

Harvard Kennedy School

**STM 110: STRATEGIC MANAGEMENT FOR PUBLIC
PURPOSES
FALL 2008**

Class meetings: Tuesday and Thursday, 10:10 to 11:30
L 230

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Improving public sector performance is crucial as a foundation for social and economic development and for restoring trust in government. This course focuses on strategic management and leadership in the public sectors of democratic societies. It critically examines and applies the assumptions, concepts and tools of the new approaches to public management that are being applied around the world.

Management and leadership are activities intended to influence, guide, channel and direct the actions of others toward desired ends through formal and informal organizations.

Public management is the work of mobilizing others to accomplish socially useful purposes and advancing the public interest.

The course is designed for students with management experience. It presents a practice-oriented approach to the problems that managers face and aims at the development of integrated strategies for improving performance in solving serious problems in the public sphere. It should complement specialized courses that focus in more detail on the particular tools that managers use, and should help students integrate the knowledge they have gained from their experience and from previous course work.

Leaders of public organizations mobilize resources, both within their own agencies and from outside networks, to meet the needs of the people they serve. In the public sector, these decisions must be made in the context of complicated internal and external environments, and with due regard for the demands of democratic accountability. Important strategic actions that will be examined in the course include: setting and articulating goals and missions; aligning strategy with mission; leading organizational

change; managing with performance information; improving work processes; structuring networks and partnerships; and dealing with crises and environments in transition.

Management and leadership activities are *strategic* in two senses:

- As one's actions take into account and are conditioned on the predicted response of others. *Strategic behavior* exploits the interdependence of human perception, interpretation, analysis and action in social, political, and organizational life.
- As one acts to bring coherence and focus to one's actions and the actions of others across time and space. *Strategic management* brings coordination, alignment, coherence and force to the actions of diverse individuals in dispersed settings.

The course format includes lectures, case discussions and small group work. Most class meetings will be case discussions, aimed at helping students practice the analytic and decision-making processes involved in strategic management. The cases for class discussion are set in the United States, in other industrialized countries, and in developing countries. Responsibility for class is divided approximately equally between the two instructors.

There will be four or five optional review sessions on Fridays. These will be conducted by the teaching fellow, and will focus on supplementing material presented in the class and providing guidance for the written assignments.

We will have a few visitors to the class, some of whom will conduct optional sessions outside of the regular class time. Information about these and about other HKS events relevant to the course will be posted on the class website.

Course Requirements

Course requirements include class preparation and participation, written responses to readings and cases, two short individual assignments, one group assignment and a final paper. There will be no final exam. Grades will be determined approximately as follows:

Class participation and responses to readings	25%
Group performance management assignment (#2)	17%
Individual assignments # 1 and #3	18%
Final paper on improving operations and culture	40%

Final grades will conform to the Kennedy School's suggested grading curve.

Class participation and responses to readings and cases. Productive case discussions depend on students not only reading but also analyzing cases and materials, and coming to class ready to present a diagnosis of the problems presented by the case and a plausible solution. Required readings have been kept relatively modest so that students will be

able to read them carefully, think about them, discuss them in study groups, and prepare short written responses to focusing questions.

Students are required to bring name cards to each class. By the third class, students should choose a seat to which they will be assigned for the remainder of the course. Name cards and assigned seats will make it much easier for all of us to learn each other's names.

By September 19, please post a paragraph about your background and interests on the course website.

Reading responses. A focusing question for each class will be posted in the assignments section of the course webpage. Reading response questions for the first half of the course are also included in the class outline below. You must submit a total of **ten** written reading responses, approximately one per week, in addition to the required written assignments.

Reading responses should be between 200 and 250 words. They **must** be posted on the course website by **8:00 AM** of the day of the class; we strongly prefer, however, that you post them by 4:00 of the day before the class. We prefer that you not use attachments for these short reading assignments; i.e., that you write your reading response in the space provided. Student reading responses will be public. You are encouraged to read the responses of your classmates, and to react and build on them as appropriate. Unless indicated otherwise, you may work together on your reading responses. If at some point you would like your reading response to be confidential, you may email it to the instructor responsible for the class and the teaching fellow in lieu of posting it on the website.

The course website will also offer opportunities for student discussion and elaboration of topics discussed in class. Participation in website discussions will be assessed as part of the participation grade. Additional readings, resources and announcements will also be posted on the website.

Study groups. We will assign students to study groups for the purposes of submitting Reading Response #4, a group response and Assignment #2, a group assignment. We will also use the groups occasionally in other classes. We urge you to meet regularly in study groups to discuss the cases and prepare for class.

Written assignments: In addition to reading responses, there are three required written assignments, two individual assignments and one group assignment. These assignments are due on **September 25, October 30** (group assignment) and **November 20**.

Final Paper: Due **December 20**. The final paper is your opportunity to apply what you have learned in the course to a public organization of your own choosing. You should choose an agency that you are familiar with; in most cases this will be an organization in which you have worked or plan to work. You may also choose to work

on an agency that you would like to learn about, but you should make sure that you have enough access to the organization to ensure that your paper is based on actual knowledge of the organization. You make work in pairs if you so choose.

You should choose a problem or opportunity to improve the work the agency does, and that can be addressed by applying some of the concepts and tools that have been dealt with in class. In a 8-10 page paper (max about 2500 words) you should:

- Describe the problem or opportunity you are addressing;
- Analyze the pluses and minuses of using specific management tools to address the problem or opportunity;
- Make short and long term recommendations to management
- Append a brief note on your sources.

We will provide more details on this assignment during December.

Readings: Many required cases and readings will be available on-line, through links provided in this syllabus or through the online materials section of the website. Some materials will be in the course in the course packet, which you are required to purchase. The following book is available for purchase at the Coop, and we urge you to purchase it:

Elaine Kamarck, *The End of Government as we know it*, Lynn Rienner Publishers, 2007.

Readings for this course are available and marked on the syllabus as follows:

- B:** available in the book noted above
- O:** available on-line at the link provided in this syllabus or through library resources.
- W:** available from the course website in the "online readings" section
- P:** available in course packets distributed by the Course Materials Distribution Office (CMDO) in Belfer 7.

All readings will also be on reserve at the Kennedy School library.

Class Schedule

- 1 11-Sept MJB/PZ Introduction to strategic management for public purposes
Readings:
Mark Moore, *Creating Public Value*, Harvard University Press, 1995, pp. 13-23. [P]
John P. Kotter, “What Leaders Really Do” [P]
Edgar H. Schein, *Organizational Culture and Leadership*, pp. 9-23 [P]
Frank Ostroff, “Change Management in Government,” *Harvard Business Review*, May 2006, pp. 141-146. [P]

Reading Response #1: Is the town librarian described in the Moore reading an admirable strategic manager and/or leader?

- 2 16-Sept PZ Organizational theory perspectives
Readings:
Elaine C. Kamarck, ch. 1, “The Revolution in Governing,” pp. 1-13 in *The End of Government As We Know It* (Rienner: 2007). [B]
Philip Selznick, *Leadership in Administration: A Sociological Interpretation*, pp. 5-22 [P]
W. Richard Scott, “Reflections on a Half-Century of Organizational Sociology,” *Annual Review of Sociology*. 2004. 30: 1-21. [O]
<http://ezp1.harvard.edu/login?url=http://proquest.umi.com.ezp-prod1.hul.harvard.edu/pqdweb?did=691458371&sid=1&Fmt=6&clientId=11201&RQT=309&VName=PQD>
Johan P. Olsen, “Maybe it is Time to Rediscover Bureaucracy,” *Journal of Public Administration Research and Theory*. 2005. 16:1-24. [O]
<http://ezp1.harvard.edu/login?url=http://proquest.umi.com.ezp-prod1.hul.harvard.edu/pqdweb?did=947224311&sid=2&Fmt=6&clientId=11201&RQT=309&VName=PQD>

Reading Response #2: Pick any two theoretical perspectives on organization that are mentioned in the Scott article. Why should they be of interest to someone responsible for the strategic management of a public agency?

Setting and Articulating Goals, Mission and Strategy

- 3 18-Sept MJB Choosing Goals and Strategies I
Case: Paying the Bills at the Junta of Andalucía [W]

Readings:

Herman B. Leonard, “A Short Note on Public Sector Strategy-Building” (November 2002) [W]

Ronald Heifetz and Marty Linsky, chapter 4, “Think Politically” (pp 75-100) in *Leadership on the Line: Staying Alive through the Dangers of Leading* Harvard Business School Press, Boston, 2002 [P]

Reading Response #3: What is most important for Ramirez to accomplish as head of the treasury section? What should be his specific objectives?

19-Sept: **Please post a paragraph about yourself on the course website.**

- 4 23-Sept MJB Choosing Goals and Strategies II
Case: Corruption in la Paz: A Mayor Fights City Hall (KSG case C16- 99-1523.0) (W)

Readings:

Donald F. Kettle, “The Global Revolution in Public Management: Driving Themes, Missing Links,” *Journal of Policy Analysis and Management*, Vol. 16, No. 3, pp. 446-462, 1997. [O]
<http://ezpprod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=9707155226&site=ehost-live&scope=site>

Merilee Grindle, “Good Enough Governance Revisited, A Report for DFID, February 2006 [O]
http://www.odi.org.uk/events/states_06/29thMar/Grindle%20Paper%20gegredux2005.pdf

Richard Hackman, “Why Teams Don’t Work”, pp 24-31 in Leader to Leader, Winter, 1998 [P]

Reading Response #4 (group): What should MacLean’s short and long term strategy be? (Note: We will assign students to study groups, for the purpose of this and other assignments, at the end of the second week of class.)

- 5 25-Sept PZ Articulating Mission/Leading Change
Case: Winning Hearts and Minds: Reforming the Providence School District (A) [W]
Readings:
John P. Kotter, “Leading Change: Why Transformation Efforts Fail” [P]
Principles of Effective Persuasion HBS note 9-497-059 [P]

Assignment #1: Assume that Melody Johnson has decided to suspend school for a day and hold a “celebration” for the Providence teachers in early December.

What should she say in her opening remarks? Please draft a first paragraph for her speech, and bring it with you to class, as well as posting it on the website.

- 6 30-Sept PZ Choosing Goals and Strategies III
Case: Student Aid in Sweden [W]

Readings:

John Kingdon, Agendas, Alternatives and Public Policies (second edition), Longman Classics in Political Science, Addison Wesley, New York, 2003 pp 116-131 [P]

Reading Response #5: By what right- under what authority – does Billy Olsson pursue new missions and new business?

Strategies for Improving Performance

7. 2-Oct MJB Introduction: basic framework for improving performance: using information, understanding processes

Readings:

Steven Kelman, “The Transformation of Government in the Decade Ahead,” IBM Center for The Business of Government, 2007. [W]

Robert Simons, “Control in an Age of Empowerment,” Harvard Business Review, Reprint 95211, 1995.

Reading Response #6 What are the pluses and minuses of an emphasis on performance in government agencies? Try to be specific and refer to an organization in which you have worked or with which you are familiar.

- 8 7-Oct MJB Improving performance with scorecards
Case: Anthony Williams [W]

Readings

Elaine C. Kamarck, ch. 5, “The Reinvented Public Sector,” pp. 61-94 in *The End of Government As We Know It* (Rienner: 2007). [B]

Reading Response #7 Why did Anthony Williams choose scorecards as one his first mayoral initiatives? What were the potential benefits and risks of this choice?

- 9 9-Oct MJB Systems for ensuring integrity
Case: The Secretary of Rural Development and NREGA

Readings:

Documents on India’s National Rural Employment Guarantee Act [W]

“The culture of corruption,” *Boston Globe*, July 27, 2008

(W)

- Reading Response #8:** Public works programs, in the United States and other countries, have a reputation for being rampant with fraud and waste. What approach is the massive NREGA program taking to deal with this problem? How might their approach be improved?
- 10 14-Oct MJB Managing with performance information
Case: Assertive Policing, Plummeting Crime: The NYPD Takes on Crime in New York City [W]
Readings:
 Bob Behn, “The Theory Behind Baltimore’s CitiStat”
 APPAM Research Conference 2006 [W]
 Optional: Jennifer Lerner and Philip Tetlock, “Accounting for the Effects of Accountability,” *Psychological Bulletin*, 1999, Vol. 125, No. 2, pp. 255-275. [W]
Reading Response #9: What are the major benefits and costs (if any) of Bratton’s approach to managing the NYPD?
- 11 16-Oct PZ Strategy Maps
Case: City of Charlotte (A) [P]
Readings:
 Robert S. Kaplan and David P. Norton, “Measurement and Management in the Information Age,” chapter 1 in The Balanced Scorecard, Harvard Business School Press, 1996, pp.1-20. [P]
 Robert S. Kaplan, “The Balanced Scorecard for Public-Sector Organizations,” *Balanced Scorecard Report*. [P]
Reading Response #10: Identify one or more advantage and one or more disadvantage in the Balanced Scorecard approach in comparison with the COMPSTAT/ CITISTAT approach to performance management.
- 12 21-Oct PZ Understanding and Improving Work Processes
Case: Aravind Eye Hospital HBS case 9-593-098 [P]
Readings:
 Edgar Schein, Culture: The Missing Concept in Organization Studies, *Administrative Science Quarterly*; Jun 1996, 41, 2; (pp 229-240) [P]
 Jeffrey Pfeffer, *Putting People First*, Academy of Management Executive, 1999, Vol 13, 2, (pp37-48) [P]
Reading Response #11: Can the Aravind organization survive and continue to grow at Dr V leaves the scene?
- 13 23-Oct PZ Improving performance through redesign
Case: OSHA KSG case C 102-97- 1371.0 , 1372.0 and 1373.0[W]

Readings:

Types of Processes, Harvard Business School 9-682-08 [P]

Reading Response #12 What are the advantages of OSHA's Maine 200 approach compared to the Redesign approach? What advantages does the Redesign approach offer?

14 28-Oct MJB Aligning work processes, context and culture

Case: Centrelink (Abridged) C16-99-1524.3 [W]

Readings:

“Organizational Alignment: The 7-S Model,” Harvard Business School Note 9-497-045, 1996. [P]

Reading Response #13 How well has Sue Vardon done in positioning Centrelink for its new environment? What are the most important things for her to do next?

15 30-Oct MJB/PZ Group exercise on performance management

Assignment #2 (group assignment) PerformanceStat or balanced scorecards? Instructions for the assignment will be distributed in class and posted on the website.

Beyond the Organizational Boundaries: Networks and Partnerships

16 4-Nov PZ **Case:** Institute for Healthcare Improvement: The Campaign to Save 100,000 Lives (Stanford Business School Case L-13) [P]

Readings:

Jerome Groopman, chapter 6, *The Uncertainty of the Expert* in How Doctors Think Houghton Mifflin, 2007 (pp132-155) [P]

Atul Gawande, *The Checklist*, The New Yorker, December 10, 2007

Reading Response #14: What is the biggest impediment to change in reducing risks to patients?

17 6-Nov MJB Improving performance through competition

Case: Organizing Competition in Indianapolis (A) and (B) [W]

Readings:

Elaine C. Kamarck, ch. 6, “Government by Network,” pp. 99-122 in *The End of Government As We Know It* [B]

Steven J. Kelman, “Contracting,” in Lester M. Salamon, editor, *The Tools of Government*, Oxford University Press, 2002., pp. 282-318 [P]

Reading Response #15: What should Mitch Robb do in the situation he finds himself in at the end of the B case, given the way the bids came in?

- 11-Nov Veteran's Day- no class
- 18 13-Nov PZ **Case:** Parks and Partnership in New York City (A) [W]
Readings:
 John D. Donahue and Richard J. Zeckhauser, "Public-Private Collaboration," in The Oxford Handbook of Public Policy, 2006 [P]
Reading Response #16: What risks do you see in Adrian Benepe's approach to supporting the New York city parks ?
- 17 -Nov **All class members should take the Implicit Association Test**
Please report results to Gary Schwarz or Varun Jain not later than 5:00pm , Nov 18
The test takes about 10 minutes on line. It is accessed at
<https://implicit.harvard.edu/implicit/demo/>
Please select the Asian-American test demo
- 19 18-Nov PZ Building coalitions
Case: Rev. Jeffrey Brown: Cops, Kids and Ministers [P]
Readings:
 HBS Note on Building Coalitions [P]
Reading Response #17: What is Reverend Brown's distinctive contribution to reducing youth violence in Boston?
- 20 20-Nov MJB Structuring agreements
Case: The Lump Sum Grant Initiative for Hong Kong Social Services [W]
Readings:
 Negotiation Analysis HBS Note 9-801-156 [P]
Assignment #3: Negotiating a performance agreement. Instructions for the assignment will be distributed in class and posted on the website.

Judgment and Decision Making

- 21 25-Nov PZ **Case :** Finding Black Parents: One Church, One Child (KSG case C16-88-856) [W]
Readings:
 Malcolm Gladwell, Chapter 3, *The Warren Harding Error: Why We Fall for Tall, Dark, and Handsome* (pp72-98) in Blink: The Power of Thinking Without Thinking, Little Brown [P]
Optional:
 Daniel Schacter, *The Sin of Bias* in The Seven Sins of Memory: How the Mind Forgets and Remembers, (pp 138-160), Houghton Mifflin Company, 2001 [P]

Mahzarin Banaji and R Bhaskar, *Implicit Stereotypes and Memory : The Bounded Rationality of Social Beliefs* (pp139-175) in Memory , Brain and Belief edited by Daniel Schacter and Elaine Scarry, Harvard University Press, Cambridge, 2000 [P]

Reading Response #18: Why is the DCFS adoption process working poorly for Black children ?

22 2-Dec MJB Lessons from Everest.

Case: Mount Everest—1996 HBS case 9-303-061 [P]

Readings: Max Bazerman, chapter 4, *Motivational and Affective Influences on Decision Making*, in Judgment in Managerial Decision Making, sixth edition, Wiley , 2006 (pp 61-80) [P]

Reading Response #19: What went wrong on Everest?

23 4-Dec PZ **Case: The Accidental Statesman: General Petraeus and the City Of Mosul, Iraq** KSG case C 15-06-1834 (abridged) [W]

Reading:

L Paul Bremer, My Year in Iraq: The Struggle to Build a Future of Hope , Simon and Shuster, New York, 2006, pp39-45, 50-59 [P]

L Paul Bremer, *What We Got right in Iraq* , Washington Post , May 13, 2007 [P]

Reading Response #20: What key assumptions or biases appear to influence the different approaches of General Petraes and Ambassador Bremer ?

24 9-Dec PZ/ MJB **Case: Columbia’s Final Mission** HBS case 9-304-090 [P]

Reading:

Karl Weick and Kathleen Sutcliffe, *Organizational Culture and the Unexpected* (pp117-148) in Managing the Unexpected: Assuring High Performance in an Age of Complexity, Jossey Bass, 2001 [P]

Wrap-up

20-Dec Final assignment due