

# PA 521: Strategic Management: Planning and Measurement

Spring 2016

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Office Hours: I am always willing to meet. I am happy to meet on campus during the day as well as via skype in the evenings. Email me to set up a time that is convenient for you.

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## I. Learning and Course Objectives:

Strategic management provides an approach and set of tools designed to help organizations succeed in dynamic environments. Strategic management is a continuous process. The essence of strategic management is the capacity to leverage an organization's strengths in order to respond to emerging opportunities and challenges in the broader operating environment. This requires the organization to understand its guiding mission, recognize emerging trends and issues, identify and implement appropriate strategies, and monitor and evaluate organizational performance. Under the umbrella of strategic management, this course focuses on strategic planning and performance measurement for public and non-profit organizations.

Strategic planning has been defined by Allison and Kaye as a "systematic process through which an organization agrees on - and builds commitment among key stakeholders to - priorities that are essential to its mission and responsive to the environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities." Strategic planning is a set of concepts, procedures, methodologies, and tools to enhance organizational performance. It forces an organization to clearly define who and what it currently is, to identify a strategic direction and vision of where the organization wants to be in the future, and to formulate and implement the necessary steps to achieve that vision.

Performance measurement is concerned with the identification, measurement, and utilization of performance outputs and outcomes. All public and nonprofit organizations, regardless of size, need to collect and report information on performance. To provide social services and programs effectively, managers need performance information to make informed decisions. As Pressman and Wildavsky noted "implementation cannot succeed or fail without a goal against which to judge it." Regular measurement of an organization's performance toward clearly articulated objectives is a critical component of public and nonprofit organizations' capacity to create public value. Performance measures are used to not only meet legal and regulatory requirements, but to also establish accountability, justify budget proposals, and to improve strategic decision-making.

This course will incorporate theory, methods, and real world applications of strategic planning and measurement via a series of case studies. Weekly readings will cover and highlight research in the public, private and nonprofit sectors. At the conclusion of this course students should be able to:

- Understand the rationale and tools of strategic planning;
- Develop appropriate and meaningful mission statements for organizations that guide decision-making;
- Evaluate the external operating environment of an organization and identify the threats and opportunities facing the organization;
- Recognize the limitations and strengths of strategic planning;
- Understand the logic model and other key frameworks for developing performance measures;
- Describe the difference between input, output, and outcome measures;
- Define performance measures for a particular organization based on mission, stakeholder expectations, cost of collection, measurability, and organizational strategy;
- Integrate strategic planning processes with performance measurement to assist organizational decision-making and drive success.

## II. Course Policies:

**Academic Integrity:** As an academic community, UIC is committed to providing an environment in which research, learning, and scholarship can flourish and in which all endeavors are guided by academic and professional integrity. All members of the campus community—students, staff, faculty, administrators—share the responsibility of insuring that these standards are upheld so that such an environment exists. Instances of academic misconduct by students shall be handled pursuant to the Student Disciplinary Policy. The Student Disciplinary Policy is available online at <http://www.uic.edu/depts/dos/studentconduct.html>. Plagiarism, from the web, from portions of papers for other classes, and from any other source is unacceptable. Please be sure to properly cite all of your work.

**Special Needs:** UIC and the PA Department are committed to maintaining a barrier-free environment so individuals with disabilities can fully access programs, services and all activities on campus. The Office of Disability Services works to ensure the accessibility of UIC programs, classes, and services to students with disabilities. Services are available for students who have documented disabilities, including vision or hearing impairments and emotional or physical disabilities. Students with disability/access needs or questions may contact the Office of Disability Services at (312) 413-2183 (voice) or (312) 413-0123 (TTY only). Please feel free to contact me if you need any special accommodations.

**Class Etiquette:** You are required to treat each other and each other's ideas with respect and create a safe atmosphere in which open discussion and debate can take place. It reflects poorly on yourself and is discourteous to your colleagues and me to use cell phones, surf the web, etc. during class.

**Attendance:** Attendance is mandatory and will count as part of your grade. We can all benefit from your point of view. If a student has to miss a class, advance notice would be appreciated (email is the best

method). In these cases, students are expected to keep up with the class requirements and turn in assignments on time. All students are expected to attend and participate in classes.

**Assignments:** All written assignments must be turned in on time. It will be up to the instructor's discretion whether to accept any assignment after that time. In an attempt to be fair to students who turn assignments in on time, late assignments will be penalized. All assignments will be submitted via Blackboard. For written assignments, please also bring a hard copy of the assignment to class with you.

**Formatting:** The standard for all written assignments is Times New Roman font, size 12 point, double-spaced, and margins of 1 on all sides. Students must cite works properly and consistently, using the American Psychological Association (APA) style <http://www.apastyle.org/index.html> or other consistent formatting technique. All work that is borrowed directly, paraphrased, or alluded to must be properly cited. Plagiarism – borrowing any idea, theory, information, or facts that are not common knowledge without acknowledging the source - is a very serious offence. The academic honor code applies under all conditions. See link under academic integrity above.

### III. Course Requirements and Grading:

As part of this course you will engage in a field study with an organization of your choosing. Over the course of the term you will write: (i) an industry analysis, (ii) an organizational analysis, and (iii) a performance measurement plan. The organization you choose can be a nonprofit, public agency, or a small government such as a school district. You are encouraged to use organizations you have or are working for, or an organization in an industry you hope to enter upon graduation. You are required to notify me of your field study organization by January 28th. More information on the field study will be distributed in a separate document during class.

You will also be required to present material for various cases we read throughout the semester, develop a logic model for your organization, and discuss and comment on aspects of your field study findings. For six of the cases we study this semester, students working in small groups will be tasked with leading the discussion of a particular aspect of a case or role playing a particular scenario. Each student will be randomly assigned to a group and that group will be assigned to a particular case and a particular task. Students will also turn in a series of *one-pagers*; these are brief write-ups on the cases or topics covered in a given week.

You grade will be determined as follows:

<b>Industry analysis</b> (due February 25)	20%
<b>Organizational analysis</b> (due March 31)	25%
<b>Performance measurement plan</b> (due April 28)	25%
<b>Case preparation (one pagers)/presentations</b>	20%
<b>Class participation</b>	10%

## IV. Required Texts:

Bryson, John M. (2011) *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 4<sup>th</sup> edition (Jossey-Bass)

Poister et al. (2014) *Managing and Measuring Performance in Public and Nonprofit Organizations: An Integrated Approach*, 2<sup>nd</sup> edition (Jossey-Bass).

## V. Course Overview (subject to change):

### PART ONE: STRATEGIC PLANNING

#### Week 1 – January 14: Course Introduction and Overview

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Topics: Course design, learning objectives, and the case study approach. The meaning of strategic management and strategic planning and the rationale behind them.

Readings: None

#### Week 2 – January 21: Strategic Planning in Different Sectors

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**\*\*\*\*\*Items Due:**

**1. One page written document of your analysis of the Budget Woes data and a single PowerPoint slide with similar information to be shared with the class. Please submit via Blackboard by 5pm.**

Topics: Differences and similarities in the strategic planning process and environment across sectors. Identifying the challenges and problems that exist for strategic planning in these contexts.

Required Readings:

Bryson Chapters 1-2

Optional Readings:

Nutt, P.C., Backoff, R.W., 1993. Organizational Publicness and Its Implications for Strategic Management. *Journal of Public Administration Research and Theory* 3, 209-231.

Ring, P.S., Perry, James L., 1985. Strategic Management in Public and Private Organizations: Implications of Distinctive Contexts and Constraints. *The Academy of Management Review* 10, 276-286.

Gargan, J.J., Sutton, T.C., 2000. Strategic Management in City Government, in: Rabin, J., Miller, G., Hildreth, W.B. (Eds.), *Handbook of Strategic Management*. Marcel Dekker, Inc., New York, pp. 691-707.

- Stone, M.M., Bryson, J.M., 2000. Strategic Management in the Nonprofit Sector, in: Rabin, J., Miller, G., Hildreth, W.B. (Eds.), Handbook of Strategic Management. Marcel Dekker, Inc., New York, pp.
- Moore, M. H. (2000). Managing for value: Organizational strategy in for-profit, nonprofit, and governmental organizations. Nonprofit and Voluntary Sector Quarterly, 29 (suppl 1), 183 -208.

Case Study: Budget Woes and Worse Ahead Part 1

### **Week 3 – January 28: Formal and Informal Mandates; Stakeholder Analysis and Mission Statements**

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**\*\*\*\*\*Items Due:**

- 1. Identification of industry and organization for the field study.**
- 2. Bring to class and present an example of the best and worst mission statements (one each) that you can find in your chosen industry. Please submit via Blackboard by 5pm.**

Topics: Mandates and stakeholder influence on organizational mission, goals, and programs. Mission statements as drivers of the strategic planning process. Values and goals as part of mission statements. Identifying stakeholders.

Required Readings:

Bryson Chapters 3-4 and Resource A: Stakeholder ID and Analysis

Optional Readings:

McDonald, R.E., 2007. An Investigation of Innovation in Nonprofit Organizations: The Role of Organizational Mission. Nonprofit and Voluntary Sector Quarterly 36, 256-281.

Wright, B.E. (2007). Public service and motivation: Does mission matter? Public Administration Review, 67(1), 54-64.

Weiss, J.A., & Piderit, S.K. (1999). The value of mission statements in public agencies. Journal of Public Administration Research and Theory, 9(2), 193-224.

Case Study: Ellen Schall and the Department of Juvenile Justice

### **Week 4 – February 4: Industry Analysis/Environmental Scanning; SWOT Analysis**

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**\*\*\*\*\*Items Due:**

## 1. One page write-up on Casa Amiga Case Study.

Topics: Defining and identifying an organization's industry. How industry analysis is relevant to public and nonprofit organizations. The basic concepts of environmental scanning. Factors to consider in the internal and external organizational environment. The concepts of threat, opportunity, and comparative advantage. Uses and critiques of SWOT Analysis.

### Required Readings:

Bryson chapter 5

Rainey, H.G., 2009. Understanding and Managing Public Organizations, 4th ed. Jossey-Bass, San Francisco, CA. [Chapter 4: Analyzing the Environment of Public Organizations, p. 77-95]

Orr, S. K. , 2011. The Private Sector on Public Land: Policy Implications of a SWOT Analysis of Banff National Park. Journal of Natural Resources Policy Research, 3(4), 341-354.

### Optional Readings:

Ferris, J.M., Graddy, E.A., 1999. Structural Changes in the Hospital Industry, Charity Care, and the Nonprofit Role in Health Care. Nonprofit and Voluntary Sector Quarterly 28, 18-31.

Kearns, K.P., 1992. From comparative advantage to damage control: Clarifying strategic issues using SWOT analysis. Nonprofit Management and Leadership 3, 3-22.

Case Study: Casa Amiga: Addressing Violence Against Women On The U.S.-Mexico Border

## **Week 5 – February 11: Identifying, Formulating, and Adopting Strategies; Portfolio Analysis**

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Topics: Identifying individual strategic issues and the difference between operational and strategic issues. The strategy development process and the identification of practical alternatives for resolving strategic issues. Various models of portfolio analysis used in commercial and industrial organizations; the concept of strategic fit.

### Required Readings:

Bryson Chapters 6-8 and Resources C & D

### Optional Readings:

Carroll, D.A., Stater, K.J., 2009. Revenue Diversification in Nonprofit Organizations: Does it Lead to Financial Stability? Journal of Public Administration Research and Theory 19, 947-966.

Frumkin, P., & Andre-Clark, A. (2000). When missions, markets, and politics collide: Values and strategy in the nonprofit human services. *Nonprofit and Voluntary Sector Quarterly*, 29(suppl 1), 141-163. doi: 10.1177/089976400773746373

Case Study: Continue working with Casa Amiga: Addressing Violence Against Women On The U.S.-Mexico Border

## **Week 6 – February 18: Choosing the Right Strategy**

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\*\*\*\*\*Items Due:

1. One page write-up on the 2V/ACT case study.

Topics: Growth, retrenchment, and stabilization strategies. Horizontal and vertical integration. How to retrench while preserving core competencies. Stabilization as a legitimate strategy. Cooperation, collaboration, and strategic alliances.

### Required Readings:

Bozeman, B., 2010. Hard Lessons from Hard Times: Reconsidering and Reorienting the “Managing Decline” Literature. *Public Administration Review* 70, 557-563.

Boyne, G.A., 2006. Strategies for Public Service Turnaround. *Administration & Society* 38, 365-388.

Foster, W., Fine, G., 2007. How Nonprofits Get Really Big. *Stanford Social Innovation Review*, 46-55.

### Optional Readings:

Walker, R. M. (2013). Strategic Management and Performance in Public Organizations: Findings from the Miles and Snow Framework. *Public Administration Review*.

Case Study: 2V/ACT: Planning for Change and Determining Relevance (Seattle Youth Involvement Network)

## **Week 7 – February 25: Implementing Strategies and Strategic Plans**

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\*\*\*\*\*Items Due:

## 1. Industry Analysis - submit online by the start of class.

Topics: Bringing strategic plans to life. Development of effective implementation plans, building capacity for sustained implementation, and adjusting plans based on feedback.

Required Readings:

Bryson Chapters 9-11

Optional Readings:

Poister, T. H. (2010). The Future of Strategic Planning in the Public Sector: Linking Strategic Management and Performance. *Public Administration Review*, 70, s246-s254.

Fernandez, S., & Rainey, H.G. (2006). Managing successful organizational change in the public sector. *Public Administration Review*, 66(2), 168-176. doi: 10.1111/j.1540-6210.2006.00570.x

Case Study: Continue with 2V/ACT: Planning for Change and Determining Relevance (Seattle Youth Involvement Network)

## PART TWO: PERFORMANCE MEASUREMENT

### Week 8 – March 3: Introduction to Performance Measurement: Logic Models and Performance Planning

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Topics: The importance of performance measures in public and non-profit organizations. The purposes served by performance measurement systems. The principles of logic modeling and how such models can enhance organizational planning and implementation.

Required Readings:

Poister Chapters 1-3

Millar, A., Simeone, R.S., Carnevale, J.T., 2001. Logic Models: A Systems Tool for Performance Management. *Evaluation and Program Planning* 24, 73-81.

Rossi, P.H., Freeman, H.E., Lipsey, M.W., 1999. *Evaluation: A Systematic Approach*, 6th ed. Sage, Thousand Oaks, CA. [pages 98-115 on the Analysis of Program Assumptions and Theory]

Optional Readings:



Behn, R.D., 2003. Why Measure Performance? Different Purposes Require Different Measures. Public Administration Review 63, 586-606.

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

Morley, E., Lampkin, L.M., 2004. Using Outcome Information: Making Data Pay Off, Series on Outcome Management for Nonprofit Organizations. The Urban Institute. Full-text available at:  
[http://www.urban.org/UploadedPDF/311040\\_OutcomeInformation.pdf](http://www.urban.org/UploadedPDF/311040_OutcomeInformation.pdf)

Dubnick, M. (2005). Accountability and the promise of performance: In search of the mechanisms. Public Performance & Management Review, 28(3), 376-417. doi: 10.1080/15309576.2005.11051839

Case Study: None - students will work on a logic model of their field study organization

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## **Week 9 – March 10: Defining Performance Measures**

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\*\*\*\*\*Items Due:

**1. Turn in Logic Model**

Topics: Translating organizational goals and objectives into measurable indicators of performance. What do good performance measures look like? Assessing the validity and reliability of performance measures. Where organizations can obtain data.

Required Readings:

Poister Chapters 4-5

O'Sullivan, E., Rassel, G.R., 1999. Research Methods for Public Administration. Longman Publishing Group, New York. [Read section on Reliability, Operational Validity, and Sensitivity of Measures, p. 107-126]

Optional Readings:

Lampkin, L.M., Hatry, H.P., 2003. Key Steps in Outcome Management, Series on Outcome Management for Nonprofit Organizations. The Urban Institute.

Case Study: In Maryland, A Change In How Hospitals Are Paid Boosts Public Health

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## **Week 10 – March 17: Working with and Analyzing Performance Data**

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**\*\*\*\*\*Items Due:**

**1. One page write-up on Team Read Case Study.**

Topics: What types of analysis can organizations engage in to make effective use of their performance data? How does an organization gauge whether or not they are performing well based on the indicators?

Required Readings:

Poister Chapters 7

Hatry, H.P., Cowan, J., Hendricks, M., 2004. Analyzing Outcome Information: Getting the Most From Data, Series on Outcome Management for Nonprofit Organizations. The Urban Institute.

Optional Readings:

Blalock, A.B., Barnow, B.S., 2001. Is the New Obsession With Performance Management Masking the Truth About Social Programs, in: Forsythe, D.W. (Ed.), Quicker, Better, Cheaper? Managing Performance in American Government. Rockefeller Institute Press, pp. 485-517. Full-text available at: [http://www.rockinst.org/nys\\_government/program\\_management.aspx](http://www.rockinst.org/nys_government/program_management.aspx)

Case Study: Team Read: Improving Literacy & Evaluating Efficacy

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**Week 11 – March 24: Spring Break**

**\*\*\*No Class\*\*\***

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**Week 12 – March 31: Reporting Performance Data**

**\*\*\*\*\*Items Due:**

**1. Organization Analysis - submit online by the start of class**

Topics: Communicating results of performance measurement to stakeholders. Fundamentals of the balanced scorecard approach and its applicability to nonprofit and public organizations.

Required Readings:

Poister Chapters 6

Kaplan, R.S., Norton, D.P., 1992. The Balance Scorecard - Measures that Drive Performance. Harvard Business Review, January-February, 71-79.

Optional Readings:

Epstein, P., Fountain, J., Campbell, W., Patton, T., Keaton, K., 2005. Government Service Efforts and Accomplishments Performance Reports: A Guide to Understanding. Government Accounting Standards Board.

Case Study: TBA

**Week 13 – April 7: TBA**

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**Topic:** TBA

**Week 14 – April 14: Use of Performance Measures and Integration with Strategic Management**

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\*\*\*\*\***Items Due:**

**1. One page write-up on Kaboom Case Study.**

Topics: The role of performance measures in supporting and strengthening the strategic planning process. Identifying the strategic measures most useful for planning and management.

Required Readings:

Poister Chapters 8, 12, 14

Optional Readings:

Moynihn, D. P., & Pandey, S. K. , 2010. The Big Question for Performance Management: Why Do Managers Use Performance Information? Journal of Public Administration Research and Theory, 20(4), 849-866.

Clay, J.A., Bass, V., 2002. Aligning Performance Measures with Key Management Processes. Government Finance Review 18, 26-29.

Poister, T. H., Pasha, O. Q., & Edwards, L. H., 2013. Does Performance Management Lead to Better Outcomes? Evidence from the U.S. Public Transit Industry. *Public Administration Review*, 73(4), 625-636.

Case Study: KaBoom: Playgrounds and Performance

### **PART THREE: SPECIAL TOPICS**

#### **Week 15 – April 21: Performance Management at the Individual Level. Incentive Systems.**

**\*\*\*\*\*Items Due:**

**1. One page write-up on performance incentives.**

Topics: Performance measures at the individual level. Gathering individual performance information and developing appraisal forms. Reward systems and incentives.

Required Readings:

Aguinis, H., Joo, H., & Gottfredson, R. K. , 2011. Why we hate performance management—And why we should love it. *Business Horizons*, 54(6), 503-507.

Perry, J. L., Engbers, T. A., & Jun, S. Y., 2009. Back to the Future? Performance-Related Pay, Empirical Research, and the Perils of Persistence. *Public Administration Review*, 69(1), 39-51

Fehr, E., & Falk, A. , 2002. Psychological Foundations of Incentives. *European Economic Review*, 46(4–5), 687-724. doi: [http://dx.doi.org/10.1016/S0014-2921\(01\)00208-2](http://dx.doi.org/10.1016/S0014-2921(01)00208-2)

Clarke, Kristen (2005). Do This, Get That: Making Sense of Incentives. *Associations Now*.

Optional Readings:

Durant, R. F., Kramer, R., Perry, J. L., Mesch, D., & Paarlberg, L., 2006. Motivating Employees in a New Governance Era: The Performance Paradigm Revisited. *Public Administration Review*, 66(4), 505-514.

Fryer, R.G. (2011). “Teacher Incentives and Student Achievement.” National Bureau of Economic Research, Working Paper 16850.

Case Study: The Division of Water Resources

The future of the performance review, <http://thedianerehmsnow.org/shows/2014-03-19/future-performance-review>

Inside Amazon, [http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html?partner=rss&emc=rss&\\_r=1](http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html?partner=rss&emc=rss&_r=1)

Are Amazon's Feedback Tactics Unusual, <http://www.bbc.com/news/magazine-33988479>

## **Week 16 – April 28: Network Governance, Collaboration and Strategic Alliances**

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### **\*\*\*\*\*Items Due:**

#### **1. Performance Measurement Plan.**

Topics: Collaboration and cooperation among nonprofits, private organizations, and government agencies.

#### Required Readings:

Provan, K.G., & Milward, H.B. (2001). Do networks really work? A framework for evaluating public-sector organizational networks. *Public Administration Review*, 61(4), 414-423.

Provan, K.G., Kenis, P., 2008. Modes of Network Governance: Structure, Management, and Effectiveness. *Journal of Public Administration Research and Theory* 18, 229-252.

Emerson, K., Nabatchi, T., & Balogh, S. (2012). An integrative framework for collaborative governance. *Journal of Public Administration Research and Theory*, 22(1), 1-29. doi: 10.1093/jopart/mur011

#### Optional Readings:

Galaskiewicz, J., Bielefeld, W., Dowell, M., 2006. Networks and Organizational Growth: A Study of Community Based Nonprofits. *Administrative Science Quarterly* 51, 337-380.

Weiss, E.S., Anderson, R.M., Lasker, R.D., 2002. Making the Most of Collaboration: Exploring the Relationship Between Partnership Synergy and Partnership Functioning. *Health Education & Behavior* 29, 683-698.

Guo, C., Acar, M., 2005. Understanding Collaboration Among Nonprofit Organizations: Combining Resource Dependency, Institutional, and Network Perspectives. *Nonprofit and Voluntary Sector Quarterly* 34, 340-361.

Mandell, M.P., & Keast, R. (2008). Evaluating the effectiveness of interorganizational relations through networks. *Public Management Review*, 10(6), 715-731. doi: 10.1080/14719030802423079

Isett, K.R., Mergel, I.A., LeRoux, K., Mischen, P.A., & Rethemeyer, R.K. (2011). Networks in public administration: Understanding where we are and where we need to go. *Journal of Public Administration Research and Theory*, 21(suppl1), i157-i173.

Klijn, E.-H., Edelenbos, J., & Steijn, B. (2010). Trust in governance networks: Its impacts on outcomes. *Administration & Society*, 42(2), 193-221. doi: 10.1177/0095399710362716

Case Study: TBA