

Victoria University of Wellington



## MASTER OF STRATEGIC STUDIES PROGRAMME

### STRA 511

### STRATEGIC THINKING FOR MANAGERS AND ANALYSTS

(Second Trimester Paper – 15 points)

### 2005 COURSE OUTLINE

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### Module Dates, Times and Locations

Module Four: Thursday 25 August 2005 8:30am - 6:00pm

Module Five: Thursday 13 October 2005 8:30am - 6:00pm

Module Six: Thursday 17 November 2005 8.30am - 6.00pm

Locations: Pipitea Campus.  
Rooms will be advised prior to each module.

## Course Objectives

Strategic Thinking for Managers and Analysts explores the nature of strategic thinking and how it relates to other types of thinking (systems thinking, scientific thinking and philosophical enquiry, policy analysis). The state of the underlying theory is explored using the Liedtka Model as the starting point for discussion. Course members will be exposed to a wide range of examples of strategic thinking in the New Zealand public sector context as well as further afield. The aim is to encourage course members to reflect on the nature of strategic thinking, become familiar with the literature of strategic thinking as reflected in the course readings, and demonstrate the ability to apply the discipline and creativity of strategic thinking within their own fields of interest.

## Course Outline and Readings

There is no set textbook for this course. An outline of the course and list of readings by topic area follows:

### Topic One Introduction and Overview

What is Strategic Thinking and how does it differ from other types of thinking (philosophical enquiry, scientific thinking and empiricism, induction and deduction, formal thinking, the policy sciences)?

What are its characteristics? How can we recognise it when we see it? What are its strengths and limitations?

Which part of the brain is involved in strategic thinking? Are other species capable of strategic thought?

Where can we look to find examples of strategic thinking (good as well as bad)?

What is the purpose of strategic thinking: should it be reflective or action-oriented?

Is strategic thinking anything more than informed story telling (scenario building) and myth making? Is it creative and divergent or deductive and convergent? How is it related to romanticism, existentialism and post-modernism?

What is the state of the underlying theory? Can strategic thinking be taught? If so, how?

What is the relationship between strategic thinking and systems thinking?

Introduction to strategic thinking in government: the link between strategic thinking and policy thinking; encouraging creativity; creativity techniques; a selection of relevant external links.

### *Key readings*

Liedtka, Jeanne (2004). Strategy as Design. In *Rotman Management, Winter 2004*.

Prime Minister's Strategy Unit (2004). UK Cabinet Office *Strategy Survival Guide* (extracts).

Sterman, John D (2002). *All Models are Wrong: Reflections on Becoming a Systems Scientist*. System Dynamics Review Vol. 18, No. 4, Winter 2002: 501-531.

#### *Supplementary readings*

Cook-Greuter, Susanne R (2002). Nine Action Logics and Their Development in Detail. Strategic thinking as an individuated stage in the differentiation/integration process.

Grundy, Tony and Brown, Laura (2002). *Becoming Your Own Strategy Consultant*. In *Be Your Own Strategy Consultant: Demystifying Strategic Thinking*. Thomson Learning. London.

Schwartz, Peter (1996). The Scenario-Building Animal. In *The Art of the Long View: Planning for the Future in an Uncertain World*. Doubleday. New York.

Caldwell, Bruce (2004). Epilogue: A Meditation on Twentieth-Century Economics. In *Hayek's Challenge: An Intellectual Biography of F. A. Hayek*. University of Chicago Press. Chicago and London.

Barry, David (1997). Strategy Retold: Toward a Narrative View of Strategic Discourse. In *Academy of Management Review 1997*. Vol.22 No. 2. 429-452.

Cummings, Stephen (2002). Deconstructing Management: Premodernism, Modernism and Postmodernism. In *ReCreating Strategy*. SAGE Publications Ltd. London.

Franklin, Peter (1998). Thinking of Strategy in a Post-Modern Way. In *Strategic Change*, John Wiley & Sons Ltd, December 1998.

Ogilvy, James (2003). What Strategists Can Learn from Sartre. In *Strategy+Business*. Winter 2003. Retrieved from [www.strategy-business.com](http://www.strategy-business.com) on 10/02/04.

Gupta, Dipak K (2001). The Elements of Strategic Thinking: Decision Tree and Game Theory. In *Analysing Public Policy: Concepts, Tools and Techniques*. CQ Press (Congressional Quarterly Inc). Washington D.C.

Cavana, Robert Y and Mares, Edwin D (2004). *Integrating Critical Thinking and Systems Thinking: from Premises to Causal Loops*. System Dynamics Review Vol. 20, No. 3, Fall 2004: 223-235.

Wright, Alicia and de Joux, Virginia (2003). *Getting Results: Case Studies of Innovation in the Public Service* (Extracts). Amherst Group Ltd. Unpublished report to NZ Public Service Innovation Team drawn from DPM&C, the Treasury and SSC.

## **Topic Two The Liedtka Model**

A brief introduction to each of the elements in the Liedtka Model of Strategic Thinking: Intent Focus; Thinking in Time; Hypothesis Driven; Intelligent Opportunism; Systems Perspectives.

How each of the elements inter-relate.

The Liedtka Model in practice. Using the model to drive a strategic thinking process.

*Key reading*

Lawrence, Eton (1999). *Strategic Thinking: A Discussion Paper*. Research Directorate. Policy, Research and Communications Branch. Public Service Commission of Canada.

*Follow-up reading*

Heracleous, L (1998). Strategic thinking or strategic planning. In *Long Range Planning*, 31, (3), 481-487.

Liedtka, Jeanne (1998). Strategic thinking; can it be taught? In *Long Range Planning*, 31, (1), 120-129.

Liedtka, J (1998). Linking strategic thinking and strategic planning. In *Strategy and Leadership*, October (1), 120-129.

### **Topic Three The Strategic Thinker as Revolutionary and Romanticist**

Underlying elements in the Liedtka Model: the role of the strategist in challenging established modes of thought.

Thesis, anti-thesis and synthesis (Hegel).

Strategic thinking as a catalyst for action.

Romanticism and strategic thought. The 'indomitable will' of the individual.

The role of national mythologies, narrative discourse and story-telling.

*Key reading*

Berlin, Isaiah (1999). *The Roots of Romanticism: the Lasting Effects*. From the *A. W. Mellon Lectures in the Fine Arts (1965)*. *The National Gallery of Art, Washington, D.C.* Published by Princeton University Press. Edited by Henry Hardy.

*Supplementary reading*

Hayek, F. A. (1944). *The End of Truth*. In *The Road to Serfdom*. University of Chicago Press. 50<sup>th</sup> Anniversary Edition (1994).

### **Topic Four Intent Focus**

What is meant by 'strategic intent'? How does strategic intent act to preserve and lengthen the attention span of organisations, set worthwhile targets, and create the conditions within which organisations can strive for industry or sector leadership?

How is strategic intent related to the strategic culture of an organisation?

If strategic thinking cannot be solely a matter of reason, where does emotion enter in, and how can the emotional aspects of intellect be used to reinforce reason?

#### *Key readings*

Hamel, Gary and Prahalad, C. K. (1989). Strategic Intent. *Harvard Business Review*. May-June 1989.

Smith, Charles E. (1994). The Merlin Factor: Leadership and Strategic Intent. In *Business Strategy Review*. Spring 1994.

Roberts, Kevin (2004). *Lovemarks: the Future Beyond Brands*. Reed Books. Auckland.

#### *Supplementary readings*

A Grand but Costly Vision: Manned Mission to Mars. Lead editorial piece in *The Economist*. Jan 17<sup>th</sup>-23<sup>rd</sup>, 2004.

### **Topic Five Thinking in Time**

What is meant by the phrase 'thinking in time'? Does the past have predictive value and how can our knowledge of the past be used to condition and inform our views about the future?

What do Hamel and Prahalad (1994) mean when they assert that strategy is not driven solely by the future but by the gap between current reality (where we are at the present) and our intent for the future (where we want to end up)?

What does Liedtka (1998) mean when she asserts that strategic thinking is the process whereby we connect past, present and future, using an institution's memory and its broad historical context as 'critical inputs into the creation of its future'?

Can we agree with Neustadt (1986) when he states that thinking in time has three components: 'one is recognition that the future has no place to come from but the past...another is recognition that what matters for the future is departures from the past, alterations, changes, which prospectively or actually divert familiar flows from accustomed channels...a third is continuous comparison, an almost constant oscillation from the present to future to past and back, heedful of prospective change, concerned to expedite, limit, guide, counter, or accept it as the fruits of such comparison suggest'?

#### *Key reading*

Neustadt, Richard and May, Ernest (1986). Seeing Time as a Stream. In *Thinking in Time: the Uses of History for Decision Makers*. The Free Press, New York.

*Supplementary reading*

Brand, Stewart (1999). Notional Clock/Kairos and Chronos/Moore's Wall/Uses of the Future/Uses of the Past. In *The Clock of the Long Now: Time and Responsibility*. Basic Books, New York.

**Topic Six Hypothesis Driven**

Why does Liedtka claim that the ability to develop and test successive hypotheses is the 'core competence of the best strategy consulting firms'?

Is it profitable to propose that hypothesis generation and testing lies at the core of strategic thinking ability? What is missing in this general proposition?

What does the scientific method have to say about the role of hypotheses?

Is there a conflict between creative and analytical modes of thought and, if so, how does the iterative use of hypotheses about the future accommodate and facilitate both?

How should moral, ethical and philosophical considerations be taken into account?

*Key readings*

Berlin, Isaiah (1962). The Purpose of Philosophy. In *The Power of Ideas*. Pimlico (2001).

Berlin, Isaiah (1978). An Introduction to Philosophy. Recording of a conversation with Bryan Magee. In *Men of Ideas: Some Creators of Contemporary Philosophy*. BBC London.

Putnam, Hilary (1978). The Philosophy of Science. Conversation with Bryan Magee (ibid).

Popper, Karl (1951-56). Kinds of Determinism. In *The Open Universe: An Argument for Indeterminism*. From the *Postscript to the Logic of Scientific Discovery*. Routledge, London and New York (1982).

*Supplementary readings*

Burke, James and Ornstein, Robert (1995). The ABC of Logic. The impact on logical thinking of the invention of the alphabet. In *The Axemaker's Gift: A Double-Edged History of Human Culture*.

Popper, Karl (1945). The Rise of Oracular Philosophy: Hegel. In *The Open Society and its Enemies. Vol II. The High Tide of Prophecy: Hegel, Marx, and the Aftermath*. Routledge & Sons, London.

**Topic Seven Intelligent Opportunism**

Lawrence (1998) summarises the essence of intelligent opportunism as *openness to new experience*. He argues, and Mintzberg (1999) agrees, that organisations seeking to cultivate the practice of openness need to put special stress on mechanisms for encouraging the flow of ideas at all levels of

the organisation, from the most junior upwards. This is the essence also of *emergent strategies* versus top-down or deliberative strategy.

#### *Key readings*

Mintzberg, Henry (1996). The Manager's Job. Reading 2.1 in *The Strategy Process: Concepts, Contexts, Cases*. Henry Mintzberg and James Quinn (eds). Prentice Hall, New Jersey.

Quinn, James and Voyer, John (1996). Logical Incrementalism: Managing Strategy Formation. Reading 5.1 (ibid).

Mintzberg, Henry (1996). Crafting Strategy. Reading 5.2 (ibid).

#### *Supplementary readings*

Richardson, Bill (1994). Comprehensive Approach to Strategic Management: Leading Across the Strategic Management Domain. In *Management Decision*, Vol. 32 No. 8, pp. 27-41.

Robertson, Duncan (2003). Agent-Based Models of a Banking Network as an Example of a Turbulent Environment: the Deliberate vs. Emergent Strategy Debate Revisited. In *Emergence*, 5(2), 56-71.

### **Topic Eight Systems Perspectives**

Liedtka (1998), following the Mintzberg model, puts special stress on the importance of cultivating systems-wide perspectives as a key ingredient in the way strategic thinkers approach the tasks of problem solving and ideas generation. In the business context, a systems perspective involves the ability to understand and conceptualise *all* of the relationships between *all* of the elements in the total value-creating chain. In a public sector context, it is the ability to perceive and respond creatively to the myriad of political, social and economic relationships impacting on the organisation from the Minister down (and the taxpayer up), as well as appreciating the role of the organisation in relationship to every other part of the public sector. In this sense, for the New Zealand public sector official seeking to achieve a systems perspective, it entails the ability to think about and articulate what New Zealand is trying to achieve, internally as well as externally, and to do this as part and parcel of designing and implementing systems to deliver the particular outputs for which the individual organisation is responsible.

#### *Key readings*

Senge, Peter (1996). The Leader's New Work: Building Learning Organisations. *Sloan Management Review* (Fall 1990), pp. 7-23. Also appears as Reading 8.2 in *The Strategy Process: Concepts, Contexts, Cases*. Henry Mintzberg and James Quinn (eds). Prentice Hall, New Jersey.

Von Bertalanffy, Ludwig (1972). The History and Status of General Systems Theory. In George J. Klir, ed., *Trends in General Systems Theory*. Wiley-Interscience, New York.

### *Supplementary readings*

Hurst, David K., (2000). Learning from the Links: What Systems Thinking Teaches About Golf and Management. In *Strategy+Business*. Reprint No. 00404. Fourth Quarter, 2000.

Richardson, George P., (1986). Problems with Causal-Loop Diagrams. In *Systems Dynamics Review* 2 (no. 2, Summer 1986): 158-170.

## **Topic Nine    Physiology**

Strategic thinking, and creative thinking more generally, undoubtedly has its base in the detailed physiology of the brain. The very brief selection of readings set out below cover what is known, or at least what is currently supposed, about the physiological and anatomical bases for strategic thinking. Much of this material, being relatively new and therefore still untested, or in any event not fully tested, is at the speculative and, in places, popular edge of science. It should be read with caution. It nonetheless seems worthwhile reproducing a selection of it here because, if we can understand the anatomy of thinking better we may, it seems reasonable to hope, also begin to understand how to exercise and train the brain for creative as well as analytical thought.

### *Key reading*

Calvin, William H. (1989). Making Up the Mind: Morning on Eel Pond and Shaping Up Consciousness with a Darwinian Dance: Emergence from the Sub-Conscious. In *The Cerebral Symphony: Seashore Reflections on the Structure of Consciousness*. Bantam Books.

### *Supplementary readings*

Sagan, Carl (1977). The Future Evolution of the Brain. In *The Dragons of Eden: Speculations on the Evolution of Human Intelligence*. Ballantine Books. New York.

Dawkins, Richard (1998). The Balloon of the Mind. In *Unweaving the Rainbow: Science, Delusion and the Appetite for Wonder*. Penguin Books, London.

## **Topic Ten    Beyond the Liedtka Model. Conclusions and Suggestions for Further Study**

The attraction of the Liedtka Model is that it offers an ordered framework within which to ‘think about thinking’ and, in particular, to think about strategic thinking. But attractive though it is as a model, no model can hope to comprehend all of the elements that go to make up what must remain, at essence, a creative and possibly chaotic activity. And this must be particularly true the more disordered and chaotic the actual world in which we are seeking to act appears to be. A small selection of final readings are therefore offered as an antidote and a reminder of the complexity within which real strategic thinking and planning takes place.

### *Key reading*

Kurtz C. F. and Snowden D.J. (2003). The New Dynamics of Strategy: Sense-making in a Complex and Complicated World. *IBM Systems Journal*, Vol 42, No 3, 2003.



### Supplementary reading

Elster, Jon (1989). When Rationality Fails. In *Solomonic Judgements: Studies in the Limitations of Rationality*. Cambridge University Press/Maison des Sciences de l'Homme.

Ruitenbeek, Jack and Cartier, Cynthia (2001). The Invisible Wand: Adaptive Co-Management as an Emergent Strategy in Complex Bio-Economic Systems. *Center for International Forestry Research*. Bogor, Indonesia. Occasional Paper No. 34.

### Assessment

For those taking STRA 511 for academic credit (15 points), the following assessment requirements will need to be met:

- An essay of 2,500 words (worth 30% of the final course grade) in which course members' are invited to explore the Liedtka model by applying it to an example of strategic thinking in the New Zealand public or private sector, or to an example of strategic thinking drawn from further afield. This essay is due for handing in no later than 5.00 pm on Monday 12 September. ***No time extensions will be allowed for this first assignment.***
- Drawing on your reflections and class discussion at the first module, the course readings for this paper and the general strategic studies literature, an analysis of a different example of strategic thinking (i.e. different from the example described in the first assignment) followed by a presentation at the second course module. In undertaking their analysis and class presentation, course members should include their reflections on the completeness and suitability of the Liedtka Model as a framework for strategic thinking in the context of the issue they have examined. Your notes for the presentation and the presentation itself will be worth a combined total of 30% of the final grade. A copy of the notes and a print out of any backup slides used for the presentation ***are to be handed in to the course moderator at the second module (Thursday 13 October)***. Guidelines on the presentation including the maximum time that will be available to course members to make their presentation and field questions from the class will be distributed at the first module.
- A final report of 4,000 words (40% of course grade), conducted on either a group or individual basis, in which course members critique and extend the Liedtka Model, or develop their own strategic thinking model based on critical reflection on class discussion, the course readings for STRA 511 and the wider strategic studies literature – ***the due date for the final report is 5.00 pm Monday the 28<sup>th</sup> of November. No time extensions will be allowed for the final report.***

**Please send / hand-in all assignments to:**

Francine McGee,  
 School of Government,  
 Victoria University of Wellington,  
 Level 8 Reception,  
 Rutherford House,  
 23 Lambton Quay,  
 P.O. Box 600,  
 Wellington.

**Students should keep a copy of all submitted work.**

**Faculty of Commerce and Administration Offices****Railway West Wing (RWW) - FCA Student Administration Office**

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

**Easterfield (EA) - FCA/Law Kelburn Office**

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA 005) and offices 125a to 131 (Level 1). The office, will be open from 9:00am to 5:00pm during Trimester 2, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Please note:

There will be a Student Administration Adviser, from the RWW office, based in EA 005 from Monday 27 June to Friday 1 July (9:00am to 5:00pm) and from Monday 4 July to Friday 22 July (11:00am to 1:00pm).

## General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

### Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at [www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct). The policy on Staff Conduct can be found on the VUW website at [www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

### Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website at [www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances).

### Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

***Plagiarism is not worth the risk.***

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at [www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).*

**Students with Disabilities**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, telephone 463-6070 or email [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

**Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, telephone (04) 463 - 6983 or (04) 463 – 6984 or email [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

## **Maori and Pacific Mentoring programme (Manaaki Pihipihinga)**

This is a free programme of mentoring for Maori and Pacific students doing first year courses within the Faculty of Commerce and Administration. Weekly one hour mentoring sessions: drafting and editing assignments/discussing any questions that you might have from tutorials or lectures and going over every aspect of essay writing, either in small group sessions or on a one-to-one basis.

This includes:

- A computer suite hooked up to cyber commons for students to use to produce their assignments.
- Regular skill-based workshops with a learning adviser from Student Learning Support Services.
- Networking with other Maori and Pacific support groups throughout the university.

For more information please contact:

Melissa Dunlop, Programme Coordinator

Telephone (04) 463 - 6015 or email [Maori-Pacific-Mentoring@vuw.ac.nz](mailto:Maori-Pacific-Mentoring@vuw.ac.nz)