

Setting up Strategic Goals

Ion Verboncu

Academia de Studii Economice București, Str. Căderea Bastiliei, Piața Romană, nr. 6, Sector 1, București
e-mail: iverboncu@yahoo.com

Abstract

Organizations have focused their attention on establish objectives on areas which seem to be essential for the industry where they operate. An important area for the revealing of the performance in case of an industry might prove irrelevant in case of another industry. The intercession of top management in establishing the strategic objectives founds on incidence of major factors, which affect, the chosen objectives.

Key words: *organization, management, objective*

Factors/Elements that Influence the Establishing of the Objectives

The approach of top management is aimed at establishing strategic objectives for the firm which is found under the incident of some major factors, which affect the chosen objectives. These factors refer to the firm environment situation, to his internal situation and to the value system that proved effective for the top management.

It influences the establishing of objectives on many ways. The setting up of legislative norms for income taxes stops the monopolistic manifestation on the competition market. In the some way, it focuses on the trade union pressure concerning the pay rise, bonus system in agreement with special conditions of work etc. The client wants to buy products/services at lower prices/taxes demand which eventually may satisfy some competition. The providers which have cavsaimonopolistic position may impose very tough prices and delivery condition for firms, who sensibly affects production expenses.

The second important factor for the setting up of the objectives is the internal situation of the firm, her available resources and decisional prerogatives distribution at different hierarchic levels. A well-organized activity and self-sufficiency resource for progress activity, good organization, and concern for the efficiency and competition growth are strong arguments for fixing some ambitious objectives. Internal power relations is expressed in reports between top management and medium manager, through initiatives managerially sustained by the firm staff.

The third factor is the base formation management, from base formational management preparation, experience, the socio-cultural environment it comes from which influence the

established objectives, its „personality”, its image which is propagate inside and outside the company.

Values can be: *theoretic* - which are pragmatic orientated, subordinated to the efficiency criterion; *social* – orientated, against the human factor, *politic* – which are essentially orientated towards power; *aesthetic* - orientated towards form and harmony.

In the complex process of establishing the objectives, a combination of these values is promoted. The combination is translated in manifesting attitude and which implies the manager in establishing the objectives, which affects the perception on the approached level. These manifestations are referring to:

- The attitude adopted in resolving problems (combative; passive);
- The position concerning the risk (to assume; to avoid);
- The position concerning „new” (Invitation, innovational, non-innovational);
- The preferences for dynamic environment or for a stable environment;
- the approach to problems (autocratic, participative);
- spirit of treacherousness towards people, group of person, firms, institutions, governmental organization etc. (to confront, to collaborate);
- vision concerned; firm role (exclusive to have profit, to have social responsibility);
- style of taking decisions (individualist, collectivist).

Staple Domain to Establishing Objectives

The organizations are focus their attention on the fixing of objectives in areas that are essential for the industry where they function. The important area for some industry could not have the same importance for another industry.

Peter Drucker and Warner Bennis have made a classification for the addressing areas, and for essential problems. Peter Drucker has stated that profitable industrial units are fixing objectives in „8 domain stable areas for performance”:

1. Position in the market - indication of the percent in market and segments of interest;
2. Innovation- indication in promoting the new products;
3. Productivity - indication of the efficiency of input resources for obtaining some output date;
4. Physic and financial resources - indication of the mode it is used;
5. Rewarding - indication level of rewarding that is showed with finance indicators;
6. The managerial development performance- indication of some managerial criteria assessment and some programs for performance professional potential;
7. Work attitude and performance – indication of some criteria for assessment executive committee performance and some programs for maintaining a favorable attitude within employees regarding their jobs;
8. Public responsibility - indications of a firm role in social necessity satisfaction and the improvement of the public image.

The Technological Forecast Used in Establishing Objectives

These technological skills try to anticipate the future with the help of past and present dates. In fact, they represents a supposition regarding future events and trends.

The complexity is owed to factors interacting for the definition of some situations at a certain moment.

The technological foreseeing may be divided into two categories: quantitative and qualitative.(Table 1)

Table 1. The technological forecast used in establishing objectives

Method	Short description	Cost	Complexity	Cycle of life
Quantitative				
1. Counsel models by forecast(regressive simple and multiple)	Dependence variable variation explained through some independence variable variation	Big or medium	Medium	Stable state
2. Trend extrapolation	Exponential linear projections and some other tips. The foreseeing is based on linear or exponential of some future values like the past	Medium	Medium	Stable state
Qualitative				
1. Scenario	Planners fancy crunch/impact of anticipated conditions	Small	Small	All states
2. The method of using experts opinion	Market, production and finance managers realize together one forecast.	Small	Small	Develop product
3. Market study	Intention resource of possible clients	Medium	Medium	Bequeath market and earlier lunch
4. Delphi	Experts are guided to concord	Small	Mediums	Develop product

The main strategic objective of the organizations can be presented as follows:

- Grow of the profit with.....
- Grow in-come rate with.....
- Grow of turnover with.....
- Reducing total cost with.....
- Grow of work productivity with.....
- Grow of dividends with.....
- Grow of actives prices with.....
- Grow of market quota with.....

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Determinarea obiectivelor strategice

Rezumat

Organizațiile își focalizează atenția pentru fixarea obiectivelor asupra ariilor ce li se par esențiale pentru industria în care operează. Aria importantă pentru relevarea performanțelor în cazul unei industrii se poate dovedi irelevantă în cazul altei industrii. Demersul managementului de vârf al firmei de stabilire a obiectivelor strategice ale acesteia se găsește sub incidența unor factori majori, care afectează, în măsură importantă, obiectivele alese.