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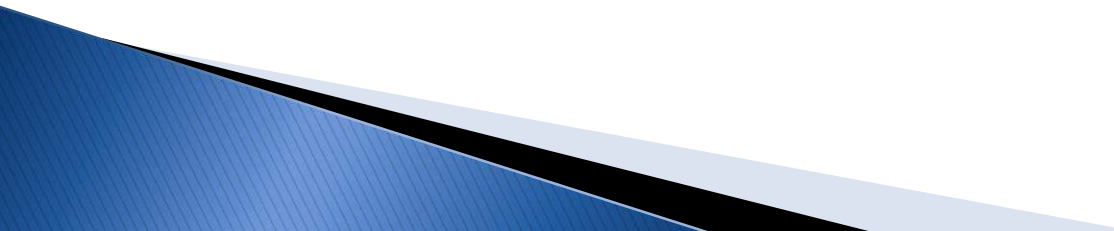
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# WHAT IS PLANNING?

*According to Theo Haimann:*

- ▶ Planning is deciding in advance what is to be done. When a manager plans, he projects the course of action for the future, attempting to achieve consistent, coordinated structure of operations aimed at the desired results

# IMPORTANCE OF PLANNING

- ▶ Planning provides direction to organization mission statement
  - ▶ Planning provides a simplified yet definite framework
  - ▶ Planning as the coordination tool
  - ▶ Planning introduces overall economy in the organisation
  - ▶ Planning reduces uncertainty
  - ▶ Planning facilitates rational decision making
  - ▶ Planning encourages innovation and creativity.
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# TYPES OF PLANS

## ▶ OPERATIONAL PLANS

The specific results expected from departments, work groups, and individuals are the **operational goals**. These goals are precise and measurable.

For example:

“Process 150 sales applications each week” or

“Publish 20 books this quarter” are examples of operational goals.

An **operational plan** is one that a manager uses to accomplish his or her job responsibilities. Supervisors, team leaders, and facilitators develop operational plans to support tactical plans. Operational plans can be a single-use plan or an ongoing plan.

# SINGLE-USE PLANS

- ▶ apply to activities that do not recur or repeat. A one-time occurrence, such as a special sales program, is a single-use plan because it deals with the who, what, where, how, and how much of an activity.
- ▶ A budget is also a single-use plan because it predicts sources and amounts of income and how much they are used for a specific project.

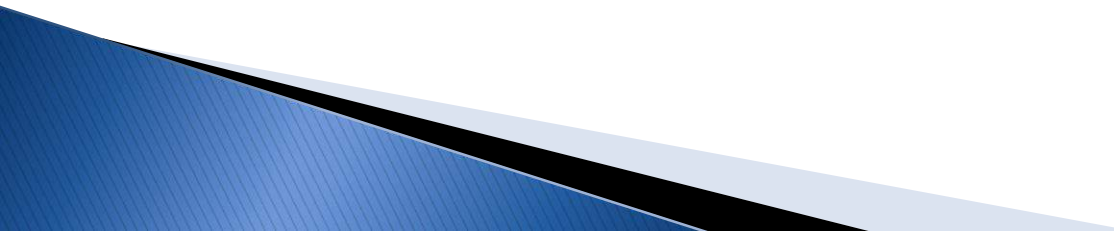
# CONTINUING OR ONGOING PLANS

- ▶ are usually made once and retain their value over a period of years while undergoing periodic revisions and updates. The following are examples of ongoing plans:
- ▶ A **policy** provides a broad guideline for managers to follow when dealing with important areas of decision making. Policies are general statements that explain how a manager should attempt to handle routine management responsibilities. Typical human resources policies, for example, address such matters as employee hiring, terminations, performance appraisals, pay increases, and discipline.

- ▶ A **procedure** is a set of step-by-step directions that explains how activities or tasks are to be carried out. Most organizations have procedures for purchasing supplies and equipment

for example.

- ▶ This procedure usually begins with a supervisor completing a purchasing requisition.
- ▶ The requisition is then sent to the next level of management for approval.
- ▶ The approved requisition is forwarded to the purchasing department.
- ▶ Depending on the amount of the request, the purchasing department may place an order, or they may need to secure quotations and/or bids for several vendors before placing the order.
- ▶ By defining the steps to be taken and the order in which they are to be done, procedures provide a standardized way of responding to a repetitive problem.

- ▶ A **rule** is an explicit statement that tells an employee what he or she can and cannot do. Rules are “do” and “don't” statements put into place to promote the safety of employees and the uniform treatment and behavior of employees.
  - ▶ For example, rules about tardiness and absenteeism permit supervisors to make discipline decisions rapidly and with a high degree of fairness.
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# TACTICAL PLANS

- ▶ A **tactical plan** is concerned with what the lower level units within each division must do, how they must do it, and who is in charge at each level. Tactics are the means needed to activate a strategy and make it work.
- ▶ Tactical plans are concerned with shorter time frames and narrower scopes than are strategic plans.
- ▶ These plans usually span one year or less because they are considered short-term goals.
- ▶ Long-term goals, on the other hand, can take several years or more to accomplish.
- ▶ Normally, it is the middle manager's responsibility to take the broad strategic plan and identify specific tactical actions.

# STRATEGIC PLANS

- ▶ Strategic plans look ahead over the next two, three, five, or even more years to move the organization from where it currently is to where it wants to be.
- ▶ Requiring multilevel involvement, these plans demand harmony among all levels of management within the organization.
- ▶ Top-level management develops the directional objectives for the entire organization, while lower levels of management develop compatible objectives and plans to achieve them.

# CONTINGENCY PLANS

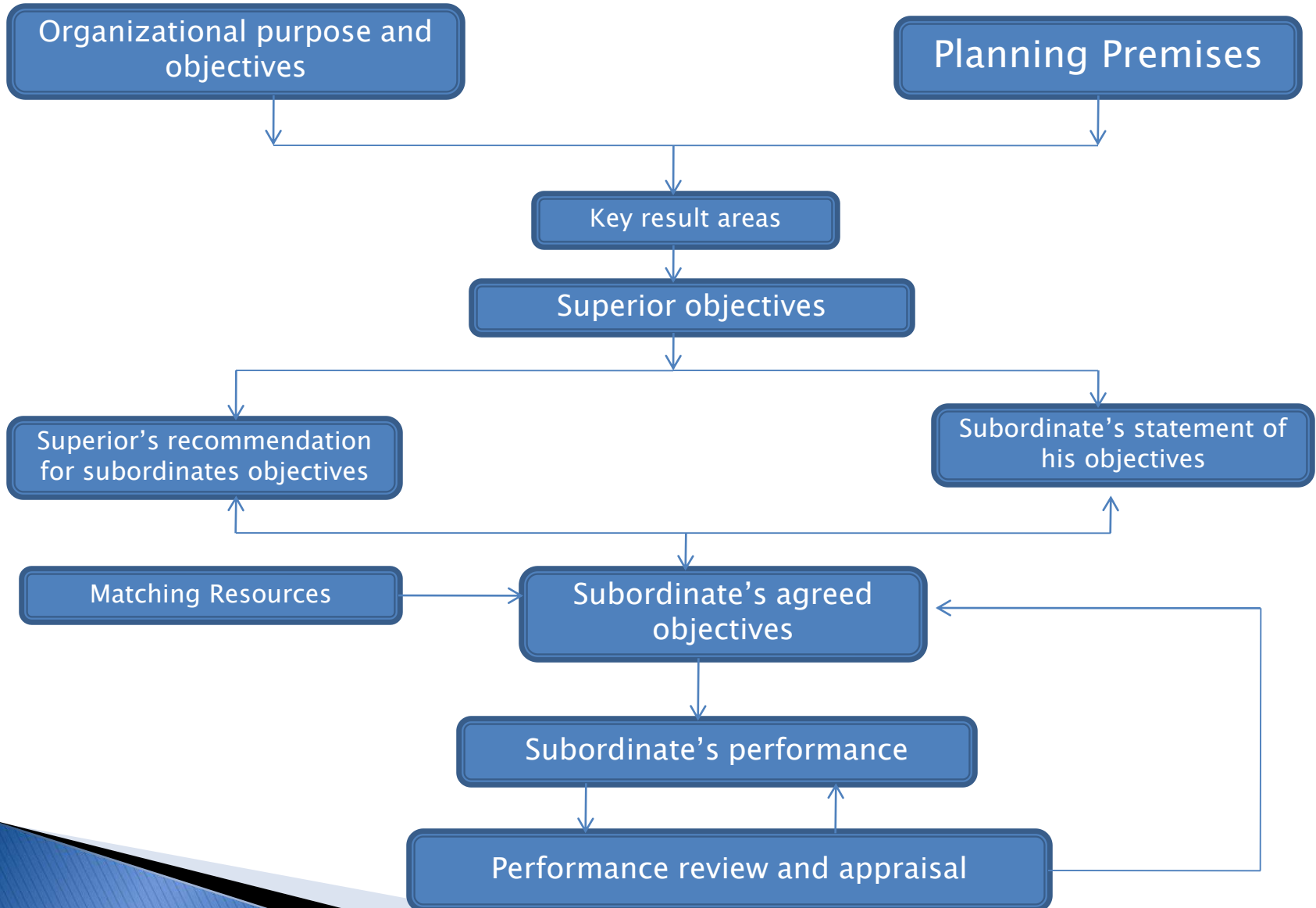
- ▶ **Contingency planning** involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances.

# MANAGEMENT BY OBJECTIVES

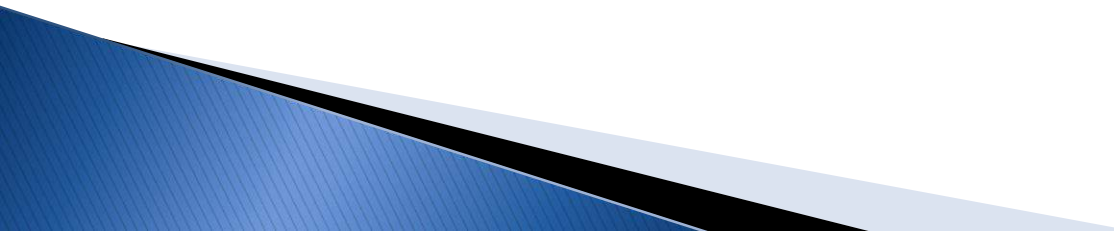
## ***According to GEORGE ODIORNE:***

***“ Management By Objectives is a process where by the superior and subordinate managers of an enterprise jointly identify the common goals, define each individuals major areas of responsibility in terms of results expected from him and use these measures as guides for operating the unit and assessing the contribution of each of its members.”***

# PROCESS OF M.B.O



# BENEFITS OF M.B.O

- ▶ Better managing
  - ▶ Clarity in organizational action
  - ▶ Personnel satisfaction
  - ▶ Basis for organizational change
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# LIMITATIONS OF M.B.O

- ▶ Time and cost
- ▶ Failure of teach M.B.O philosophy
- ▶ Problems in objective setting
- ▶ Emphasis on short term objectives
- ▶ Inflexibility
- ▶ Frustration