore. He was previously on the faculty of the Maxwell School of Citizenship and Public Affairs, Syracuse University and was Associate Dean and Chair of the Department of Public Administration from 2000 to 2006. His areas of expertise include public management and leadership, public expenditure management and administrative reform in developing and transitional countries. In 1992 he was a Fulbright Scholar at the Budapest University of Economic Sciences (now called Corvinus University) where he taught public management and policy analysis and assisted Hungarian faculty in the development of a public affairs department. He has lectured and consulted internationally on subjects including managing for performance, leadership, public budgeting, and public affairs education. His work has taken him to Macedonia, Montenegro, Serbia, Israel, Venezuela, Italy, Czech Republic, China, Bulgaria, Brazil, Portugal, Russia, Jordan, Lebanon, Zimbabwe, Kazakhstan, Thailand, Malaysia, India, and Vietnam.

Straussman has published widely in the areas of public finance and budgeting, public management and administrative reform in transitional countries. His work appears in a variety of professional journals such as *Public Budgeting & Finance*, *Administration & Society*,

Governance, Public Administration and Development, Journal of Policy Analysis and Management, and Public Administration Review. His books include *The Limits of Technocratic Politics* (Transaction Publishers, 1978), *Public Management Strategies* (Jossey-Bass Inc., Publishers, 1990) and *Public Administration, 2nd edition* (Longman Publishers Group, 1990). His interest in the political economy of transition has produced several publications including articles translated into Hungarian, Russian, and Ukrainian.

Straussman received his bachelor's from Hofstra University, a master's in political science from Hunter College, and his doctorate in political science from the Graduate Center, City University of New York.

Outline

I: WHAT IS STRATEGY?

(9/1 and 9/8)

Preview: In-class discussion and exercise on the Happy Days Café case (handout)

Reading:

Mintzberg, H. (1994) The Fall and Rise of Strategic Planning. *Harvard Business Review* 72: 107-14.

Porter, M. (1996) What is strategy? *Harvard Business Review* 74: 61-78.

Roxburgh, C. (2003) Hidden Flaws in Strategy. *McKinsey Quarterly*.

Case:

Loveline: Preventing HIV Among South African Youth A and B (HP)

Note: Do not read part B. Rather, bring it to class and we will read it AFTER discussion of Part A.

In-class exercise: Select an international non-governmental organization (INGO) such as Doctors Without Borders, World Vision, International Red Cross, Catholic Relief Services, International Rescue Committee, CARE or OXFAM.

Look at the website site of the INGO. What is the mission of the organization? Can you discern a "corporate strategy" from the website?

II: Strategy Formulation (two sessions) (9/15 and 9/29)

Reading:

Rose, W. and Cray, D. (2010) Public-sector strategy formulation. *Canadian Public Administration* 53: 453-66.

Hemalainen, T., Kosonen, M. and Doz, Y. (2011) Strategic Agility in Public Management. *INSEAD Working Paper*.

Hamel, G. and Prahalad, C.K. (1989) Strategic Intent. *Harvard Business Review* 67: 63-78.

Porter, M. (2008) The Five Competitive Forces that Shape Strategy *Harvard Business Review* 86: 78-93.

Smith, Ralph. (2014). Mapping Strategy in Public Sector Organizations. <http://www.odgroup.com/articles/public-sector/>

Montgomery, C. (2012) How Strategists lead *McKinsey*.

Cases:

Budget Woes and Worse Ahead...Pine Street Inn, Boston's Iconic Homeless Shelter, Re-Thinks Its Strategy **(HP)**

HIV in Thailand: The 100% Condom Program **(HP)**

In-class exercises: Applying Porter's five forces framework to the 100% condom program (group based).

In-class exercise: Select a government agency or a large non-governmental organization (NGO).

Describe the "value proposition" that is intended to drive that agency or NGO. Be prepared to do this in class for five minutes.

III: ENVIRONMENTAL SCANNING (10/6)

Reading:

Watkins, M and Bazerman, (2003) Predictable Surprises: The Disasters You Should Have Seen Coming HBR

Huffman, B. (2004) Why environmental scanning works except when you need it. *Processed*.

Lamarre, E. and Pergler, M. (2009) Risk: Seeing around the corners. *McKinsey Quarterly*

Case:

The Dabbawala System: On-Time Delivery, Every Time (HP)

https://www.youtube.com/watch?v=o-mI7RTf_R4

In-class exercise: Select an organization and do a “first cut” environmental scan using a SWOT analysis. The organization can be either a government organization or a non-profit organization.

IV: RESOURCES, CAPACITY AND COMPETENCIES (10/13)

Reading:

Klein, P.G., et al. (2013) Capabilities and Strategic Entrepreneurship in Public Organizations. *Strategic Entrepreneurship Journal* 7: 70-91.

Have you tested your strategy? *McKinsey Quarterly*

Rangan, V. (2004) Lofty Missions, Down-to-Earth Plans. *Harvard Business Review* 82: 112-119.

Case:

Dharavi: Developing Asia’s Largest Slum (A) and (B) (HP)

MEMO ASSIGNMENT DUE

V: STAKEHOLDERS (10/20)

Reading:

Bryson, J. (2004) What to do when stakeholders matter. *Public Management Review* 6: 21-53.

Freeman, R. and Mc Vea, J. (nd) A Stakeholder Approach to Strategic Management (Darden working paper 01-02).

Ackermann, F. and Eden, C. (2011) Strategic Management of Stakeholders: Theory and Practice *Long Range Planning* 44: 179-96.

Case:

Financing the Theun Hinbourn Hydroelectric Project

VI. COLLABORATION AND NETWORKS

(10/27)

Reading:

Interorganizational Networks IBM Center

Provan, K. and Lemaire, R. (2012) Core Concepts and Key Ideas for Understanding Public Sector Organizational Networks. *Public Administration Review* 72:638-48.

McGuire, M. and Agranoff, R (2011) The Limitations of Public Sector Networks. *Public Administration* 89: 265-84.

Case:

Homelessness in Harvard Square: Multi-Stakeholder Collaboration in Action **(HP)**

MEMO ASSIGNMENT DUE

VII. Privatization

(11/3)

Reading:

Nellis, J. (2011) The International Experience with Privatization (unpublished paper).

Yonnedi, E. (2010) Does Privatization Affect Organizational Change: A Case of Indonesia (unpublished paper)

Case:

Cochin International Airport

VIII. Outsourcing

(11/10)

Reading:

Brown, T., Potoski, M. and Van Slyke, D. (2006) Managing Public Service Contracts: Aligning Values, Institutions, and Markets. *Public Administration Review* 66: 323-331.

Loevinsohn, B. and Harding, A. (2005) Buying results? Contracting for health delivery in developing countries. *Lancet* 366: 676-81.

Krauskopf, J. and Chen, B. (nd) The Dual Role of Government Human Services Agencies and Paradoxes of Performance Contracting Systems Operations (unpublished paper).

Case:

Oklahoma's Milestones Reimbursement System: Paying for What You Get

IX. Public-Private Partnerships

(11/17)

Reading:

Forrer, J. et al (2010) Public-Private Partnerships and the Public Accountability Question. *Public Administration Review* 70, 3: 475-84.

Hodge, G. and Greve, C. (2011) Theorizing Public-Private Partnership Success: A Market-Based Alternative to Government (unpublished paper).

Johnson, J. and Gudergan, S. (2007) Governance of public-private partnerships: lessons learnt from an Australian case? *International Review of Administrative Sciences* 73: 568-82.

Case

Taiwan's High Speed Rail: A Public-Private Partnership Hits a Speed Bump

X. Services and Performance

(11/24)

Reading:

LeRoux, K. and Wright, N. (2010) Does Performance Measurement Improve Strategic Decision Making? *Nonprofit and Voluntary Sector Quarterly* 39: 571-87.

Case:

Homestead Air Force Base

XII. Initiating and implementing strategic change (12/1)

Reading:

Kotter, J.P. (2007). *Leading Change: Why Transformation Efforts Fail*. Harvard Business Review 85: 96-103.

Case:

From Alliance to International: The Global Transformation of Save the Children

XIII: Applying Strategic Management to complex policy challenges: group project presentations (12/8)

GROUP PRESENTATIONS AND PAPERS DUE.