Governors State University
College of Business and Public Administration

Course Number & Title: MGMT 860 - Issues in Public & Private Mgt.

Session and Time: Fall Semester 1999, 6:30-9:20 p.m.
Thursdays, Parkland campus, Champaign

Instructor: Dr. Lowell W. Culver

Credit Hours: Three

Office Hours: Tuesday, 2:30-4:30 and 7:20-8:00 p.m. at GSU;
Wednesday 4:45-5:15 p.m in Chicago; Thursdays: 6:00-6:30 and
9:20-9:50 p.m. in Champaign or by appointment: (708) 534-4940.

Description: An advanced study of organizational issues such as
leadership and organizational change. Students apply the ideas to
public and private organizations. This course will focus on
management decisions in both private and public settings as they
relate to the important issues of private sector reengineering
and public sector reinvention and the impact of change strategies
on private and public employees and the nation at-large.

Outcomes: At the end of the course, students will:

1. Demonstrate a better understanding of the numerous
changes taking place in the domestic and global economy and their
influence on public and private decision-makers;

2. Be knowledgeable of both similarities and differences
between private and public management and the differing
environments in which public and private decisions are made;

3. Be cognizant of the pressures for change in both private
and public sectors and the strategies developed by public and
private managers to cope with such change;

4. Have completed a comparative analysis of how a particular
company and a particular governmental agency have "reengineered"
or "reinvented" themselves;

5. Be aware of the effects of institutional change on both
productivity and employment and various strategies developed or
proposed to soften the impact of change on people;

6. Demonstrate a knowledge of the social responsibilities of
private firms and the impact of globalization on private business
decisions and the role of government.

Textbooks: John Micklethwait and Adrian Wooldridge, The Witch
Doctors (Random House, 1996) and Frank Thompson and Beryl Radin,
Reinventing Public Personnel Management, 1997. In addition, there
will be a set of articles which will be required reading.
Topics and Assignments

Thurs. Introduction to the Seminar: topics, assignments, grading, objectives of the course
The Changing Private/Public Environment
Public/Private Management: Similarities and Differences
Roles and numbers; how top managers are selected
Issues Challenging Public and Private Managers
Organizational Models of Business and Government


Thurs. The Question of Accountability: to Whom or What?
Sept. 9 Governmental Accountability: how maintained?
Corporate Accountability: To Shareholders, to Employees, to the Community? How maintained?
The "foot-loose" corporation; corporate migration
Private vs Public Ownership
Why Public ownership? Why privatize? Case studies: the CTA and Metra vs previous private ownership/control; Tacoma City Light vs Puget Sound Energy; airports, port authorities, AMTRAK, etc.
Public vs Private Housing; Public vs Private Education
Public vs Private hospitals; not-for-profit/for profit
The Government corporation: TVA; Postal Service, etc.
European nationalizations and Privatizations (Portugal, Danish, British, German Telecoms; British Airways)
Governmental Restrictions on Private Management
The case of cigarettes, drugs, waste disposal, etc.
The bankruptcy of Mid-America Waste
The Snapple failure at Quaker Oats

Private Sector Reengineering: What is it? "Words like 'Reengineering' suggest that companies are machines, which can be retuned by clever technocrats" (such as Drucker and Peters); "Management gurus have predicted a future of chaos and uncertainty that only they understand, and that their own work has only made more likely" (Micklethwait and Wooldridge).

Pressures for Change: Henry Ford vs. GM; Scarcity; Globalization and Foreign Competition; Public Pressure; Shareholder demands; Corporate Egos; "Killer Strategies; "The Contributions of Peter Drucker and Tom Peters

Reading Assignment III: pp. 95-160 of The Witch Doctors;

Strategies of Change: the Conglomerate; the Buy-out;
Sept.23 Downsizing - the Spin-off; Plant closings; Outsourcing; Restructuring; Deverticalization; "Cash Cows" and "Dogs;" Building a Corporate Culture with Temporary employees; General Electric; the Breakup of IC Industries;
The Role of Leadership

Reading Assignment IV: 161-274 of The Witch Doctors;
Thurs. Public Sector Reinvention: What is it?

Sept. 30 A History of Government Reinvention
Limitations on Public Sector Change: What is possible, what is not?
Congress and Reform; Interest Groups and Reform


Thurs. Strategies of Change: Privatization, Consolidation, Metropolitanization; contracting; bulk purchasing; RIFs (Reduction in Force); agency reorganization

The Council-Manager system and County Executive plan as examples of public sector reinvention
The case for and against the privatization of local governmental services
Success stories at local, state and federal levels
Circumstances which make change more readily possible

Prepare for Midterm Examination

Thurs. Oct. 14 Review and Midterm Examination

Thurs. The Human (People) Dimension: "The company engine will not work unless it is fueled by the enthusiasm of the company's employees" (Micklethwait & Woodridge).
The Management Role: Hiring effective personnel;
   Hiring a diverse workforce; Training and retraining;
   Performance Incentives, etc.
Problem areas: Hiring the wrong people; affirmative action in public and private workplaces; Change and morale; Sexual harassment; drug testing
Women in management

   Development Quarterly, 1987: 170-177); "France a fossil, Chirac says" (The Chicago Tribune, March 13, 1997)
Weber on Toxic Companies, Chicago Tribune, Jan. 31, 1999;
"CEO Pay: How Much is Enough?" Chicago Tribune, April 10, 1998; "Collective Bargaining" (Culver); "6-year Strike Pays Off in Las Vegas," Chicago Tribune, Feb. 2, 1998;
John McCarron, "Why We Shouldn't be Afraid of Raising the Minimum Wage," Chicago Tribune, February 23, 1998; "Ruling May Alter use of Temps," Chicago Tribune, July 26, 1997;

Thurs. The Human (People) Dimension: the Employee's Side
Oct. 28 The Effects of Technology on Productivity and Jobs
Private vs public sector compensation
Collective Bargaining
Slowdowns and strikes
The "Blue Flu"
The Dilemma of Job Security
Dealing with Unemployment
   Concept of the "Revolving/Rotating Labor Force"
The Military Model in the Private Sector

Reading Assignment VIII: "The Small Business Incubator"

Thurs. Public and Private Sector in Job Creation
Nov. 4 Natural vs induced development
the Dual Labor Market

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Problems under new Welfare mandate
Arguments against public sector job creation
Public-private partnerships: linking and leveraging
lease revenue bonds, tax increment financing, land
banking; tax abatement, loan guarantees;
business incubators, enterprise zones, etc.
Joint ventures; profit-sharing
Stadiums and arenas; partial ownership of
corporations such as Prab Robotics in Michigan

Reading Assignment IX: Continue with Assignment VIII;
"The Blue Cross Whistle Blower," Chicago Tribune, July
Boost," Chicago Tribune, December 15, 1998; Recount of
job-related Illnesses, Injuries Suggests Dramatic Rise," Chicago Tribune, July 28, 1997; the Amoco brain tumors

Thurs. Nov. 11
The Social Responsibilities of Business
Business and the Consumer
Business and the Employee
Business and the Environment

Reading Assignment X: "Securing America's Retirement
Future," Culver (1998), Barnhart, "Investing Social
Security dollars in stocks no panacea" (The Chicago
Tribune), January 13, 1997); "Will Privatizing Fix Social
Security? Fortune, March 1, 1999, "He Says 'no' to
Privatization," (Ball), Modern Maturity, January-February
1999; "Required IRAs proposed in Social Security Plan"
The Chicago Tribune, March 10, 1997). Prof. Shoven on
Social Security, USAA Magazine, Dec. 96/Jan. 97; "Risky
Business;" "President Flexible on Social Security,"
Chicago Tribune, April 8, 1998; "Elderly Should Work
Longer ....,"(Samuelson, Chicago Tribune, November 6, 1998
"Think Twice Before Hiking Social Security's Age Level," (Deets). Modern Maturity; "Why Another Savings Fund for
Retirees?" (Quinn) Chicago Tribune, January 31, 1999;
"The Hard Choices on Social Security," Chicago Tribune,
January 29, 1999; "Try Texas Test on Privatized Social
Security," (Quinn), Chicago Tribune, March 21, 1999;
"Prof Sees Job Rotation System as solving Job Layoff
Problem," (Culver), Chicago Tribune, June 13, 1976;
"Major Federal Consumer Legislation."

Thurs. Nov. 18
Public/Private Pension Systems
Why a System of Pensions? Whose Responsibility?
Arguments for and Against the Privatization of Social
Security
IRA's, SEPs, Annuities, personal savings, etc.

Reading Assignment XI: continue with Assignment X.
(2) select a municipality, county, township, school district, state or federal agency which has "reinvented" itself to make it more efficient and effective. (3) In which ways have the courses taken been similar, in which ways different? What limitations have you found on the management decisions which could be taken by the two sectors? Is it easier or more difficult to be a private than a public manager. Why?

It is anticipated that the paper will be from eight to ten typed written pages in length.

Syllabus Statement for Persons with Disabilities:

It is the intention of the Institution to support full participation of all students, regardless of physical ability level. Therefore, if any student needs consideration of his/her physical abilities in order to complete the course, please notify the instructor as soon as possible.