

UNIT - III

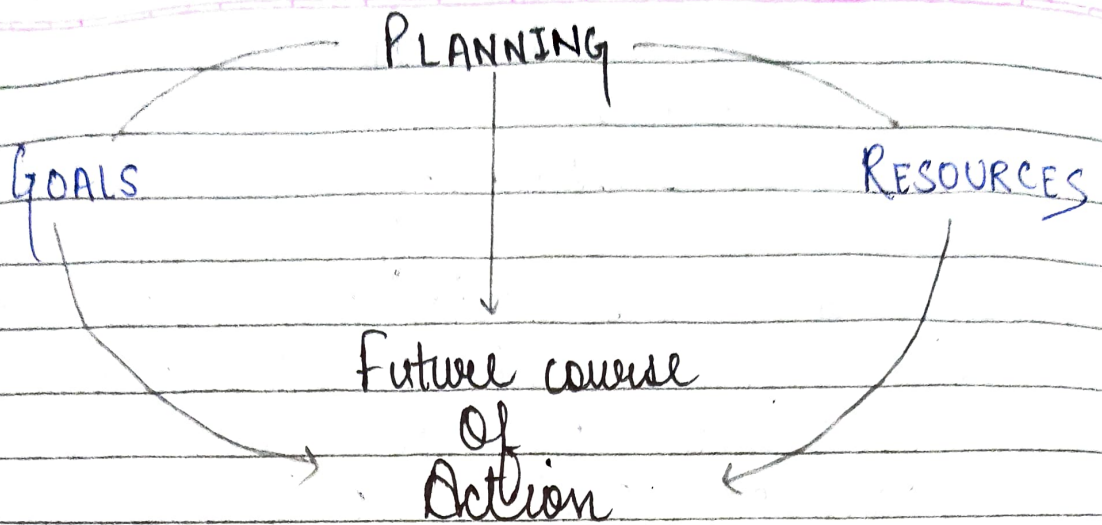
Planning

Planning means deciding future course of action like making plan for attaining organisation objective but plan alone cannot achieve objective, matching resources & actions are needed to achieve them. Therefore it includes selection of objectives, policies, procedures & methods etc.

In ^{totality} ~~totality~~ planning is the process of defining organisation objective & deciding future course of action for achieving these objectives effectively.

Planning may be defined as the process of ~~seeking~~ seeking answers to the following questions pertaining to the future:-

Question 1 - What is to be done?
Why it is to be done?
How it is to be done?
By whom it is to be done?
When it is to be done?
Where it is to be done?
What resources are required for doing it?



Definition

According to HAYNES & MASSIE

"Planning is that function of a manager in which he decides in advance what he will do. It is a decision making process of special kind, its essence is in future."

According to HART

"Planning is the determination in advance of a line of action by which certain results are to be achieved."

Essentials of effective Planning

1. Simplicity

2. Well defined objectives
3. Comprehensive
4. Flexible
5. Economical
6. Clear
7. Stable
8. Balanced
9. Future oriented
10. Participative
11. Practical
12. Reliable
13. Action oriented

Importance of Planning

1. Reduce uncertainties
2. Facilitates in coordination
3. Increase competitive efficiency
4. Minimum use of the available resources
5. facilitates in delegation of authority
6. Increase in managerial efficiency
7. encouragement of new thoughts & creativity
8. facilitates in controlling
9. Increase in morale & motivation
10. Prepare for change

★ Components, Elements or Scope of Planning

1. Objective or goals
2. Procedure
3. Program
4. Methods
5. Schedule
6. Forecasting
7. Policies
8. Rules
9. Strategy
10. Budget
11. Project
12. Standard

Tools & Techniques of Planning

1. Forecasting
2. Break-even analysis
3. Budget
4. Linear programming
5. ~~PERT~~ PERT [Program Evaluation & Review Technique]
6. CPM [Critical Path Method]

Barriers or Limitations of Planning

1. Unclear Objectives
2. Lack of Reliable facts & information
3. Expensive process
4. Resistance to change
5. Lack of Planning skills
6. Lack of Participation
7. Delay in action
8. Impact of external factors
9. Inadequate resources
10. Failure in coordination
11. Difficulty in execution

Types of Planning

I On the basis of Origin

1. **Top Level Planning** :- Such type of planning is formulated and prepared by top management. Companies policy, objectives, program and a budget are clearly mentioned in this. It affects the entire organisation.
2. **Requested Planning** :- Such planning is prepared and implemented on the request of the peer group employees or subordinates. Like suggestions.
3. **Imposed Planning** :- The plan which are imposed by the external parties are known as imposed planning, like labour unions, govt. policies etc.

Types of Planning

I On the basis of origin

1. Top level Planning

2. Requested Planning

3. Imposed Planning

II On the basis of Nature

1. Standing Planning

2. Adhoc Planning

3. Routine Planning

III On the basis of Objective

1. Creative Planning

2. Collective Planning

3. Routine Planning

IV On the basis of scope

1. Comprehensive Planning

2. Functional Planning

3. Lower level Planning

V On the basis of Level

1. Top level

2. Middle level

3. Lower level Planning

VI On the basis of Importance

1. Administrative Planning

2. Operational Planning

3. Project Planning

VII On the basis of Period

1. Short-term Period

2. Medium term

3. Long term

II On the basis of Nature

1. **Standing Planning** :- It includes such plan which is so determined that it may be used again and again are known as standing Planning. Like production.
2. **Adhoc Planning** :- It is formulated for some special task or a reason. Once that task or reason is completed, the existence of such planning are automatically finished.

III On the basis of Objective

1. **Creative Planning** :- It is also known as innovative planning. It includes such plan which aims at implementing new techniques & technology.
2. **Corrective Planning** :- This planning is prepared for making the necessary corrections in the existing plan so that targeted work can be achieved.
3. **Routine Planning** :- It is concerned with the day to day activity taking place at each level of the organisation. Such plan act as a subsidiary plan of a comprehensive plan.

IV On the basis of Scope

1. **Comprehensive Planning**:- It is such plan which concentrate their full attention on various complex problem of the organisation hence it is also known as Master Planning.
2. **Functional Planning**:- It is related with the specific problem of a particular department. It should be prepared in accordance with the objective of comprehensive plan.

V On the basis of Levels

1. **Top level Planning**:- Such type of planning is formulated & prepared by top management. Companies policy, objectives, program & budget are clearly mentioned in this. It effects the entire organisation.
2. **Middle Level Planning**:- Such plans are generally concerned with achieving goals & objectives formulated by middle level management.
3. **Lower level Planning**:- Sometimes plans are even formulated by the superiors or subordinates. They are formulated

by keeping in view the future position of the organisation in relation with the changing circumstances.

VI On the basis of Importance

1. **Administrative Planning** :- Such plans are prepared to determine long-term goals and policies. Such plans are very crucial in terms of attainment of the overall organisational objective.
2. **Operational Planning** :- It relates to the actual activities of the organisation. It means the process of converting the strategic plan into specific work plan.
3. **Project Planning** :- Such plans are prepared in the organisation at the time of introduction of new project and once this project is accomplished, such plans automatically becomes finish.

VII On the basis of Period

1. **Short-term Planning** :- The plans which are formulated for short period are known as short-term planning. It related with the attainment of long term results. It is also known as Operational

1. technical Planning

2. Middle-term Planning:- The tenure of such plans is upto one year to 5 year. It is done by the middle level managers & functional managers. The subsidiary plans are included in this for the success of long term plan.

3 Long-term Planning:- The tenure of such plans are upto 20 years. It is a systematic & decision for the fulfillment of long term objectives which guides the present decisions by keeping in view the future course of action.

WEISBORD'S Sin Bon Model.

A framework developed by Marvin Weisbord. This model is one that can help you to accurately ~~assist~~ ^{assist} access the function of the organisation. One of the advantage of using this specific model is its ability to adapt to just above any business that you happen to be in.

Weisbord's Sin Box Model

PURPOSE	STRUCTURE	RELATIONSHIPS
REWARDS	LEADERSHIP	HELPFUL MECHANISM

This model is meant for "across the board" to allow you to gain a better understanding of the sin box model can be summarised as follows

PURPOSE :- This is a very general piece of the functioning working of the organisation. It needs to understand very specifically what business you are in and what business you want to be in moving forward.

What are your current targeted markets & unexpectedly in which market you have entered.

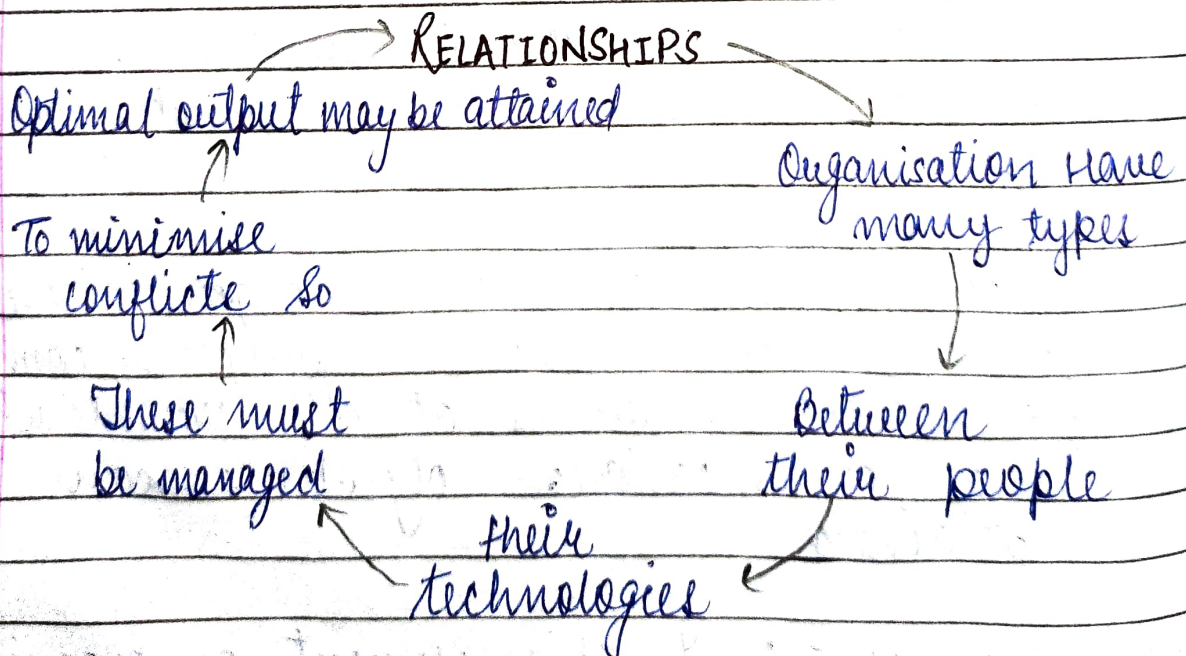
Hence the purpose of the organisation must be very well cleared & properly communicated to all the workers at all the levels so that organisational objectives can be attained.

2. **STRUCTURE :-** In this element an organisation ensures in detail that how their

business operates and how it works on a daily basis. The structure of the organisation will ensure about what kind of product you are able to produce & at what cost. And who is responsible for doing what in the company.

3. **RELATIONSHIPS** :- This element is very crucial in terms of making the image and goodwill of the organisation.

Relationships within the organisation & outside the organisation must be handled very smoothly so that inter-personal relations of the employees within the organisation & with the third party should be maintained



REWARD :- This is a kind of moral boosting for the employees to take an extraordinary performance with them because generally employees perform well when they are offered some rewards. It is a win-win situation for both organisation and employees.

Must recognise
its employees

An organisation
Culture

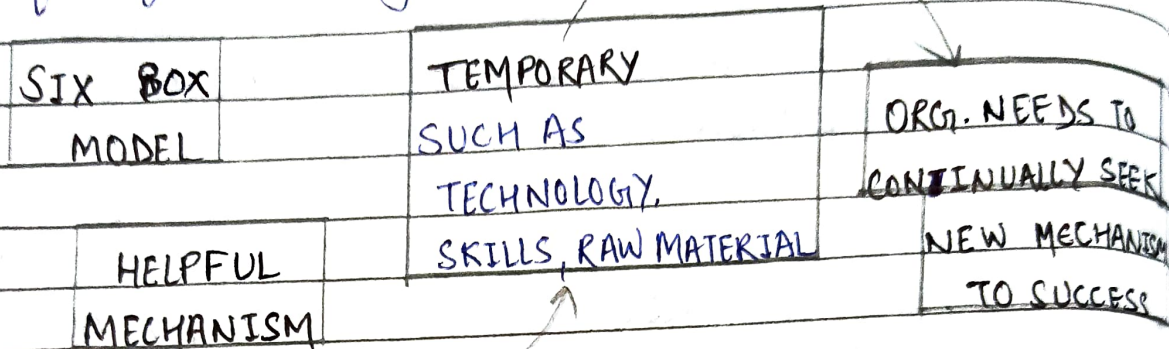
Commitment
&
Motivation with

A GENUINE REWARD STRUCTURE

LEADERSHIP :- When organisation have strong leadership in the working environment it assist in maintaining a sense of confidence & ensure a timely completion of the task. A Leader must be understanding & caring & should take care of the needs & wants of the employees working at all the levels.

HELPFUL MECHANISM :- An organisation must implement new technologies & innovations in the organisation on a regular basis so as to

Compete with the competitors. It helps them to meet out the current market requirements & ensures the attainment of organisations goals.



Key points of Six Box Model

1. This model is developed to assess the functioning of organisation.
2. The six boxes that make up the model are Purpose, Structure, Relationships, Rewards, Leadership & Helpful Mechanism.
3. This model helps in discovering the very interesting facts about the organisation.
4. This model ensures the best possible use of available resources.
5. This model helps in finding the honest feedback regarding the problems associated with the organisation.
6. This model suggests the best possible solutions for the highlighted problems.
7. This model plays a vital role towards the attainment of organisational objectives.