Introduction to Goals and Plans

- **Goals**
  - The desired results or objectives that members in an organization are pursuing.

- **Plans**
  - Describe the steps and actions that are required to achieve goals.
The Planning Process

• Steps in the Planning Process
  1. Setting an organization’s overarching mission and vision.
  2. Setting strategic goals and plans.
  3. Taking the strategic goals and plans and putting them into practice in everyday operations.
  4. Implementing and monitoring the goals and plans.

Figure 8.1: Overview of the Four Steps of the Planning Process

Organizational Goals and Plans

• Ongoing Goals and Plans
  – Guide the continuing activities that are consistent with the basic purpose of the organization.
• Change-Oriented goals and Plans
  – Refer to new initiatives and changes to be made in an organization’s practices.
Mission Statements

- Mission Statement
  - Identifies the fundamental purpose of the organization.
  - Describes what the organization does, whom it serves, and how it differs from similar organizations.
  - Can provide social legitimacy and a sense of identity for the members of the organization.

Mission Statements (cont’d)

- Ideas are commonly mentioned in mission statements:
  - Products/services
  - Customers
  - Organizational self
  - Survival/growth/pro
  - Employees
  - Markets
  - Philosophy
  - Technology
  - Public image

Vision Statements

- Vision Statement
  - Describes what an organization is striving to become.
  - Provides guidance to organizational members.
  - Describes goals that an organization hopes to achieve five or more years into the future.
The Mainstream Approach to Goals and Plans

- Step 1: Develop the Organization’s Overarching Mission and Vision
  - Mission/Vision Focus:
    - Top-down management of the planning process to enhance financial well-being.
    - Focus is on things that will contribute to the future competitiveness and financial success of an organization.

The Mainstream Approach to Goals and Plans (cont’d)

- Step 2: Develop Strategic Goals and Plan
  - How managers can position the organization in the eyes of stakeholders so as to achieve advantages over its competitors.

- Step 3: Develop Operational Goals and Plans
  - Are set by lower-level managers.
  - Have a less than one-year time horizon.

Figure 8.2: The Five Characteristics of Mainstream Goals

<table>
<thead>
<tr>
<th>Specific</th>
<th>The goal is precise as to what is to be accomplished.</th>
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<tr>
<td>Measurable</td>
<td>The goal to be accomplished can be assessed objectively.</td>
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<tr>
<td>Achievable</td>
<td>The goal is within reach yet also challenging.</td>
</tr>
<tr>
<td>Results-based</td>
<td>The goal has clear, measurable outcomes (not just activities).</td>
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<tr>
<td>Time-specific</td>
<td>The goal has a clear time by which it is to be accomplished.</td>
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The Mainstream Approach to Goals and Plans (cont'd)

- Stretch Goals (Jack Welch)
  - Are so difficult that people do not know how to reach them.
  - Cannot be achieved simply by making incremental changes to the status quo.
  - Require outside-the-box thinking that dramatically improves productivity, efficiency, and profitability.

Figure 8.3: Checklist for Making a Plan

- A. Describe exactly what steps and actions are necessary to meet your goal(s).
- B. Identify what resources (material, financial, time) are necessary to perform the activities.
- C. Ensure that the required resources are available (this means getting resources you don’t initially have).
- D. Identify in what order and when each action needs to be performed.
- E. Put your plan into action.

Standardization and Standing Plans

- Standardization
  - The process of developing uniform practices for organizational members to follow in doing their jobs.
- Standing Plans
  - Provide guidance for activities that are performed repeatedly.
- Types of Standing Plans
  - Standard Operating Procedures
  - Policies
  - Rules and Regulations
Types of Standing Plans

• Standard Operating Procedures
  – Outline specific steps that must be taken when performing certain tasks.
• Policies
  – Provide guidelines for making decisions and taking action in various situations.
• Rules and Regulations
  – Are prescribed patterns of behavior that guide everyday work tasks.

Digging Deeper

• Contingency Plans
  – Lay out in advance how managers will respond to possible future events that could disrupt existing plans.
• Limiting the Impact of a Crisis
  – Perform preventive work to avoid or minimize the effects of a crisis.
  – Assemble information and define crisis responsibilities and procedures.
  – Contain a crisis by making a timely response.

The Mainstream Approach to Goals and Plans (cont’d)

• Step 4: Implement and Monitor Goals and Plans
  – Possible outcomes:
    • Goals are met.
    • The goals are not met and there is a need to develop new plans or goals.
Why Goals Aren’t Achieved

- Unexpected changes in other parts of the organization or in the larger environment
- Some stakeholders are not convinced of the legitimacy of a goal.
- Too much emphasis placed on members’ change-oriented goals rather than on their ongoing goals.

What Do You Think?
What Is the Meaning of Life?

- What do you find to be the most important things in life?
- Are these things easily measured?
- How much overlap do you think there is between these things and the things in the lives of your classmates?
- Should these things be important in the workplace or just in your private life?
- How important do you think material well-being is to most people?

The Multistream Approach to Goals and Plans

- Multistream Approach
  - Emphasizes how managers and other stakeholders carry out the steps.
  - Is concerned with sustenance economics issues and the well-being of a variety of stakeholders.
  - Considers aspects of life that may be difficult to measure, such as ecological well-being or social justice.
What Do You Think?
What Is the Meaning of Life?

• Are the most important things in your life easily measured?
• How much overlap is there between items on your list and those on the lists of classmates?
• Should the items on your list be important in the workplace or only in your private life?
• How important do you think material well-being is to most people?

The Multistream Approach to Goals and Plans (cont’d)

• Step 1: Develop the Organization’s Overarching Mission and Vision
  – Benefits of involving a variety of stakeholders in the development process:
    • It permits the development of stronger mission and vision statements.
    • It fosters mutual and cross-level understandings that increase support for the work of the organization.

• Step 2: Develop Strategic Goals and Plans
  – Includes both economic opportunities and opportunities to improve the environment.
  – Are more sensitive to strategies that emerge from practice than from formal planning.
  – Pay attention to sustenance economics and stakeholder participation.
The Multistream Approach to Goals and Plans (cont’d)

• Step 3: Develop Operational Goals/Plans
  – SMART2 goals
    • Are significant (challenging and motivating).
    • Are meaningful in relating to all stakeholders.
    • Are agreed upon by the people who are expected to implement them.
    • Are relevant to the mission and vision, and to the aspirations of members and other stakeholders.
    • Are timely in being attuned to which goals are right for the times.
The Multistream Approach to Goals and Plans (cont'd)

- Step 3: Develop Operational Goals/Plans (cont'd)
  - Operational planning serves to:
    - Identify activities through participation of other people.
    - Consider the effects of management actions on the ecological environment and on other stakeholders.
    - Emphasize flexibility and to consider the roles of other stakeholders.

Figure 8.6: The “Toyota Way”

The Multistream Approach to Goals and Plans (cont'd)

- Step 4: Implement and Monitor Goals and Plans
  - Do plans need to be revised in the face of contingencies?
  - Have unexpected events occurred in subunits that need to be considered?
  - Is there a danger of goal displacement?