



7th Semester Essentials of Management HUM-4001



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Planning

- Planning can be defined as a basic management function which enables one to select the purpose of the business, and how the resources should be mustered to achieve that purpose to include using the available resources optimally to do that.
- Planning implies goal setting for the organization keeping in mind the constraints, opportunities, and threats as much as what the person or business which is planning wants to do.
- Thus, a plan is a blueprint for goal achievement, a blueprint that specifies the necessary resource allocations, schedules, tasks, and other actions to achieve the purpose.

Reasons for Planning – Why Plan?

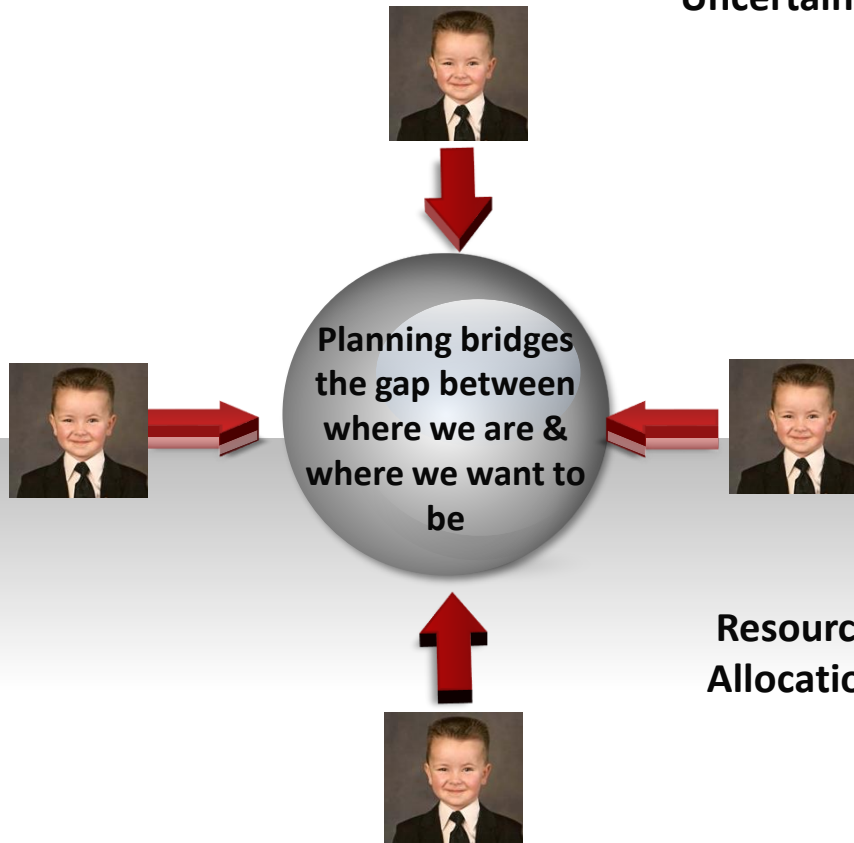


**Reduces
Uncertainties**

**Provides
Direction**

**Minimizes impulsive
& arbitrary decisions**

**Resource
Allocation**



- A goal is a desired future state that the organization attempts to reach.
- Goals are important because an organization exists for a purpose, and goals define and state that purpose.
- **Goals specify future ends; plans specify the means to do that.**
- The method we choose to achieve the vision and execute the mission is planning. Therefore, planning is about looking ahead.

Planning answers six basic questions in regard to any activity:

- What needs to be accomplished? What are the alternative routes to it?
- When is the deadline?
- Where will this be done?
- Who will be responsible for it?
- How will it get done?
- How much time, energy, and resources are required to accomplish this goal?

Planning is important for the following reasons:

- It helps the management to clarify, focus, and research their businesses or project's development and prospects.
- It provides a considered and logical framework within which a business can develop and pursue business.
- It offers a benchmark against which the actual performance can be measured and reviewed.
- It plays a vital role in helping to avoid mistakes or recognize hidden opportunities.

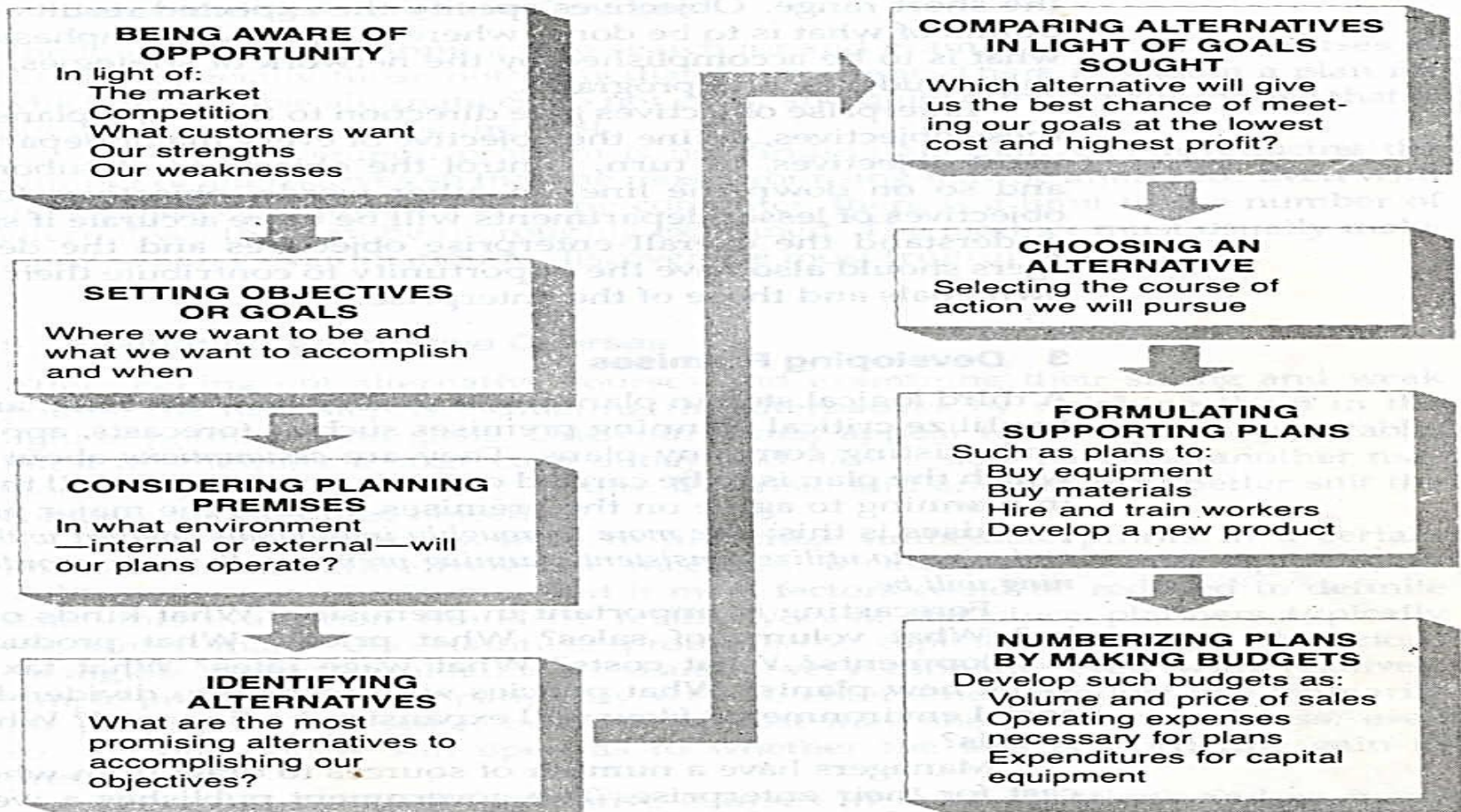
In the business context, it guides the development of products, management, finances, and most importantly, markets and competition.

- It helps in forecasting the future and makes the future visible to some extent.
- It bridges between where we are and where we want to go.

STEPS IN PLANNING :

- ❖ Being aware of opportunities
- ❖ Setting objectives or goals
- ❖ Considering planning premises
- ❖ Identifying the alternatives
- ❖ Comparing the alternatives in the light of the goals sought
- ❖ Choosing an alternative
- ❖ Formulating the supporting plans
- ❖ Numberizing the plans by making budgets







STEPS IN PLANNING.

Steps in Planning


Being aware of Opportunities: This means being aware of the customer needs, market, competition, strengths and weaknesses of the organisation.



Establishing objectives: This implies establishing what the organisation wants to be and what it wants to accomplish and in relation to which market segment.




Developing premises: It means deciding on the environment in which the plan is going to operate. Business has external environment created by political factors to include legislation, legal framework.



Determining alternative course: It implies identifying the most promising alternative to accomplish the organisation goal.

Steps in Planning


Evaluating alternative courses: Comparing the alternatives to find out which of them will meet the goals of the organisation at an optimal cost and profit keeping sustainability into mind.



Selecting a course: Selecting the course that the organisation wants to follow.



Formulating plans: This implies making plans that support the course of action by buying equipment , space, planning the type of HR etc.



Qualifying plans by budgeting: Identifying the cost involved, how the financial resources will be mobilised, what is the capital expenditure, what is the operational expenditure, the working capital etc.

TYPES OF PLANS :

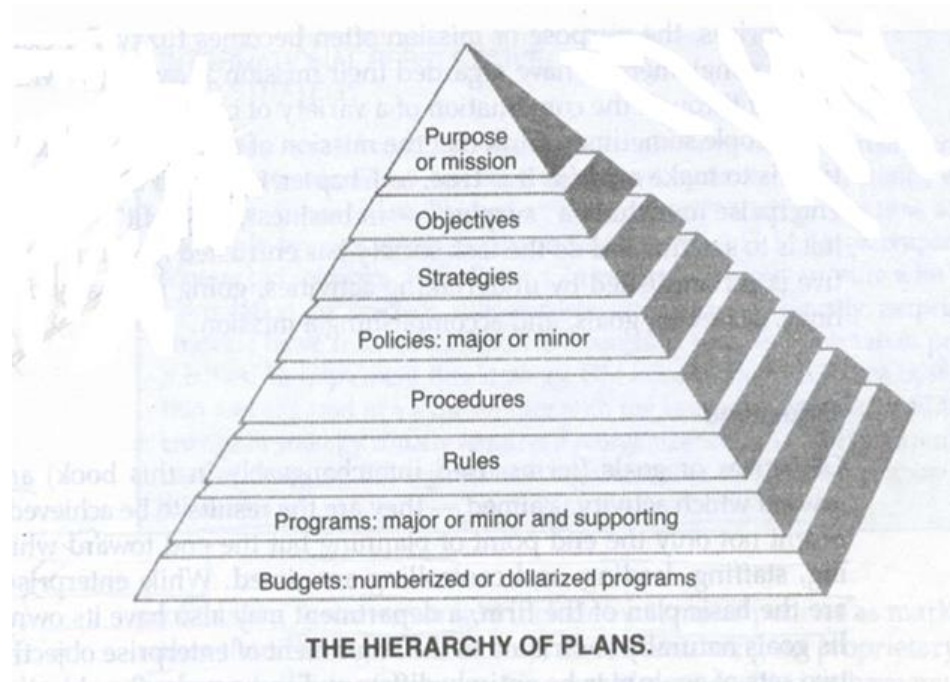
- ❖ Purposes / Mission
- ❖ Objectives
- ❖ Strategies
- ❖ Policies
- ❖ Procedures
- ❖ Rules
- ❖ Programs
- ❖ Budgets

BOARD OF
DIRECTORS

TOP LEVEL
MANAGERS

MIDDLE LEVEL
MANAGERS

FIRST LEVEL
MANAGERS



Mission

- ❑ It identifies the basic function or task of an enterprise or agency or any part of it.
Example:

❖ Mission Of Oil Company : Are To Search For Oil And To Produce ,Refine, Market Petroleum Product.

(Activity: Go through the websites of any 3 companies of your choice and read their mission statements)

Mission, Vision & Values

Mission Statement

Be the most preferred choice of students, faculty and industry. Be in the top 10 in every discipline of education, health sciences, engineering and management.

Vision Statement

Global leadership in human development, excellence in education and healthcare.

Manipal Values

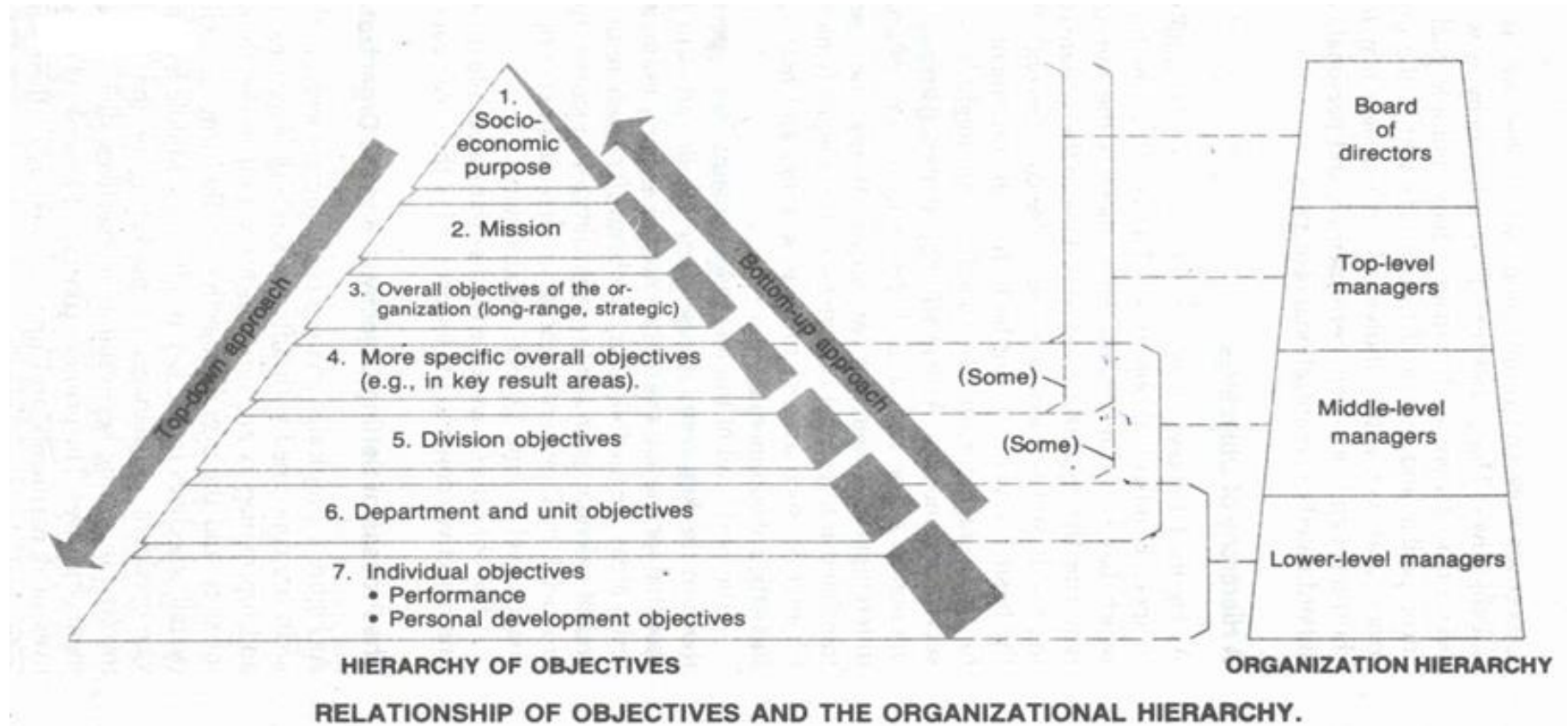
- Integrity
- Transparency
- Quality
- Team Work
- Execution with passion
- Humane touch

Objectives

- ☐ OBJECTIVES ARE DEFINED AS THE IMPORTANT ENDS TOWARDS WHICH ORGANIZATIONAL AND INDIVIDUAL ACTIVITIES ARE DIRECTED
- ☐ VERIFIABLE OBJECTIVES-FACILITATE MEASUREMENT OF THE SURPLUS AS WELL AS THE EFFECTIVENESS AND EFFICIENCY OF MANAGERIAL ACTIONS

Overall objectives of a University

- ☐ ATTRACTING HIGHLY QUALIFIED STUDENTS
- ☐ OFFERING BASIC TRAINING IN PROFESSIONAL FIELD
- ☐ GRANTING PhD degrees
- ☐ New knowledge through research
- ☐ Operating school through tuition, gifts of alumni and friends



❑ TOP DOWN APPROACH –UPPER LEVEL MANAGERS DETERMINE THE OBJECTIVES FOR SUBORDINATES.

❑ BOTTOM UP APPROACHES –SUBORDINATES INITIATE THE SETTING OF OBJECTIVES FOR THEIR POSITIONS AND PRESENT THEM TO THEIR SUPERIOR.

POLICIES

- Policies are also the plans in that they are general statements or understanding which guide or channel thinking in decision making.
- Not all policies are statement, they are often merely implied from the actions of managers.
- **Eg– the practice of promoting from within.**
- Policies define an area within which a decision is to be made and ensure that the decision will be consistent with and contribute to the objective.
- They help decide issues before they become problems.

EXAMPLES ARE

- ❖ POLICIES OF HIRING UNIVERSITY TRAINED ENGINEERS
- ❖ ENCOURAGE EMPLOYEE SUGGESTION
- ❖ PROMOTING FROM WITH IN
- ❖ SETTING COMPETITIVE PRICES

POLICIES HELP IN DECISION MAKING – POLICES OF BUYING FROM THE LOWEST OF THREE QUALIFIED BIDDERS

PROCEDURES

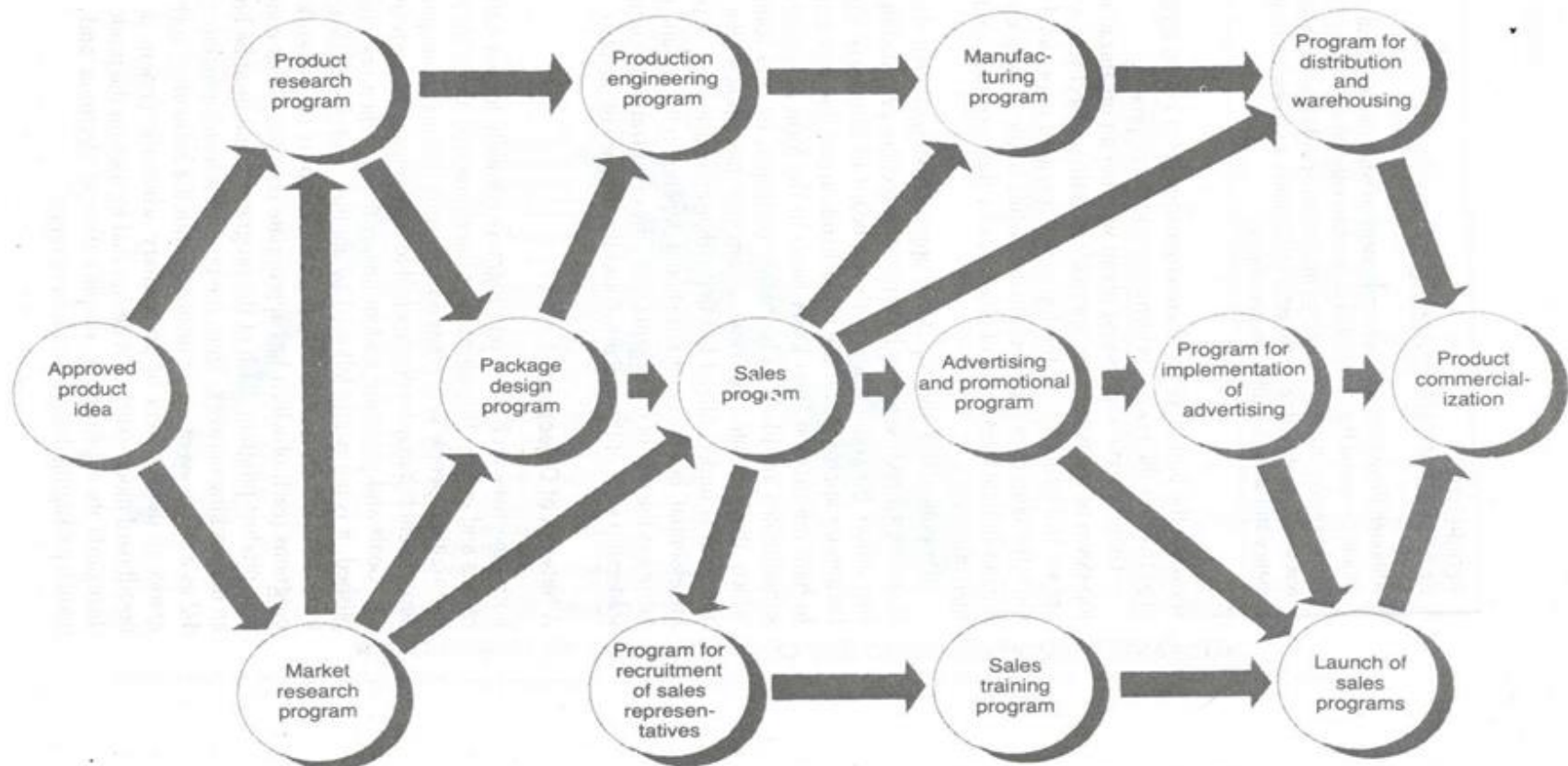
- **Chronological sequences of actions of required actions.**
- Procedures establish a required method of handling future activities.
- They are guides to actions , rather than to thinking and they detail the exact manner in which certain activities must be accomplished.
- Eg- company policies may grant vacation to employees ; procedures to implement this policy will provide for scheduling vacation to avoid any disruption of work.

RULES

- Rules—spell out specific required actions or non actions, allowing no discretion.
- They are simplest type of plan
- They guide actions without specifying time sequence
- May or may not be part of procedure
- Ex—no smoking, quite unrelated to any procedure

PROGRAMS

- ❖ Programs are a complex of goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action; they are ordinarily supported by budgets.



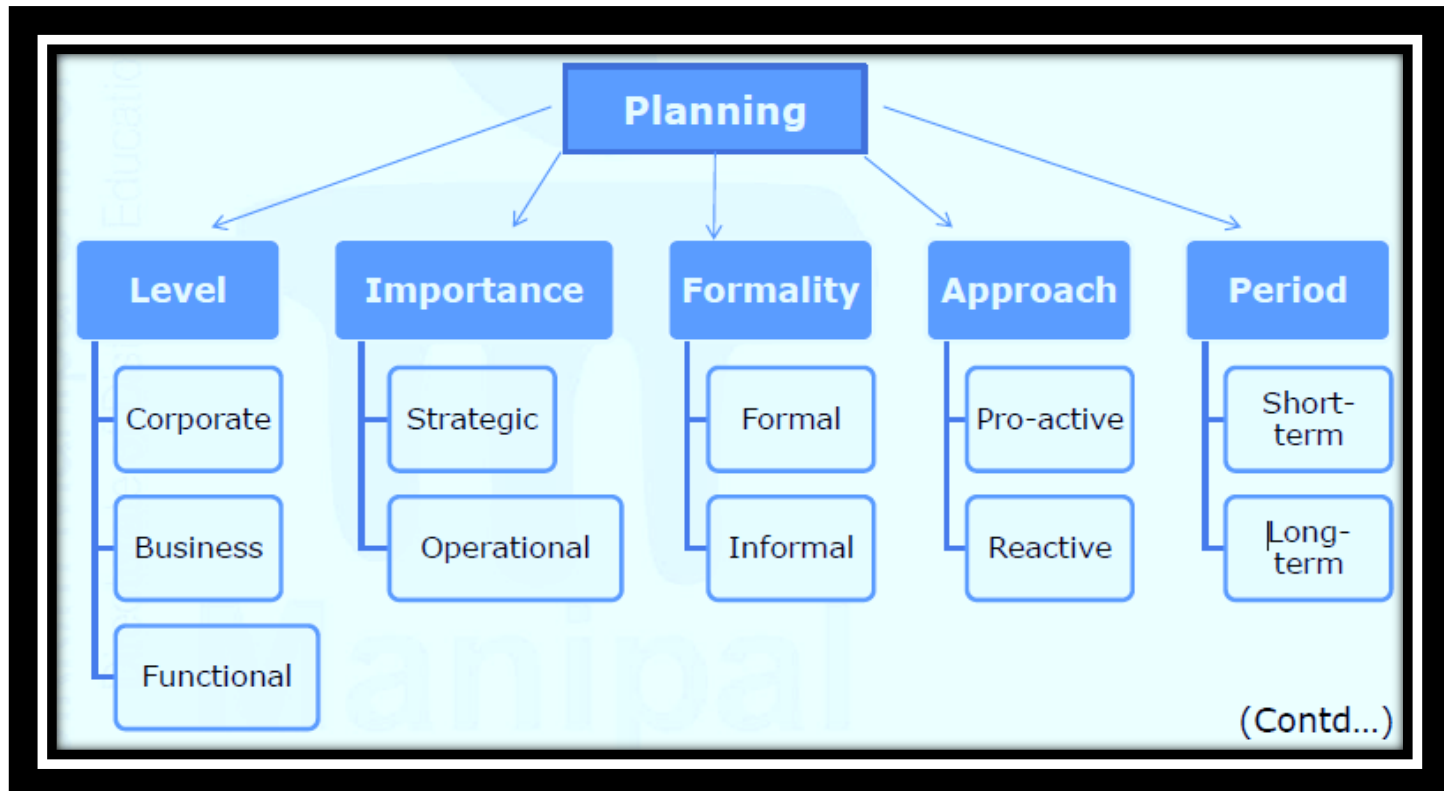
NETWORK OF PROGRAMS CONSTITUTING A TYPICAL NEW-PRODUCT PROGRAM.

BUDGETS

- ❖ Budgets are the statement of **expected results expressed in numerical terms** , referred as numberized programs
- ❖ Can be in terms of--- no of labour hours, units of production, financial terms, machine-hours,
- ❖ Budgets usually implements a program , it may in itself be a program.
- ❖ Variable or flexible budgets—depends on level of output
- ❖ Program budgets—the agencies and each dept. Within the agencies identifies the goals. Zero based budgets—combination of variable and program budgets.

Types of Planning

- Planning can be classified from different perspectives. The figure below depicts the perspectives of planning.



Types of Planning

Planning based on level: They are integrated and future oriented plans covering long term objectives and the ways to do these at various levels such as corporate, functional and business levels.

Based on importance: Plans that are very crucial, future oriented and help the organisation fulfill its vision, are strategic plans.

Short term plans made for the day-to-day functioning such as production, purchase, operation etc. are called operational plans.

Based on formal process: When the planning is done as per the steps documented in a structured way, it is called formal plan and when this is missing it is called informal plan.

Types of Planning

Based on approach: The plans that are made anticipating an incident is called pro-active plan. The plan that is made as a consequence of an event or action of the competition, is called reactive plan. Reactive plans brings an organisation back to balance after it has been lost whereas pro-active plans provide initiative.

Based on period: Every organisation is required to fulfill some need of society. Based on the time period required to fulfill each need, plans may be short-term, medium term and long term.

Usually it is said that short term implies 1 or 2 years, medium up to 5 years and long term from 8 to 20 years.

Types of Plans

BREADTH
OF USE

TIME
FRAME

SPECIFICITY

FREQUENCY
OF USE

Strategic

Long term

Directional

Single use

Tactical

Short term

Specific

Standing

- The most popular ways to describe plans are by their breadth (strategic versus tactical), time frame (long term versus short term), specificity (directional versus specific), and frequency of use (single use versus standing). These classifications are not mutually exclusive.

- Upper-level managers develop *strategic plans* that apply to the entire organization, establish overall objectives, and position the organization within its environment.
- Lower-level managers focus on *tactical plans* that specify how the overall objectives will be achieved. These plans differ in time frame and scope: operational plans are limited in scope and are measured daily, weekly, or monthly; strategic plans are broader, less specific and encompass five or more years.



STRATEGY: SURPRISE ATTACK



**TACTIC: JUMP LIKE CRAZY
& THROW SPEAR VERY HARD**

Example:

Finding a Job

Perhaps your goal is to find a new job as part of a long-term plan for financial stability. There are several different strategies you can use to find a job, including:

- Using your current skills to find a new job
- Becoming an apprentice for a trade
- Going to college for a new career.

If you decide on a strategy to use your current skills in a different job, then your tactics might include:

- Updating your résumé
- Telling your friends that you want a new job so they can help you
- Looking at job postings in newspapers or on the Internet.

In this situation, as in most cases, you'll probably use a few different tactics as part of your strategy to find a job. And in the process, you might decide that some tactics don't work well so you'll abandon them and try new tactics.

Strategic Planning

❑ Strategic plans

- ❖ Apply broadly to the entire organization.
- ❖ Establish the organization's overall objectives.
- ❖ Seek to position the organization in terms of its environment.
- ❖ Provide direction to drive an organization's efforts to achieve its goals.
- ❖ Serve as the basis for the tactical plans.
- ❖ Cover extended periods of time.
- ❖ Are less specific in their details.

❑ Tactical plans (operational plans)

- ❖ Apply to specific parts of the organization.
- ❖ Are derived from strategic objectives.
- ❖ Specify the details of how the overall objectives are to be achieved.
- ❖ Cover shorter periods of time.
- ❖ Must be updated continuously to meet current challenges.

❑ Specific plans

- ❖ Plans that have clearly defined objectives and leave no room for misinterpretation.
 - “What, when, where, how much, and by whom” (process-focus)
 - **Eg: Lesson Plan**

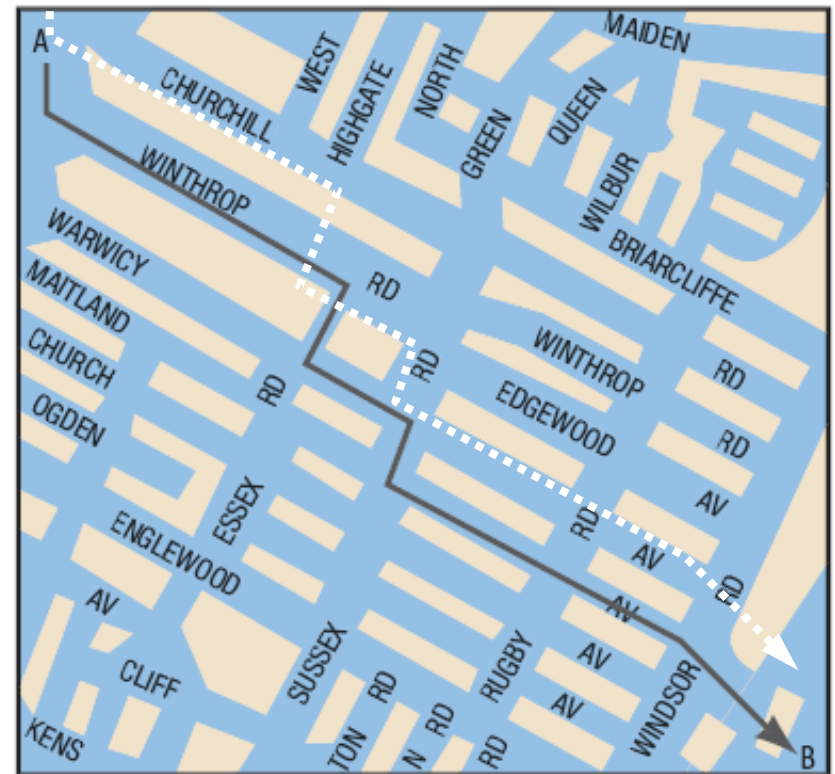
❑ Directional plans

- ❖ Flexible plans that set out general guidelines.
 - “Go from here to there” (outcome-focus)

Directional versus Specific Plans



Directional plan



Specific plan

❑ Single-use plans

- ❖ A plan that is used to meet the needs of a particular or unique situation
 - Single-day sales advertisement

❑ Standing plan

- ❖ A plan that is ongoing and provides guidance for repeatedly performed actions in an organization
 - Customer satisfaction policy

Systems approach to Management

