

## Chapter- Functions of Management

### Planning: Definition

Planning is deciding in advance what to do, how to do, when to do and who has to do it. Thus, it involves setting objectives and developing an appropriate course of action to achieve those objectives.

According to Theo Haiimann, “ **Planning is deciding in advance what is to be done. When a manager plans, he projects a course of action for the future, attempting to achieving a consistent, coordinated structure of operation aimed at desired result.**”

### Features of Planning

1. **Planning focuses on achieving objectives** by deciding upon the activities to be undertaken.
2. **Planning is a primary function** as it precedes all functions of management i.e. organising, staffing, directing & controlling.
3. **Planning is pervasive** as it is required at all the levels of management but its scope may vary.
4. Planning is continuous as plans need to be made on a continuous basis till an organisation exists.
5. **Planning is futuristic** as it seeks to meet future events effectively to the best advantage of an organization. Planning is, therefore, called a forward looking function.
6. **Planning involves decision-making** as it involves rational thinking to choose the best alternative among the various available alternatives in order to achieve the desired goals efficiently and effectively.
7. **Planning is a mental exercise** as it is based on intellectual thinking involving foresight, visualisation and judgement rather than guess work.

### Importance of Planning

1. **Planning provides direction** as it acts as a guide for deciding what course of action should be taken to attain the organisational goals.
2. **Planning reduces the risk of uncertainty** arising due to the dynamic nature of business environment as it enables a manager to anticipate and meet changes effectively.
3. **Planning reduces overlapping & wasteful activities** as it serves as the basis for coordinating the activities and efforts of different divisions and individuals.
4. **Planning promotes innovation** as it encourages new ideas that can take shape of concrete plans.
5. **Planning facilitates decision making** as it enables a manager to choose the best alternative course ‘of action among the various available alternatives in light of present and future conditions.
6. **Planning establishes standards for controlling.** Planning provides standards against which the actual performance is measured and timely corrective actions the taken.

### TYPES OF PLANNING

#### On the basis of use and duration

1. **Single use plans** are the ones that are formulated to deal with new or non-repetitive situations that may arise in an organisation from time-to-time. For example- programmes, budgets and projects.
2. **Standing plans** refer to the another type of plans which once formulated may be used for a long period of time in similar or repetitive situations that may prevail in an organisation. For example—objectives, strategies, policies, methods, procedures and rules.

#### On the basis of what a plan seeks to achieve

1. **Objectives** are the end results of the activities that an organisation seeks to achieve through its existence.
2. **A strategy** is a comprehensive plan for achieving the objectives of the organisation.
3. **Policy** is a set of general guidelines that help in managerial decision making and action.
4. **Method** refers to the prescribed ways or manner in which a task has to be performed considering the objective.

5. **Procedure** refers to a series of specific steps to be performed in a chronological order to carry out the routine activities.
6. **Budget** refers to a financial plan that is expressed in numerical terms.
7. **Rule** is a specific statement relating to the general norms in terms of Do's and Don'ts that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation.
8. **Programme** is a comprehensive plan that contains detailed statements about a project which outlines the objectives, policies, procedures, rules and method and the budget to implement any course of action.

### **Steps Involved in the Planning Process**

1. **Establishing Verifiable Objectives-** The first step in planning is setting clear, specific and measurable objectives for the entire organization and each department or unit within the organization.
2. **Developing Premises-** These refer to the assumptions about the future that the manager is required to make since the future is uncertain.
3. **Identifying alternative courses of action** – The next step in planning is to search alternative course of action through which the desired goals can be achieved.
4. **Evaluating alternative courses** –It refers to analyze the relative pros and cons of each alternative in light of their feasibility and consequences.
5. **Selecting an alternative** or a combination of plans which appears to be most feasible.
6. **Implement the plan** with the help of a strategy.
7. **Follow up action** in order to monitor the plans to ensure that the desired objectives are achieved efficiently and effectively.

### **Limitations of Planning**

1. **Planning leads to rigidity** -As plans are drawn in advance and managers may not be in a position to change them in the light of changed conditions.
2. **Planning may not work in a dynamic environment-** As through planning, everything cannot be foreseen.
3. **Planning reduces creativity-** As the top management undertakes planning of various activities whereas the middle managers are neither allowed to deviate from plans nor are they permitted to act on their own.
4. **Planning involves huge costs** in terms of time and money required to undertake scientific calculations and sometimes it may not justify the benefits derived from it.
5. **Planning is a time consuming** process and sometimes there is not much time left for implementation of the plans.
6. **Planning does not guarantee success** -because it is not always essential that if a plan has worked before, it will work again, as things may change. This kind of complacency and false sense of security may actually lead to failure instead of success of a business.

# MIND MAP

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