

Accountancy, Business and Management Organization and Management

Nature, Levels of Planning and Types of Plans

First Quarter – Module 5



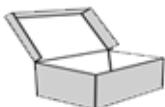
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What I Need To Know

This module was designed and written with you, as the student, in mind. It was prepared to help you developed the knowledge, skills, and attitudes in the performance for business management setting. The scope of this module permits it to be used in many different learning situations as applied in business setting. Also, it was carefully designed so that you can work at your own pace and allow self-discovery of the concept through activities that you will perform. Activities presented in this module allows you to do independent learning which also aims to develop your reading comprehension skills through understanding the written texts.

At the end of the module you shall be able to:

- define planning;
- discuss the nature, levels of planning and types of plans.
- compare and contrast the different types of plans;

Before we start may I remind you that you need your big notebook. It will serve as your portfolio for this subject.



What I Know

Write the word **TRUE** if the statement is **correct** or the word **FALSE** if the statement is **incorrect**. Keep your responses on your portfolio notebook.

- _____ 1. Managers in the organization perform Planning as their major functions.
- _____ 2. Planning reduces uncertainty as it compels managers to consider future events.
- _____ 3. An organizational plan is a plan which can only be applied to a department or unit area in the organization.
- _____ 4. Strategic Planning is a middle-level management planning which refers to procedures and transformation of strategic goals with specific goals.
- _____ 5. Forecast is a statement that tells about the future value of a variable such as demand.





What's In

Before we begin, let us try to recall our previous lesson about the forms of business organizations by completing the following sentences:
I realized that:

I resolved that:

Keep your responses on your portfolio notebook.



What's New

Planning is the work of every manager in the organization. It is an activity where the manager set the goals to determine the end results to be accomplished by the organization.

To begin with, let us accomplish the activity below.

Now that we are experiencing the COVID-19 pandemic, can you list down at least 10 previous plans that you think you were not able to accomplish because of the current situation and your 10 plans or to do list once we recovered from this pandemic. Prepare your answer on your portfolio notebook following the same table below:

| My unaccomplished plans because of COVID-19 pandemic | My plans or to do lists after the COVID-19 pandemic |
|--|---|
| | |
| | |
| | |
| | |
| | |



Reflective questions:

Answer the following questions. Keep your responses on your portfolio notebook.

1. Have you encountered any difficulty in listing down your unaccomplished plans and plans or to do list after the COVID-19 pandemic?
2. How do you think the activity helps you in preparing your plans after the pandemic?
3. Based on the activity, in your own words define planning?
4. Do you think making plans or to do list will help you organize your activities?

Rubrics for scoring (15 points)

| Criteria | Outstanding (5) | Proficient (4) | Basic (3) | Below Expectations (1) |
|----------------------|--|---|--|--|
| Critical Thinking | Rich in content; insightful analysis and clear connections made to real-life situations or to previous content. | Substantial information; evidence of analysis, and general connections are made, but sometimes too obvious or not clear | Information is thin and common place; attempts made at analysis, and evaluation; connections are limited, vague generalities are posted. | Superficial with little analysis or evaluation; little or no connections with any other material or are off topic. |
| Personal reflections | Entries are high quality consisting of personal reflections that connect between real-life learning and reading. | Connects sides and thoughts to personal life; Evidence of personal connection to learning community | Little evidence of personal connection, many connections need further explanation or justification | Lack of connection to personal life |
| Surface Features | An occasional grammatical or stylistic error | Few grammatical or stylistics errors | Obvious grammatical or stylistic errors; errors interfere with content. | Obvious grammatical or stylistics errors; errors make content very difficult to read |

Retrieved from: <https://knilt.arcc.albany.edu/Rubrics>



Lesson 1

Nature and Levels of Planning and Types of Plans



What Is It

What is Planning?

Planning involves a process in setting the organization's goals, establishing strategies for achieving those goals and developing plans of action or means that managers intend to use to achieve organizational goals. It is concerned primarily with both ends (what) and means (how).

Formal planning is the term used in business setting. In formal planning, specific goals covering a specific time frame are defined. Goals should be written and shared with the members of the organization to reduce ambiguity and create a common understanding about what needs to be done.

Definition of Terms:

Goals- are the targets or desired ends that management wants to reach. It served as the foundation of planning.

Goal Setting – is the identification of targets or desired ends that management of the organization wants to reach.

Vision – is a mental image of what the organization will be in the future, as desired by the company management and employees.

Mission – is the basic purpose of an organization and range of their operations.

Objectives – are the steps needed to attain desired ends.

Importance of planning

Managers have several reasons for formulating plans for themselves, their employees, and various stakeholders of the organization. They plan for their organization to:

1. **Provide a coordinated, systematic road map for future activities.** It gives direction to all the organizations' human resources-both managers and employees.



2. **Offset uncertainty and change.** This is important because it reduces uncertainty and compel managers to consider future events that may affect their company.
3. **Increase economic efficiency.** It minimizes wastes and will result proper coordination of activities due to planning; negative practices, ineffectiveness, and inefficiencies could be easily detected and can be corrected or eliminated.
4. **Facilitate control by establishing standard for activities.** It establishes goals and standards during planning that can be used for controlling.

Relationship of Planning to Individual and Organizational Performance

Does planning have a clear direct relationship with performance? Although we have most showed generally positive relationships between the two, we cannot directly say that organizations or individuals who formally plan always have better performance compared to those who do not plan well.

First, widely speaking, formal planning is associated with positive financial results. Organization who systematically plan always yields excellent financial status and higher return of investments, higher income and profit that could be traced also to the excellent performance of its human resources.

Lastly, the planning-performance relationship could also be influenced by the planning time frame or the time spent in preparing and executing a formal organizational or individual plan. Normally, a well-prepared plan requires a longer period of time preparation; its implementation must also be done for a certain period of time before it affects the organization's performance.

Source: adopted from DepEd SHS Textbook- Organization and Management

Types of Plans

An **Organizational plan** is a comprehensive plan for the entire organization covering time frame, specific purpose, frequency of use, and others. The figure below can best describe the different types of plans.



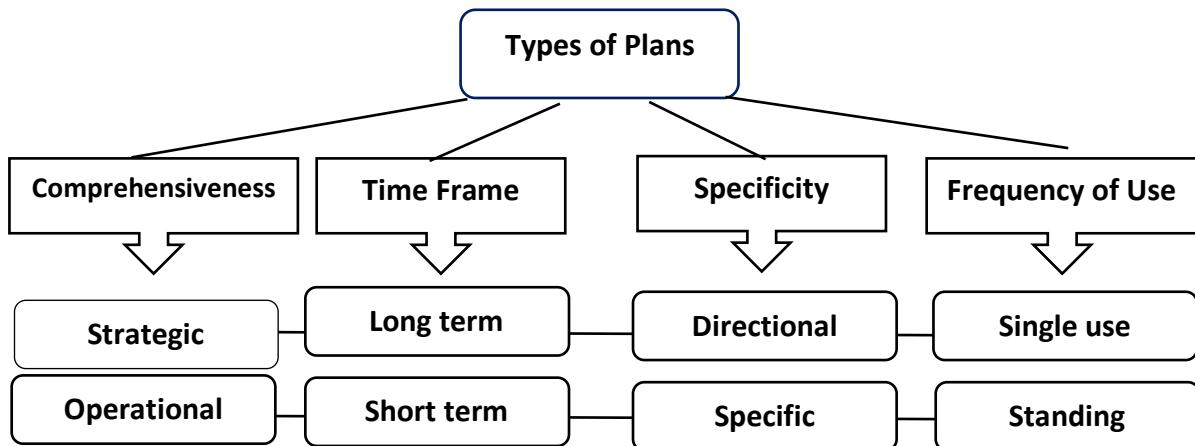


Figure 6-1 Types of Plans

As Figure 6-1 shows, plans can be classified according to **Comprehensiveness**. It refers to the completeness of the planning coverage. It can be **Strategic**, which covers the plan for the entire organization or **Operational** plans which covers only a particular area in the organization.

Plans can also be classified according to its **Time frame**. It refers to the duration or coverage of the plans. It can be **Long term** which covers more than three years or **Short term** which covers one year or less.

Another classification of plans refers to **Specificity**. **Specific plans** are clearly stated and leave no room for interpretation. It should state its objectives in a language that eliminates ambiguity and must be easy to understand. However, managers must also be flexible in preparing their plans to address to unexpected changes. In this case, **Directional plans** are used. It is more flexible or give the general guidelines but must always be related to strategic plans.

Lastly, plans can be classified according to **Frequency of use**. It refers to the number of times or instances a plan may be used. A **Single-use** plan is a plan designed for one-time preparation as its applied to the entire organization. On the other hand, **Standing plans** are plans that are ongoing as it provides guidance for different activities performed repeatedly in the organization.

Figure 6-1 shows the connection of different types of plans. That is, strategic plans are usually long term, directional, and single use. On the other hand, operational plans are usually prepared for short term use, specific and standing.



STEPS IN PLANNING

The following are the steps in planning as presented by Cabrera, et.al (2016)

1. Define your goals/objectives by identifying desired outcomes/results in very specific ways
2. Determine where you stand in relation to set goals/objectives; know your strengths and weaknesses
3. Develop premises regarding future conditions; anticipate future events, generate alternative “scenarios” for what may happen; identify for each scenario things that may help or hinder progress toward your goals/objectives.
4. Analyze and choose among action alternatives; list and carefully evaluate possible actions and choose the alternative most likely to accomplish goals/objectives.
5. Implement the plan and evaluate results; take corrective action and revise plans as needed.

Source: adopted from DepEd SHS Textbook- Organization and Management

Planning at Different Levels in the Firm

Planning is vital to the continued success of the organization. It is performed by every manager at various levels in the organization. Although different levels of managers in the organization prepared their plans, the results must be related to one another and must be directed toward the same goals. The table below shows planning at different levels in the firm.

| | | |
|--|--|--|
| 1. Top-level management <ul style="list-style-type: none">• They are responsible to define the organization's mission and goals.• They prepare the long-term goals and strategies of the organization.• They are not the one who formulate nor execute the plan, they are being supported and helped by their management team to carry out these tasks. | <ul style="list-style-type: none">• Senior Managers• Chief Executive Officers• Vice Presidents | Strategic Planning <ul style="list-style-type: none">• Strategic plans define the action steps by which the organization intends to achieve its goals.• Strategic goals are broad goals where the organization wants to be in the future. These goals pertain to the entire organization.• It seeks to position the organization in terms of its environment.• It covers extended periods of time. |
| 2. Middle-level management <ul style="list-style-type: none">• They are responsible to define the organization | <ul style="list-style-type: none">• Regional or Plant Managers• Department Heads | Tactical Planning <ul style="list-style-type: none">• It is a short-range planning and concentrate on the formulation of functional plans.• Tactical plans are plans to help |



| | | |
|--|--|--|
| objectives, department objectives and division objectives. | | the organization execute its strategic goals and to accomplish a specific part of the company's strategy. • Tactical Goals define the outcomes of that major divisions and departments must achieve in order for the organization to reach its goals. |
| 3. Frontline/Lower-level management • They are responsible to define the department objectives and individual objectives | • Team leader • Assistant Manager • Foreman • Unit managers | Operational Planning • These plans are specific and measure departmental results. • Operational plans are usually done on a daily or weekly basis. • It specifies the details of how the overall goals are to be achieved. • It covers short time period. |

Figure 6-2 clearly illustrates the triangle-diagram of the different levels of planning in the firm.

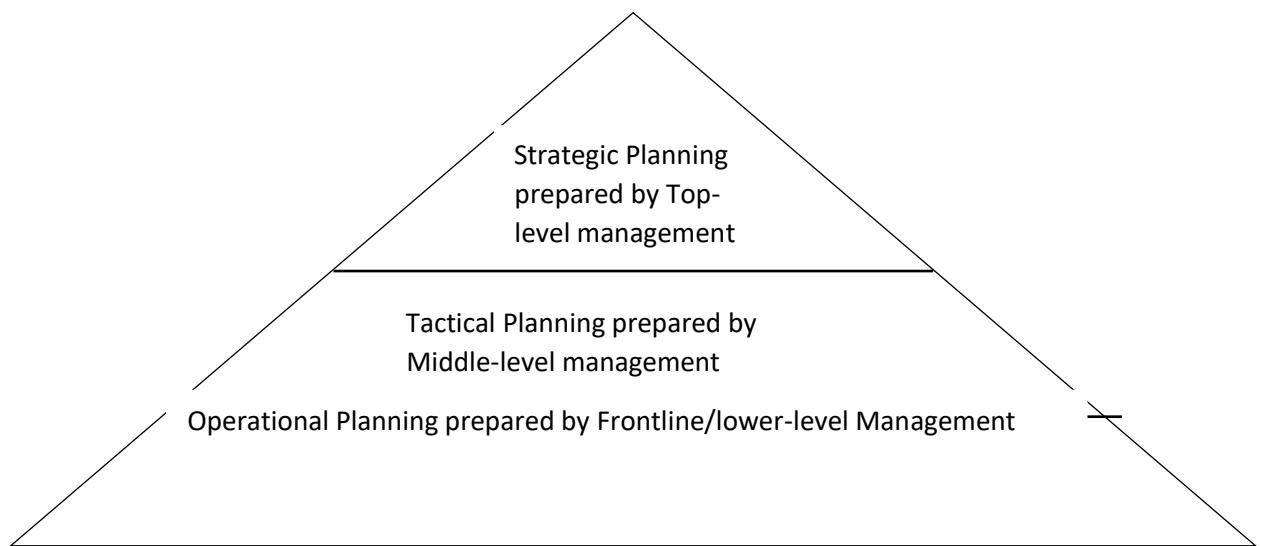


Figure 6-2 Levels of Planning in the Firm



Example is the Strategic Plan for 2015-2020 of XYZ Corporation

| STRATEGIC PLAN Top Management | TACTICAL PLAN Middle Management | OPERATIONAL PLAN Lower Level Management |
|---|---|---|
| To be recognized as the absolute best dealer of school shoes in the shoe industry | MARKETING Expand market reach of student customers. Increase customer visits to malls and bazaars. Review distribution strategy | Display products to mall and bazaars attractively. Provide discounts and other promotional campaigns |
| | PROCESSING Implement lean process Develop/implement supply chain strategy | Look for quality suppliers Minimize machines downtime |
| | Huma Resource (HR) Implement personal planning process Improve communication Increase teamwork | Hire productive personnel Implement policies and guidelines strictly |
| | PRODUCT DEVELOPMENT Create more creative designs that are appealing to students. | Designs for both kids and teen-agers in school age |



What's More

Activity 1. Let's try this...

Answer the guide questions: Use your portfolio notebook.

1. What are the bases for describing organizational plans?
2. Name at least five types of plans. Which, in your opinion, is the hardest to prepare?
3. How will you compare the types of plans according to time frame? Defend your answer.
4. Which plan is described to be short-term, specific, and narrow? Explain your answer.
5. Name the five steps in planning. Is there a step that could be bypassed or eliminated? Explain your answer.



Rubrics for scoring (25 points- 5 points each question)

| Outstanding (5) | Very Good (4) | Good (3) | Adequate (2) | Needs Improvement (1) |
|--|--|---|---|--|
| <ul style="list-style-type: none"> Demonstrate an excellent understanding of the lesson Responses are supported with important details | <ul style="list-style-type: none"> Demonstrates a good understanding of the lesson. Most responses are supported with important details. | <ul style="list-style-type: none"> Demonstrates some understanding of the lesson Responses are simple and predictable | <ul style="list-style-type: none"> Demonstrates little understanding of the lesson Responses have no supporting detail Some responses may be incorrect | <ul style="list-style-type: none"> Demonstrates no understanding of the lesson Responses have no relation to the story Responses are incomplete |

Retrieved from

<https://i.pinimg.com/originals/96/55/1d/96551de7f5b56ed06308393b2d3774a0.jpg>



What I Have Learned

Match column A to column B. Write only the correct letter of your answer. Keep your responses on your portfolio notebook.

| | | |
|--|---|------------------------|
| 1. Planning is the function of all _____ in the organization. | A | Goals |
| 2. A type of plan which create very specific policies and procedures. | B | Planning |
| 3. A plan that is clearly defined and leave no room for interpretation. | C | Standing plan |
| 4. It is the concrete formulations of achievements that an organization aims for within set periods of time. | D | Comprehensiveness |
| 5. The identification of targets or desired ends that management wants to reach. | E | Mission Statement |
| 6. Plans that establish the organization's overall goals and apply to the entire firm. | F | Lower level management |
| 7. The types of managers responsible in preparing the operational plan of the company. | G | Goal-setting |
| 8. It is deciding in advance what is to be done. | H | Directional plans |
| 9. It is a statement which tell the purpose or reason for the existence of an organization. | I | Objectives |
| 10. These are plans that are on-going as it intended to provide guidance for different activities of the organization. | J | Formal planning |
| 11. They are responsible in preparing the tactical plans of the company. | K | Specific plans |
| 12. A classification of plans which details the completeness of the planning coverage. | L | Managers |
| 13. A more flexible plans which give the general | M | Middle level |



| | | |
|--|---|----------------------|
| guidelines of the organization. | | management |
| 14. The steps needed to achieve desired ends. | N | Specific plans |
| 15. Specific goals which covers a specific time frame. | O | Strategic plan |
| | P | Operational planning |



What I Can Do

Think about this....

Based on your own understanding, how will you assess the performance of Marikina Local Government Unit (LGU), headed by Mayor Marcelino “Marcy” Teodoro, in addressing the COVID-19 pandemic. Specifically, answer the following guide questions: Use your portfolio notebook.

1. Do you think proper planning made by the LGU greatly helps in addressing the COVID-19 pandemic in Marikina City? Why?
2. What types of plans do you think were adopted by the LGU? Explain your answer.
3. If you are to analyze the levels of planning of the LGU, do you think Mayor Marcy, as the top manager of the LGU, perform best his responsibilities in planning to combat the COVID-19 pandemic? Defend your answer.

Rubrics for scoring (15 points-5 points each criterion)

| Criteria | Outstanding (5) | Proficient (4) | Basic (3) | Below Expectations (1) |
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| | real-life learning and reading. | learning community | explanation or justification | |
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Retrieved from: <https://knilt.arcc.albany.edu/Rubrics>



Assessment

1. It is the identification of targets or desired ends that management wants to reach.
 - a. Goals
 - b. Goal Setting
 - c. Mission
 - d. Vision
2. It refers to the completeness of the planning coverage.
 - a. Frequency
 - b. Length of time
 - c. Comprehensiveness
 - d. Specificity
3. It is the mental image of what the organization will be in the future as desired by the company management.
 - a. Goals
 - b. Goal Setting
 - c. Mission
 - d. Vision
4. Which of the following is an example of a strategic plan?
 - a. Increase the profit of the company by 60% in the next 3 years.
 - b. Visit five customers per day.
 - c. Increase the sales of the department by 15%.
 - d. Promote the products in 10 supermarkets per week.
5. It defines the outcome of the division or department.
 - a. Strategic Plan
 - b. Operational Plan
 - c. Tactical Plan
 - d. Single-use Plan
6. It refers to the very detailed, clearly defined plans wherein objectives are clearly stated and could easily be understood.
 - a. Comprehensiveness
 - b. Specificity
 - c. Frequency
 - d. Length of time
7. It is the logical and systematic approach of formulating the objectives, programs, policies, procedures, budgets, rules and regulations of the organization.
 - a. Controlling
 - b. Directing
 - c. Planning
 - d. Staffing



8. It is the plan prepared by the senior management and is being applied to the whole organization.
 - a. Operational plan
 - b. Strategic plan
 - c. Intermediate plan
 - d. Tactical plan
9. Which of the following is an example of an Operational plan?
 - a. To expand hotel service to different parts of the country.
 - b. To allocate 30% of annual hotel income for planned expansion of hotel service.
 - c. To increase the sales of the hotel service in 2 years.
 - d. Conduct training and development programs for hotel personnel to ensure excellent service.
10. The following are the importance of planning, except one.
 - a. It provides direction to the workers.
 - b. It reduces uncertainty.
 - c. It minimizes wastes that will result successful outcome.
 - d. It establishes goals and standards during planning.



Additional Activities

Challenge yourself...

In your portfolio notebook, interpret the Department of Education's Vision and Mission. Prepare your interpretation through a colorful poster. After making your poster, explain your output in 5 to 10 sentences.

DepED

Our Vision

We dream of Filipinos who passionately love their country and whose values and competencies enable them to realize their full potential and contribute meaningfully to building the nation.

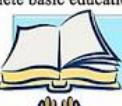
As a learner-centered public institution, the Department of Education continuously improves itself to better serve its stakeholders.

Our Mission

To protect and promote the right of every Filipino to quality, equitable, culture-based, and complete basic education where:



"Students learn in a childfriendly, gender-sensitive, safe, and motivating environment"



"Teachers facilitate learning and constantly nurture every learner"



"Administrators and staff, as stewards of the institution, ensure an enabling and supportive environment for effective learning to happen"



"Family, community, and other stakeholders are actively engaged and share responsibility for developing life-long learners"

Our Core Values

► Maka-Diyos ► Maka-tao ► Makakalikasan ► Makabansa

Retrieved from: <http://depedsurigaocity.com/vision-mission-and-core-values/>



Rubrics for Scoring for Additional Activity. (20 points-4 points each criterion)

| Description | 4 | 3 | 2 | 1 |
|--------------|--|------------------------------------|---|---|
| Content | -very thorough responses -great content | -good responses -good content | -not very thorough -little content | -poor responses -poor content |
| Organization | -well organized | -good organization | -little organization | -poor organization |
| Creativity | -great over all look | -good look | -little creativity | -not creative |
| Presentation | -evidence that pride and care was taken and the message of the illustration is clearly defined | -clear, uncluttered and attractive | -appears rushed of somewhat careless but the content is legible | -careless, hurried and illegible presentation |
| Clarity | -easy to understand | -makes some sense | -hardly makes sense | -no clear idea |



References

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<http://depedsurigaocity.com/vision-mission-and-core-values/>



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