

STRATEGIC OBJECTIVES

Statements of vision tend to be quite broad and can be described as a goal that represents an inspiring, overarching, and emotionally driven destination. Mission statements, on the other hand, tend to be more specific and address questions concerning the organization's reason for being and the basis of its intended competitive advantage in the marketplace. Strategic objectives are used to operationalize the mission statement. That is, they help to provide guidance on how the organization can fulfill or move toward the "high goals" in the goal hierarchy-the mission and vision. As a result, they tend to be more specific and cover a more well-defined time frame.

Setting objectives demands a yardstick to measure the fulfillment of the objectives. If an objective lacks specificity or measurability, it is not very useful, simply because there is no way of determining whether it is helping the organization to move toward the organization's mission and vision.

Most of strategic objectives are directed toward generating greater profits and returns for the owners of the business, others are directed at customers or society at large.

- Measurable. There must be at least one indicator (or yardstick) that measures progress against fulfilling the objective.
- Specific. This provides a clear message as to what needs to be accomplished.
- Appropriate. It must be consistent with the vision and mission of the organization.
- Realistic. It must be an achievable target given the organization's capabilities and opportunities in the environment. In essence, it must be challenging but doable.
- Timely, there needs to be a time frame for accomplishing the objective. After all, as the economist John Maynard Keynes once said, "In the long run, we are all dead!"

When objectives satisfy the above criteria, there are many benefits for the organization. First, they help to channel employees throughout the organization toward common goals. This helps to concentrate and conserve valuable resources in the organization and to work collectively in a more timely manner.

Second, challenging objectives can help to motivate and inspire employees throughout the organization to higher levels of commitment and effort. A great deal of research has supported the notion that individuals work harder when they are striving toward specific goals instead of being asked simply to "do their best."

Third, there is always the potential for different parts of an organization to pursue their own goals rather than overall company goals. Although well intentioned, these may work at cross-purposes to the organization as a whole. Meaningful objectives thus help to resolve conflicts when they arise.

Finally, proper objectives provide a yardstick for rewards and incentives. Not only will they lead to higher levels of motivation by employees but also they will help to ensure a greater sense of equity or fairness when regards are allocated.

There are, of course, still other objectives that are even more specific. These are often referred to as short-term objectives-essential components of “action plans” that are critical in implementing a firm’s chosen strategy.

Dess, Gregory G., G.T. Lumpkin and Marilyn L. Taylor. Strategic Management. 2 ed. New York: McGraw-Hill Irwin, 2005.