

School of Government

STRA 511
STRATEGIC THINKING
(15 Points)

Trimester Two 2007

COURSE OUTLINE

Contact Details

Course Coordinator: **Dr Lance Beath**
Room RH 507, Level 5, Rutherford House, Pipitea Campus
Telephone: 027 436 5234
Email: lance.beath@vuw.ac.nz

Administrator: **Darren Morgan**
Room RH 802, Level 8, Rutherford House, Pipitea Campus
Telephone: (04) 463 5458
Fax: (04) 463 5454
Email: darren.morgan@vuw.ac.nz

Module Dates, Times and Locations

Module Four: Thursday 23 August 2007 8.30am – 6.00pm

Module Five: Thursday 18 October 2007 8.30am – 6.00pm

Module Six: Thursday 22 November 2007 8.30am – 6.00pm

Location: Classes will normally be held on the Pipitea Campus of Victoria University and you will be advised of your classroom one week prior to each module by email.

Course Objectives

Strategic Thinking for Managers and Analysts explores the nature of strategic thinking and how it relates to other types of thinking (e.g. scientific thinking). 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 Content 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 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. 50th 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 17th-23rd, 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: Aristotle and 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 Minzberg 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). Lovers and Madmen and 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.

Learning Commitment

The learning objectives set for each course are demanding and, to achieve them, candidates must make a significant commitment in time and effort to reading, studying, thinking, and completion of assessment items outside of contact time. Courses vary in design but all require preparation and learning before the first module. Regular learning is necessary between modules (students who leave everything to the last moment rarely achieve at a high level). Expressed in input terms, the time commitment required usually translates to 65-95 hours (excluding class contact time) per course.

Assessment Requirements

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

- 1.** 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 5.00pm, Thursday 6 September 2007. No time extensions will be allowed for this first assignment.**

2. Drawing on your reflections and class discussion at module 4, 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 module 5. 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 coordinator at module 5 (Thursday 18 October 2007).** 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 module 4.
3. 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 5.00pm, Monday 3 December 2007. No time extensions will be allowed for the final report.**

Please submit assignments 1 and 3 IN HARD COPY 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.

ANZSOG candidates taking this course as an elective should note that they take it for 24 points, and not 15 points. Accordingly, the learning outcomes to be achieved by ANZSOG candidates are wider and deeper than those expected for non-ANZSOG candidates. The content of those learning outcomes, and the means whereby they will be assessed, will be negotiated and confirmed with the Course Coordinator at the start of the course.

Penalties

The ability to plan for and meet deadlines is a core competency of both advanced study and public management. Failure to meet deadlines disrupts course planning and is unfair on students who do submit their work on time. It is expected therefore that you will complete and hand in assignments by the due date. Marks may be deducted where assignments are submitted after the due date. For out of town students, two calendar days' grace is given to allow for time in the post.

If ill-health, family bereavement or other personal emergencies prevent you from meeting the deadline for submitting a piece of written work or from attending class to make a presentation, you can apply for and may be granted an extension to the due date. Note that this applies only to extreme unforeseen circumstances and is not necessarily awarded. You should let your Course Coordinator know as soon as possible in advance of the deadline if you are seeking an extension.

Mandatory Course Requirements

To fulfil the mandatory course requirements for this course, you are required to:

1. Submit all assignments by the due date;
2. Attend all contact sessions of the course.

Communication of Additional Information

Additional information, if any, will be conveyed to course members by email.

Withdrawal Dates

Students giving notice of withdrawal from the course after 4 September 2007 will not receive a refund of tuition fees.

Students giving notice of withdrawal from the course after 23 October 2007 are regarded as having failed the course, unless the Associate Dean subsequently gives approval to withdraw.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services 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. To check for opening hours, call the Student and Academic Services Office on (04) 463 5376.

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

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education 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 is available for the following:

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

To check for opening hours, call the Student and Academic Services Office on (04) 463 5376.

Notice of Turnitin Use

Student work provided for assessment in this course **may be** checked for academic integrity by the electronic search engine www.turnitin.com. Turnitin is an online plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. **At the discretion of the School, handwritten work may be copy typed by the School and subject to checking by Turnitin.** You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other students or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalized severely. Consequences of being found guilty of plagiarism can include:

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

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied. See the Victoria University Calendar available in hardcopy or under "About Victoria" on the VUW homepage at www.vuw.ac.nz/home/about_victoria/calendar_intro.html

Information on the following topics is available electronically at www.vuw.ac.nz/home/studying/downloads/course_outlines_general_information.pdf

- Academic Grievances
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.