Section I: Organizations
I-A: Organizational Goals

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Learning Objectives
- Definition of organization.
- Discuss the purpose organizational goals.
- Writing good mission statements.

What is an Organization?
- An organization is a group of people working together in a **structured** and **coordinated** manner to achieve a set of **goals**.

Organizational Goals
- Goals are statements that establish the desired future an organization is attempting to achieve.

**Purposes of Goals:**
1) **Guideless:** provide guidance and unified direction for members in the organization
2) **Legitimacy:** reasons for the organization's existence
3) **Planning**
4) **Motivation**
5) **Standards:** provide a set of standards against which the organization's performance can be measured.

Types of Goals

<table>
<thead>
<tr>
<th>Type of Goal</th>
<th>Focus</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>Official or Strategic Goal, or Mission Statement</td>
<td>Broad strategy</td>
<td>Set guiding principles for an entire organization</td>
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<tr>
<td>Tactical (Operative) Goals</td>
<td>Specific to actions to achieve</td>
<td>Guide divisions, departments, and units</td>
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<tr>
<td>Operational Goals</td>
<td>Individual jobs and tasks</td>
<td>Guide individual behavior</td>
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Organizations

**Inputs**
- Human resources
- Financial resources
- Physical resources
- Information resources
- Technology

**Decisions**

**Outputs**
- Products
- Services
- Technology
- Information

**Structure**

**External Factors**
- Market
- Competitors
- Stakeholders
- Technology
Mission Statement

- By defining a mission, an organization is making a statement of organizational purpose.
- Typically identify the product or service, market niche, production methods, and financial objectives.
- A minimum mission statement should include
  - The Purpose Statement: The purpose statement clearly states what your organization seeks to accomplish: Why does your organization exist? What is the ultimate result of your work?
  - The Business Statement: This statement outlines the "business(es)" (i.e., activities or programs) your organization chooses in order to pursue its purpose. Specifically, you must answer, "What activity are we going to do to accomplish our purpose?"
  - Values: Values are beliefs which your organization’s members hold in common and endeavor to put into practice. The values guide your organization’s members in performing their work. Specifically, you should ask, "What are the basic beliefs that we share as an organization?"

Values According to Walt Disney

- Purpose:
  - "To make people happy."
- Values:
  - No cynicism
  - Nurturing and promulgation of "wholesome American values"
  - Creativity, dreams and imagination
  - Fanatical attention to consistency and detail
  - Preservation and control of the Disney "magic"

Examples

- PEPSI - "Beat Coke"
- HONDA - "We will crush, squash, and slaughter Yamaha"
- NIKE - "Crush Reebok"
- WAL-MART - "To give ordinary folk the chance to buy the same thing as rich people."

Class Case: Nike's Ambitions

Mission: Our mission is to operate a chain of restaurants that will prepare and serve high-quality food on a timely basis and reasonable price.

Strategic Goals

- President and CEO
  - Provide 15% return to shareholders for at least 10 years.
  - Start or purchase a new chain within 2 years.

Tactical Goals

- Vice-President Operations
  - Open 150 new restaurants during the next three years.
  -Decrease food container cost by 15% during the next three years.
  - Decrease average customer wait by 30 seconds.

Operational Goals

- Restaurant Manager
  - Increase sales in operations by 5% per year.
  - Hire and train new assistant manager this year.
  - Implement new employee incentive system this year.

- Advertising Manager
  - Hire and train new assistant manager this year.
  - Implement this year’s promotional strategy.
  - Negotiate 5% lower advertising rates next year.

- Operational Goals
  - Decrease waste in operations by 5% this year.
  - Implement new employee incentive system this year.

Examples

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Example: Mission Statement

At the Developmental Studies Center we develop, evaluate, and disseminate programs [business] that foster children's ethical, social, and intellectual development [purpose]. While nurturing children's capacity to think skillfully and critically, we also strive to deepen children’s commitment to prosocial values such as kindness, helpfulness, personal responsibility, and respect for others - qualities we believe are essential to leading humane and productive lives in a democratic society [values].

Case: Penn State Mission Statement