

# THE ROLE OF STRATEGIC PLANNING IN MODERN ORGANIZATIONS

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*ABSTRACT: There is a very important relationship between strategic planning and performance management. Performance management is really about setting and achieving goals at the employee level, and identifying and fixing barriers related to achieving those goals. But where do the goals come from? That's where strategic planning comes in. Strategic planning (and also tactical planning), are methods a company, and its individual work-units define their goals and objectives. In turn, those goals and objectives are used to determine and analyze the goals and objectives of each employee in a work unit. This is called cascading of goals. When done properly, setting employee goals should rely on the goals of the particular work-unit, which gets its goals from the planning done by the next bigger work unit, and so on. That's why the setting of individual goals and objectives should be done once the goals and objectives of the work-unit are established. No enterprise will be successful today without a solid, integrated strategic plan driven by a clear vision and supported by a strong performance management system.*

*Key words: strategic planning, organization, performance management.*

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