unit-2

planning

Planning definition

* According to henry fayol, "planning is deciding the best alternatives among others to perform different managerial operations in order to achieve the pre-determined goals".

Nature of planning

* Planning is goal-oriented
* Planning is a primary function
* Planning is pervasive
* Planning is flexible
* Planning is continuous
* Planning is futuristic
* Planning involves choice
* Planning is a mental exercise

Purpose of planning

* Reduce uncertainty
* Bring co-operation and co-ordination
* Economy in operation
* Anticipate unpredictable contingencies
* Achieving the pre-determined goals
* Reduce competition

Essentials of planning

* Environmental scanning and assumptions
* Policies
* Goals and objectives
* Programmes and schedules
* Procedures and methods
* Rules and regulations
* Standards
* Budget

Planning process

* Establishing objectives
* Planning premises
* Identification of alternatives
* Evaluation of alternatives
* Choice of alternatives
* Formulation of supporting plans
* Establishing sequence of activities

Types of plans

1) Standing or repeated-use plans
- objectives
- policies
- procedures and methods
- rules
- strategy

2) Single-use or operating plans

- Programs

- Budgets

- Projects

3) Contingency plans

Types of planning

1) Converage of activities
   - Corporate planning
   - Functional planning
2) Importance of contents
   - Strategic planning
   - Tactical planning
   - Operational planning

3) Time period involved

- Long-term planning
- Short-term planning

4) Approach adopted

- Proactive planning
- Reactive planning

5) Degree of formalization

- Formal planning
- Informal planning

MANAGING BY OBJECTIVE(MBO)

Meaning of MBO

Management by objectives(MBO) is a process of defining objectives within an organisation so that management and employees agree to the objectives and understand what they are in the organisation.

Definition of (MBO)

According to prof.reddin,''MBO is the establishment of effectiveness areas and effectiveness standards for management positions and the periodic conversions of these into measurable time bound objectives linked vertically and horizontally and with future planning''.

Process of MBO

* Set organizational goal

* Joint goal setting

* Performance review

* Set check posts

* Feedback

Advantages of MBO

- MBO helps and increases employee motivation

- Managers are more likely to compete with themselves than with other managers

- MBO results in a "means ends" chain

- MBO provides more objective appraisal criteria

- MBO forces and aids in planning
- MBO identifies problems better and early
- MBO identifies performance deficiencies
- Helps the manager to develop personal leadership

Disadvantages of MBO

* Pressure-oriented

* Time consuming

* Increased paperwork

* Goal-setting problems

* Organizational problems

strategies

Meaning of strategy

The word "strategy" is derived from the Greek word "strategia" meaning the office of the general. It is often used to mean the art of military leadership in the planning and execution of large –scale operations. Its Is Set of Action.

definition of strategy

According to **Haynes and Massier**,"the planning for unpredictable contingencies about which fragmentary information is available".

Characteristics of strategy

* Planned action
* Provides overall framework
* Unified direction
* Contradictory actions
* Major course of action
* Long-term goals
* Grand plan

* Combination of actions
* Blend of internal and external factors
* Future oriented
* Comprehensive objectives
* Competitive
* Pro-active
* guide

Importance of strategy

* Gives direction
* Facilitate overall effectiveness
* Coordinate activities
* Facilitate optimal resource allocation
* Helps in comparing courses of action
* Programme all organizational activities

* Functional-level strategy
- Human resources
- Research and development
- Marketing
- Finance
- manufacturing

policies

* **Meaning and definition of policies**

Policies are formulated in broad terms and provides a comprehensive and flexible course of action to be pursued to attain the given objectives.

According to **Koontz and O'Donnell**, "policies are general statements or understandings which guide or channel thinking in decision-making of subordinates."

Nature of policy

* Broad outlines
* Consistent
* Adequate number
* Sound and practicable
* Flexible
* Objective related
* Represents desired image of the company

Type of policies

* On the basis of broadness
  - organizational policies
  - functional or departmental policies
* On the basis of origin
  - Basis policies
  - Appealed policies
  - Imposed policies

* On the basis of freedom
  - General policies
  - Specific policies
* On the basis of clarity
  - Written policies
  - Oral policies
  - Implied policies