

PA 504: #30178
STRATEGIC MANAGEMENT PLANNING AND MEASUREMENT
FALL, 2009

Class Meeting: Thursday, 6-9pm
Rm. 120 Lincoln Hall

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Course Objectives:

Strategic management is a comprehensive approach to managing an organization using strategic thinking and decision-making that originated in the private sector. It is a continuous process that encompasses the entire set of managerial decisions and actions throughout all administrative systems of an organization including budgeting and human resource development. In general, strategic management involves identifying strategies that will enhance organizational performance in a competitive environment, implementing these strategies, and evaluating organizational performance. Strategic management also involves continuous monitoring of the organizational environment to identify new and emerging strategic issues facing the organization, communicating and creating strategic agendas throughout the organization and externally, and integrating management processes throughout the organization to support these agendas.

Although the public sector task environment is not competitive, many of the techniques and approaches associated with strategic management in the private sector are useful to public organizations to help them better manage their organization within its environment, identify opportunities, implement change, and achieve goals efficiently and effectively. The cornerstones of strategic management in the public sector are strategic planning and performance measurement. Strategic planning is a structured process for determining the capabilities of the organization, examining its environment, and developing strategies and objectives the organization should be pursuing. Theoretically, performance measurement can focus on determining everything from operating costs to programmatic and policy impacts. Practically, performance measures tend to be less ambitious than assessing impacts. The Balanced Scorecard method, which is so popular right now in both the public and private sector, is considered to be a useful tool for tracking organizational performance and executing strategies.

This course will focus on the theory and practice of strategic management, performance measurement, and planning with an emphasis on the relationship between the environment or context within which strategic management and planning occurs, the type of management and planning processes adopted (or lack thereof), and the performance of the organization. The readings will cover original research on strategic planning and management in all sectors (public, private, and nonprofit). By the end of the course, students will have an understanding of the theoretical roots of strategic management, how to formulate a strategic plan, ways of implementing strategies, methods of evaluating organizational performance, and how planning, performance measurement, and budgeting is linked in government.

Specific objectives for students in the course include the following:

- To learn the basic concepts and nomenclature of strategic planning, performance measurement, and the Balanced Scorecard and apply them to real situations
- To understand the nature of the process of strategic planning and how to implement key stages.
- To understand the logic model and other frameworks for developing performance measures and to develop them for an organization or service
- To define a set of performance measures for the service or organization, assess their limitations, and make recommendation as to how these measures can be integrated with managerial functions within the organization.
- To understand how the Balanced Scorecard is developed and applied to organizations, as an alternative to or in conjunction with strategic planning and performance measurement.
- To understand how Balanced Scorecard can be integrated with managerial functions within the organization.

Course Policies

Class attendance is *expected* and is critical for understanding the material. Students must also do the assigned readings and cases before class in order to understand the lectures and discussions.

Incompletes, late homework, and extra work

I do not allow students do extra work (i.e. an additional paper) to improve their grade in the course. This is not fair to other students who are not given the same opportunity. Late homework will be penalized unless the student has a legitimate excuse or crisis causing the delay in completing work (i.e. illness, family death). Also, I will only grant incompletes to students who have legitimate excuses or crises and who make requests prior to the end of the course.

Original Work and Plagiarism

The policy of this course is that papers and other submitted work must be original for each student. Because some activities related to the course are conducive to working in groups, it is important to consider where individual work is required rather than group activity. Working together where it is clearly indicated is entirely appropriate, but if you are preparing a written product that will be submitted for evaluation, that product is expected to be the result of your work **alone**. Where questionable situations arise, always ask the instructor for clarification. Also, students must cite their sources where relevant, and plagiarism will be not tolerated. The following website defines plagiarism and shows students how to avoid it: http://tigger.uic.edu/~edelberg/crediting_others/index.htm.

The Learning Environment

I am committed to and **expect** to maintain a positive learning environment based on open communication, mutual respect, and non-discrimination. Our University does not discriminate on the basis of race, gender, age, disability, veteran status, religion, sexual orientation, color, or national origin. Any suggestions as to how to further such an environment will be appreciated and given serious consideration.

Blackboard

All supplemental readings and other class material will be available via the Blackboard website. All students will need to acquire a UIC computer account from ACCC (<http://www.uic.edu/depts/accc/index.html/>) to access material in Blackboard and to use the computer labs. Thus, it is imperative that **all new students get a UIC computer account the first week of class!** Please check the Blackboard website often for course announcements.

Course Requirements and Grading

The format for the course is a combination of lecture and discussion

There are three requirements for this course:

- 1) Performance Measurement Project: Students will be required to develop a comprehensive Performance Management Plan for a non-profit organization or subunit of government, e.g. a police department, state agency, or federal bureau. The assignment is detailed in another document.
- 2) Take Home Examinations: There will be two take-home exams at the midterm and final exam periods. The first exam will cover strategic planning. The second exam will cover the balanced scorecard approach and application / integration of performance measures. The second exam is somewhat comprehensive and so is worth more points.

Students will be graded according to the following point system.

Midterm exam:	40 points
Final exam:	60 points
<u>PM project:</u>	<u>100 points</u>
TOTAL	200 POINTS

Final grades are based on total points received in the course and are not an average of the set of points. I also reserve the right to base final grades on a “curve” rather than using a strict scale.

Texts and Readings

Texts: The following required texts have been ordered and are available through the bookstore. Prices quoted are used from Amazon. You might also check www.textbooks.com.

- Bryson, John M. (2004) *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement, 3rd* (Jossey-Bass)
0-7879-6755-6 \$30

- Poister, Theodore. (2003) *Measuring Performance in Public and Nonprofit Organizations*, (Jossey-Bass). 978-0787949990 \$25
- Niven, Paul R. (2008) *Balanced Scorecard: Step-by-Step for Government and Nonprofit Agencies, 2nd* (John Wiley). 978-0-470-18002-0 \$35

Supplemental Readings: Required readings from the following sources will be available via blackboard

- Ammons, David N. and William C. Rivenbark. 2008. "Factors Influencing the Use of Performance Data to Improve Municipal Services: Evidence from the North Carolina Benchmarking Project," *Public Administration Review*, 68(2): 304-318.
- Clay, Joy A. and Victoria Bass. 2002. "Aligning Performance Measures with Key Management Processes," *Government Finance Review*, 18(2): 26-29.
- Gargan, John J. and Thomas C. Sutton. 2000. "Strategic Management in City Government." In J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 691-707.
- Lynch, Thomas D. and Cynthia Lynch. 1996. "Twenty-First Century Budget Reform: Performance, Entrepreneurial, and Competitive Budgeting," *Public Administration Quarterly*, 20(3): 255-284.
- Millar, Annie, Ronadl S. Simeone, and John T. Carnevale. 2001. "Logic Models : A Systems Tool For Performance Management," *Evaluation and Program Planning*, 24: 73-81.
- Morrow, J.L. Jr. and Michael Hitt. 2000. "Rational and Political Models of Strategic Decision Making: Understanding the Role of Firm Performance and Stakeholder Political Pressure." In J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 165-179
- O'Sullivan, Elizabethann and Gary R. Rassel. 1999. "Reliability, Operational Validity, and Sensitivity of Measures," *Research Methods for Public Administration, 3rd*, (Longman): 107-126.
- Poister, Theodore H. and Gregory Streib. 1997. "Strategic Management: A Core Responsibility of Local Government Administration." In J. Gargan (ed.), *Handbook of Local Government Administration*, (New York: Marcel Dekker): 101-127
- Roberts, Nancy C. and Janice M. Menker. 2000. "Strategic Management in the Federal Government." In J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 561-593.
- Rossi, Peter H., Howard E. Freeman, and Mark W. Lipsey. 1999. "Analysis of Program Assumptions and Theory: Logic Model and Service Utilization Plan," *Evaluation: A Systematic Approach, 6th*, (Thousand Oaks: Sage): pp. 98-115.
- Shapek, Raymond. 2000. "Organizational Capacity in Strategic Management," In J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 141-163
- Stone, Melissa M. and John M. Bryson. 2000. "Strategic Management in the Nonprofit Sector." In J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 749-762

Wechsler, Barton and Frances Stokes Berry. 2000. "Strategic Management in State Government." In. J. Rabin et al. (eds.), *Handbook of Strategic Management (2nd)*, (New York: Marcel Dekker): 657-674.

Willoughby, Katherine G. 2004. "Performance Measurement and Budget Balancing: State Government Perspective," *Public Budgeting and Finance*, 24(2): 21-39.

Recommended Readings: Readings that supplement material covered in class or enhance knowledge for the group project. All materials are available through Blackboard

W. K. Kellogg Foundation, *Logic Model Development Guide*,
<http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf>

Class Schedule: Overview

- 1: 8/27/09 Introduction to course
- 2: 9/3/09 Overview of strategic management
- 3: 9/10/09 Context of strategic management and planning
- 4: 9/17/09 Key stages of strategic planning
- 5: 9/24/09 **NO CLASS**
- 6: 10/1/09 Implementing and revising strategic plans
- 7: 10/8/09 Introduction to performance measurement systems
- 8: 10/15/09 Defining performance measures
- 9: 10/22/09 Project work day, TAKE-HOME EXAM DUE
- 10: 10/29/09 Working with performance data
- 11: 11/5/09 Application and integration of performance measures
- 12: 11/12/09 Initiating and developing the balanced scorecard
- 13: 11/19/09 Strategy maps: A different approach to developing strategies
- 14: 11/26/09 **THANKSGIVING HOLIDAY: NO CLASS**
- 15: 12/3/09 Implementing the balanced scorecard, PM PROJECT DUE
- 16: 12/10/09 Finals: TAKE-HOME EXAM DUE

CLASS SCHEDULE: DETAIL

1) Aug. 27: Introduction to course

2) Sept. 3: Overview of Strategic Management

Strategic management vs strategic planning; The intellectual basis of strategic management and history of approaches; Strategic management in a political environment

Readings: Poister and Streib: Strategic Management
Shapek: Organizational Capacity
Morrow and Hitt: Rational and Political Models

3) Sept 10: Context of Strategic Management and Planning

Strategic management in local, state, and federal government and non-profit agencies; The dynamics of strategic planning

Readings: Bryson, chapters 1 & 2
Two of the following articles:
Stone and Bryson: Strategic Management in the Nonprofit Sector
Gargan and Sutton: Strategic Management in City Government
Wechsler and Berry: Strategic Management in State Government
Roberts and Menker: Strategic Management in the Federal Government

4) Sept 17: Key Stages of Strategic Planning

Mandates, mission, SWOT analysis and Strategic Issues

Readings: Bryson, chapters 3 – 6
NOTIFY INSTRUCTOR OF YOUR AGENCY FOR PM PROJECT

6) Sept. 24: NO CLASS

6) Oct 1: Implementing and Revising Strategic Plans

Readings: Bryson, chapters 7 – 10
Seattle Youth Involvement Network case

7) Oct 8: Introduction to Performance Measurement Systems

Program Theory: The logic model and service utilization plan

Readings: Poister, chapters, 1 – 3
Miller et al, Logic Models
Rossi et al., Analysis of Program Assumptions and Theory
Recommended: Kellogg Foundation, Logic Model Development Guide

8) Oct. 15: Defining Performance Measures

Moving from the logic model and goals/objectives to performance measures

Readings: Poister, chapters, 4 -5
O'Sullivan and Rassel, Reliability and Validity

9) Oct 22: Project Work Day- in class

TAKE HOME EXAM DUE

10) Oct. 29: Working with Performance Data

Analyzing, processing and reporting performance data

Readings: Poister, chapters, 6 – 8

11) Nov. 5: Application and Integration of Performance Measures

Strategic planning, budgeting, and benchmarking

Readings: Poister, chapters, 9 & 10

Clay and Bass, Aligning Performance Measures

Ammons and Rivenbark, Factors Influencing the Use of PM

Willoughby, PM and Budget Balancing- State Government

Lynch and Lynch, 21st Century Budget Reform

12) Nov. 12: Initiating and Developing the Balanced Scorecard

What is BS, how to adapt to the public sector, and how to initiate and develop in your organization

Readings: Niven, chapters, 1 - 4

13) Nov 19: Strategy Maps: A Different Approach to Developing Strategies

Includes performance measures for BS

Readings: Niven, chapters, 5 - 8

14) Nov. 26: THANKSGIVING HOLIDAY, NO CLASS

15) Dec 3: Implementing BS

Aligning, reporting, and linking to resource allocation

Readings: Niven, chapters, 9 – 12

PERFORMANCE MEASUREMENT PROJECT DUE

16) Dec. 10: TAKE HOME EXAM DUE