

# PLANNING AS A FUNCTION OF MANAGEMENT

## Planning

According to Koontz & O 'Donell, "Planning is **deciding in advance** - what to do, how to do and who is to do it. Planning **bridges the gap** between where we are, to, where we want to go. It makes possible things to occur which would not otherwise occur".

# PROCESS OF PLANNING

Steps in the Process of Planning :

1. Establishment of **objectives**
2. Establishment of Planning **Premises**
3. Identifying **alternative courses** of action
4. **Evaluating** alternative courses
5. **Selecting** an alternative
6. **Implement** the plan
7. **Follow-up** action

# Characteristics of Planning

- 1.Planning is **goal-oriented**.
- 2.Planning is **looking ahead**.
- 3.Planning is an **intellectual** process.
- 4.Planning involves **decision making**.

# Characteristics of Planning

- 5. **Primacy** of Planning.
- 6. Planning is **Continuous**.
- 7. Planning is all **Pervasive**.
- 8. Planning is **Flexible**.

## Importance of Planning

1. Planning provides directions.
2. Planning reduces the risks of uncertainty.
3. Planning reduces overlapping and wasteful activities.

## Importance of Planning

- 4.Planning promotes innovative ideas.
- 5.Planning facilitates decision making.
- 6.Planning establishes standards for controlling.

## Internal Limitations

1. Planning leads to **rigidity**.
2. Planning may **not work in a dynamic environment**.
3. Planning **reduces creativity**.
4. Planning involves **huge costs**.
5. Planning is a **time-consuming** process.
6. Planning **does not guarantee success**.



## External Limitations

1. Political Climate
2. Labour Union- Strikes, lockouts, agitations.
3. Technological changes
4. Policies of competitors
5. Natural Calamities
6. Changes in demand and prices

# Types of Plans

- 1.Objectives
2. Strategy
3. Policy
4. Procedure
- 5.Method
- 6.Rule
7. Programme
8. Budget.

# Objectives

**Objectives**, can be said to be the desired future position that the management would like to reach. Objectives should be **SMART** i.e. specific, measurable, achievable, relevant and time bound.

# Strategy

A **strategy** provides the broad contours of an organization's business. It refers to future decisions defining the organization's direction and scope in the long run. A strategy is a **comprehensive** plan for accomplishing an organization objectives.

# Policy

Policies are **general statements** that **guide thinking** or channelize energies towards a particular direction. They are **guides to managerial action and decisions** in the implementation of strategy.

# Procedure

Procedures are **routine steps** on how to carry out activities. They contain the details of the exact manner in which any work is to be performed. They are specified in a **chronological order**.

# Method

Methods provide the **prescribed ways or manner** in which a task has to be performed considering the objective. It deals with a task comprising **one step of a procedure** and specifies how this step is to be performed.

## Rule

Rules are **specific statements** that inform what is to be done. They do not allow for any flexibility or discretion. It reflects a managerial **decision that a certain action must or must not be taken.**



# Programme

Programmes are **detailed statements** about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. These will **include the entire group of activities.**

# Budget

A budget is a statement of **expected results** expressed **in numerical terms**. It is a plan which quantifies **future** facts and figures.