Chapter 16

Informed Governance: The Objective Definition Model

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ABSTRACT

How can an organization be successful if it doesn’t have clear objectives? If it does not know where to go, how can it plot a route? An organization without well-defined objectives is like a drifting ship, goes along with the winds, wherever it blows to. Defining objectives is of capital importance for good organizational performance and success, vision alignment and goal focusing. Their definition must follow strict requirements that guarantee relevance and accomplishment. Moreover, objectives must be set at all levels of the organization, so that everybody tracks the same route. This research proposes an approach to the way organizations define objectives. Based on principles of Organizational Engineering and the Portuguese Air Force’s top-down structure and Mission, a model is proposed that takes into account relevant organizational elements needed to guarantee the objectives’ pertinence. It also provides strategies that can be used to align them with the management levels.

INTRODUCTION

The “Ends”, or where the organization wants to go, are of capital importance for its management. Once the destination is well defined, it is easier to trace the route.

The inexistence of pertinently defined objectives is one of the most serious organizational problems. This results in disorientation which, in turn, is responsible for resource misuse which can jeopardize the wealth of the organization in a long-term situation. Normally, people’s judgment is not enough to define complex organization’s objectives. It’s necessary to take into account not only the environment where the organization is inserted, but also many organizational elements.
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that characterize it. Specific objectives must also be set at the Strategic, Operational and Tactical levels respecting the organization’s hierarchy. It is important to make sure that they are aligned between the levels so that organizational agents walk in the same direction.

As an organization, the Portuguese Air Force (PRT AF) needs pertinently defined objectives aligned in several dimensions. In order to help decision makers to coherently establish objectives, the Portuguese Air Force Academy initiated a research to identify the dimensions that would have to be taken into consideration.

This research entailed studying and developing a Model for aligning different organizational levels objectives taking in consideration priorities, key factors (for example, the number of hours flown) that will be affected by attaining the objective, organizational components (that will have to be adapted to objectives) and business processes (that attain objectives). The Model intends to guarantee that these first level objectives are relevant and attainable by the units of the lower levels, especially by the ones of the operational dimension. Then the organizational units of the next level (operational), will be able to establish their objectives (second level objectives) according to the Action Plans developed.

This chapter describes the main research aspects and provides an insight to its results, which came through in the form of an Objective Definition Model, which could be used by any organization.

The remainder of the document is organized as follows. Section:

- “Organizational Concepts” describes the concepts studied and its contribution.
- “Model Construction” describes, in brief, how each concept contributed to build the model.
- “Methodology” presents the steps needed to use the model when defining objectives.
- “Model Application” presents a theoretical example on model use.
- The “Conclusion” sections constitute the last section of the document.

ORGANIZATIONAL CONCEPTS

Managing the organization in a transversal manner encompasses not only having well defined objectives but also consider all the elements that affect or are affected by every business decision. The process of decision making should consider scientific theories, models or frameworks that can foster transversally application within the organization.

This section identifies the theoretical framing that supported Model Development, relating Organizational Engineering to other scientific theories, principles and models directly relevant and necessary to approach the subject, namely Objective definition and subsequent activities to attain it. The theoretical framing is composed of:

- Organizational Engineering and Self-Awareness;
- Flying the Organization and the Organizational Configuration;
- Business Model;
- Organizational Structure and Change;
- Management by Objectives and the Business Motivation Model;
- Business Processes;
- Key Factors.

Thus, this section also presents the fundamental aspects taken from literature review that were considered relevant to the solution development.