

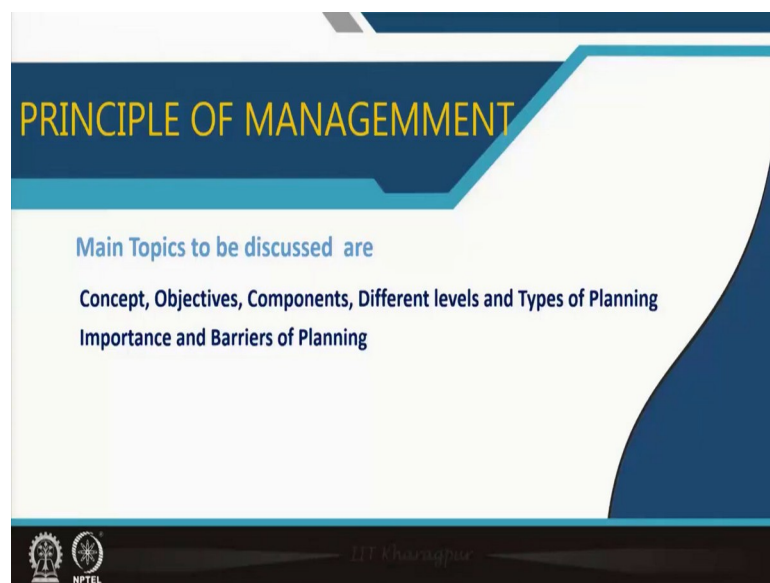
Principles of Management
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Module - 02
Lecture – 06
Concept, Types, Importance and Process of Planning

Welcome to module 2 of Principles of Management course. In the module 1, we discussed about the scientific management, evolution of management, definition concepts of management; in the module 2, we are going to discuss about planning.

In the module 1, we discussed about some of the important functions of management starting from planning, organizing, staffing, directing, controlling going forward we are going to go with each function. In the module 2, we are going to discuss about planning management functions.

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Today, we are going to discuss about Concepts, Objectives, Components, Different levels and Types of Planning and Importance of planning and Barriers of planning ok.

So, we I am going to take you through to what is planning and why we need to discuss about planning and types of planning and everything, ok. Let us go forward.

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Concept, Types and Process of Planning

Concept of Planning

The term Planning involves deciding the future course of action in advance. A manager has to plan what is to be done, where, how, and by whom.

Planning is a formal process whereby managers choose goals, identify actions to attain those goals, allocate responsibility for implementing actions to specific individuals or units, measure the success of actions by comparing actual results against the goals, and revise plans accordingly (Hill and McShane).

Planning allows managers the opportunity to adjust to the environment instead of merely reacting to it.

Planning increases the possibility of survival in business by actively anticipating and managing the risks that may occur in the future

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Planning you know, planning everybody would have planned something right you know. You and me would have definitely planned something. We of10 use it you know we wanted to plan it well so that you know we will be very successful. So, now, how planning becomes an important component in the management that is why you know planning becomes the basic and primary functions of management.

Why planning becomes the basic and primary functions of you know management before know control, staffing, leading, directing because planning is actually deciding future course of action. So, planning will tell me what is going to happen next, as an organisation what are we going to do. So, the planning is the first step in any of the organizations in the you know functions of management also. So, planning will decide what as an organisation what we are going to do in the future.

Let us say it can be you next 1 year or 5 years or 10 year and whatever the time period we are talking about. So, that is why planning becomes a basic and primary functions of management. So, planning is generally you know involved with you know consider about what is to be done, where, how by whom it is you are going to be done.

So, planning will always talk about all these comprehensive you know what we are going to do, how we are going to do, who is going to do, is it him or her or where, is it in a plant or is in a different place, are we going to collaborate with somebody, are we going

to do on our own as an organizations, how we are going to engage people in you know producing the product or a service as an organisation we are going to produce.

So, planning will actually decide about what we are going to produce where our customer segmentation everything will be you know consider in the planning. So, planning is generally a formal process whereby managers choose goals and identify actions how we will achieve the goals and actually also you know allocate responsibilities you know it is important, right. Once I decide the goal and identify the actions to be done, so that I can achieve the goal.

Then I need to allocate the responsibilities, delegate the responsibility in different functional areas operational areas for example, you know accounts department will handle the financial perspective, then operational department will handle how on the production part, then the HR department look at how we have to do. Then you know we also you know move towards and see whether as an organisation are, we able to achieve the goals you know it is kind of you know verifying or we actually moving towards the right direction.

Then in case if you know some contingencies are happening say reason when I say the whole business environment is going to change or it is changing or you know moving in a different direction, then you know we cannot just you know be rigid and then continue with the same plan. You need to revise the plan.

For example, sometimes you know plan might fail where you know we would have planned something, but something else is happening. So, we need to quickly come up come back and then you know shake ourselves and you know revise the plan, so that now we are able to be competitive right. Planning is very important from that is why as you know planning becomes a primary function of management.

Now, planning also allows managers the opportunity to adjust to the environment instead of merely reacting to it. Now, because you know why we are saying now reacting into for example, you know we always see you know some companies. They will wait till you know some other competitors you know introduce some new products into the platform or new product or a service into the business environment.

Then we will quickly say come on, my competitors are introduced something, I need to introduce something more. So, I will you know we have seen right you know for example, I am going to give an example.

Taking you know a telecom industry as an example let us say you know Airtel and Vodafone were a bigger player you know, then Jio you know come into the picture. Then they introduced so many plans on database data, data-based plans or the call wise and there are so many plans and they actually disrupted the whole you know telecom industry as such.

Then quickly Airtel and Vodafone realized that come on, we are going to lose out our market share. We need to also run the business so we need to come up with a new plan so that now we become a tough competitor for a Jio.

So, that is how you know it is also actually allows you rather than not to react you need to plan what I should see, what is going to be the needs of my customer, who is going to and let us say you know need of the future need of my customer. So, you need to consider everything you know.

Planning provides an opportunity to consider all the environmental perspective, so that you know planning becomes very efficient ok. You know planning actually increases the possibility of survival in the business by actively anticipating and managing the risks may occur. Because you know planning when we are doing a planning, we always think about you know alternatives what is going to happen, what will happen, is it going to be the same way.

Let us say you know how business was functioning you know last year is not the same this year and you know going forward we never know what kind of a challenges we are going to face. So, as a business you know it, we need to anticipate certain things you know what kind of the change is going to come. For example, automation; before you know these technological environments, we all relied on a few machineries or labour-intensive businesses right.

But, now with a lot of a technological advancement where you we see that you know automations become in a front run and everything being automated, now we are talking about artificial intelligence, machine learning, deep learning and on robotics and so

many things you know we need to keep everything in mind and then we need to see how it is going to impact my business. Am I going to make my plan accordingly or am I going to be with the conventional method of traditional you know believing that know nothing going to change let me go with the planning?

So, planning actually you know provides a lot of opportunity for a business's tool anticipate forecast things ok, yeah.

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Objectives of Planning

Benowitz, E.A.(2001). Has pointed out six objectives of Planning:

- **Planning gives an organization a sense of direction:** Plan helps avoiding drift situation and ensuring efforts to harmonize with future goals.
- **Focuses attention on objectives and results:** People who carry out plans focused on the anticipated results of the organization.
- **Establishes a basis for teamwork:** An integrated plan helps to ensure group activities to attain the goal.
- **Helps anticipate problems and cope with change:** It helps to minimize mistakes and reduce the "surprises" that inevitably occur
- **Provides guidelines for decision making:** It helps management with plans for the future and have few guidelines for making current decisions.
- **Serves as a prerequisite to employing all other management functions :** It helps an organization wants to accomplish any task which management can undertake applying other basic managerial function

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And, let us go and see the objectives of planning what are the objectives? Now, plan actually planning gives you an organizational sense of direction you know planning you know it actually says what direction we are going to travel in ok.

For example, as an organisation I am giving an example. I am going to decide that I am going to produce a particular product. So, that is my goal. Now, I at the planning actually help me to decide how I am going to move towards.

Now, since I would need to produce a product you know whole my organisation activities has to be directed towards producing the product, unless otherwise I do not know what I am going to do then there is no direction you know. Everybody will be like you know clueless directionless you know every department will independently start to work, there is no coordination then organisation fails. So, planning actually gives a direction.

Then planning focuses on objectives and results you know I would say planning the end of at least first end of planning is the objectives. Once you know contemplate an idea, look at the alternatives you know analyze the whole business environment, political, economical situations of the organizations, then you know you will arrive at a deciding a goal is that actually you know focuses attention on objective.

So, you create an objective at the discussion at the end of the planning phase you are actually arriving at the objectives and results. You know people who carry out plans focus on anticipated results of the organisation it focuses on objectives and results what we have to do as an organization, what is our goal ok. Then it establishes a basis for teamwork and a moment the planning decides what is our goal how we are going to achieve the goal, then it is actually it defines now the basis for team work.

For example, coordination between the functional teams, coordination within the teams existing teams you know how we are going to coordinate with each other. So, we have different hierarchy different structure in the organization, but how we are going to be connected to each other. So, that you know we are looking at the end result right how we can cohesively collectively achieve the goals. So, that is where it establishes a basis for a teamwork and it helps anticipate problems and cope with the change.

You know generally when during the planning where you know we spent lot of time in trying to understand what can potentially can happen, how we can anticipate certain things you know we always say you know contingency plans.

You know why we are talking about contingency plans because we are anticipating that know maybe all of a sudden, some new things can come up pop up. You know we may think that we are the you know only stand lonely player in the market; all of a sudden few bunch of players you know this is now organisation jump into the same market, then we are we are actually agitated, what do we do?

So, you know it is actually allowing us to prepare in case I am going to expand I am going to you know change diversify my business and you know it is actually giving you to anticipate certain problems and cope with the changes because in the moment you anticipate you know think forecast, predict you know trying to understand what is the possible change is going to happen, then it is actually helping an organisation do you know avoid surprises.

The moment you never anticipate any problem anything happens will be a surprise. You know organisation will become stuck in a point where you cannot move forward. So, that is what you know planning will actually help you to think, you know brainstorm, understand the whole business environment ok.

Planning also provides guidelines for decision making you know planning actually help you to create a set of you know policies planning actually help you because the goal is set it will actually be helping you to create a set of policies.

The moment of policy is there it becomes a guiding principle how we need to take a decision or at least say how we need to react when this things like this is happening or at least you know policy will tell how you need to make a decision if it is actually like let us say you know take an example.

If it is you know going to cost an organisation 10 lakh rupees there will be say who can take a decision. Let us say you know it is going to cost as more than a crore then who are what is the process and who has to take a decision.

It is actually setting up a policy which actually guides for the decision making and planning is a prerequisite or precursor to all the functions of management, unless otherwise planning cannot happen you cannot talk about staffing, you cannot talk about organizing, coordinating, directing, leading nothing that sort can happen without the planning.

So, planning becomes the pre requisite for all other management functions unless otherwise planning does not happen then you can never talk about you and I can even imagine about the other functions of the management. So, these are the objectives of the planning ok.

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Components of Planning

The components of Planning are usually classified as follows:

- **Objectives:** Objectives are the basics of every organisation and the desire objectives are planned to achieve.
- **Policies:** Policies are made across all levels of management as a guide to channelize energies towards a particular strategy and help employees navigate a situation.
- **Procedures:** These are step wise guides for the routine to carry out the activities

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We will see what are the components in the planning. You know when we are talking about planning maybe you know we have of 10 hear this word planning it looks very simple, but you know you need to understand why we have the whole module and planning because it has got a lot of things to do because as I said it is the first functions of a management. If the planning fails subsequent activities will miserably fail and you cannot come back to the you know original position or you cannot even you know come to a state where you were already right.

So, that is why planning we are spending lot of time in this module and let us talk about the components in the planning objectives. So, objective is nothing, but aim or a goal ok, what we are going to as an organisation what is our goal, what is our aim towards because you know that is going to drive us our activities know day to day activities or functional activities whatever we say. So, objective it talks going to talk about the aim or a goal of every organisations.

Then, policies; as I just told you that you know policy is also part of the planning components of the planning. You know, policies actually tell you rules and guidelines rules and regulations what organisation has to follow. For example, let say in an organisation there is a you know disciplinary violations by an employee, now we will go about the policy book.

Now, what policy says does policy says what are they grading these violations disciplinary violations in terms of one or how intensive it is you know how you know what is how far it is going to impact my organisation you know respectively the action will be associated right. Similarly, policy will become a provide the rules and regulation that is going to govern the organization.

Then, procedures; so, procedure means the way in which you can achieve or way in which you can actually function. So, it is providing a procedure so, how you need to do these activities ok.

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Components of Planning

- **Programmes:** These are the statement of outlines of organisation's policies, objectives, procedures, etc.
- **Budgets:** Budgets are quantitative statement that forecasts the profit/income or the future of the organisation
- **Strategies:** It helps to establish long-term objectives, to select specific action and to allocate necessary resources

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Then programs there are maybe you know specific set of programs, there are you know statement of outlines or a policies object together you know they design some programs and then they it is a kind of a subset of you know whole activities will go around and budget.

So, budgeting is also very important. Why it is coming in a planning you know budgeting is nothing, but you know if you look at it is kind of you know numerically not a quantitative statement you know it is talking about forecasting our you know revenues, cost involved, expansion is going to happen.

Let us say you know what is you know the this actually will decide on what will should be my operational cost for this year, what would be my you know let us say you know

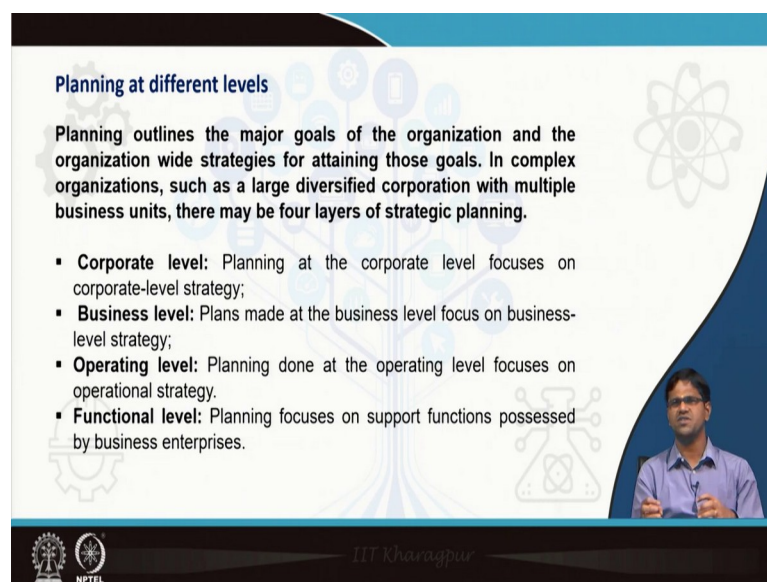
human resource cost for this year, it would also give me the budget for marketing budget you know, publicity budget and then new product development budget, R and D budget.

You know budgeting actually you know quantitatively provides the planning. It is actually quantitatively supporting the planning activity because you know it actually also tells me this is the budget it is been allotted and this is what we are anticipating as revenues from this project or the programs or the product, whether this particular business unit or the segments or whatever you are talking about.

So, budgeting is very important it talks about the cost perspective, in terms of revenues, profit you know how much you have been allotted, how we are going to generate revenue how all this being you know driven by the budgeting then strategies.

Strategies is actually you know it decides the course of actions you know it is a long-term objective how the course of action can be done to select the specific action to allocate a necessary resource that as we are able to you know become a strategic advantage in the business. These are the components in the planning.

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Planning at different levels

Planning outlines the major goals of the organization and the organization wide strategies for attaining those goals. In complex organizations, such as a large diversified corporation with multiple business units, there may be four layers of strategic planning.

- **Corporate level:** Planning at the corporate level focuses on corporate-level strategy;
- **Business level:** Plans made at the business level focus on business-level strategy;
- **Operating level:** Planning done at the operating level focuses on operational strategy.
- **Functional level:** Planning focuses on support functions possessed by business enterprises.

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Let us you know understand the planning at a different way. Now, if you are talking about you know you know you know any business environment you know there can be different sizes of the organisation maybe a small organisation medium you know size and there are large organization, multinational organisation they operate from a multiple

they will have more units more locations more regions. So, then they will have to have a different level layers of planning you know.

For example, if you are a small unit so, it is easier right it is a comprehensive where every decision in every planning is done with the same unit considering the you know things at this same level. But, when the moment you are talking about you are operating in a different regions, locations or different countries then you know the planning has to be done in a different way because you know that is why you know there are different levels of planning you know.

First is a corporate level planning. Corporate level planning is nothing, but know where we are talking about the mission statement of the organizations. So, maybe you know I will have hundred different you know company you know offices in different regions or locations, but as a corporate I need to make a I you know bigger decisions, that is what the corporate level planning.

For example, for this whole year you know how much we are going to plan, or what is our target. Let us say you know I say I wanted to create a general revenue of 2000 crores for this year. You know that is a corporate level strategy then it will be like divided into different level, then what the business level. So, for our specific businesses level you will make a you know business level strategies, you know planning will be done at the it is a specific business level.

For example, TCS take an example of TCS as an organization, under the you know Tata Group there are multiple businesses, even the under the TCS there you will have a you know multiple business functions, business plan. So, then you will have a specific plan for each business you do.

Then operating level ok. Now, business level plan is done, now the operating level and now how we are going to operate this particular. For example, goal has been set, this is my client, this is my customer, this is how I need to do. Then, I need to plan my operations how I am going to make this operation smooth so that there is no you know lagging there is no you know failure in delivering it ok.

Then the function level: function level mean is again I go back to the different functional areas you know operations, you know HR, finance, marketing there are different

functional areas. So, you need to make you know planning at each functional level. So, this is how you know different levels of planning happens ok.

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Different Types of Planning

One of the important and foremost function of management is planning. It is differed as per types and level of organisations. Different types of planning in management generally found are as follows:

- **Operational plan:** It is one that a manager uses to accomplish his or her job responsibilities. It can be single use or continuing plan.
- **Tactical plan:** It is concerned tactics needed to activate a strategy and make it working in the organisation.
- **Strategic plan:** It is an outline of steps designed with the goals of the entire organization as a whole in a systematic direction.
- **Contingency planning:** It is to keep identifying alternative courses of action that can be implemented when the original plan proves inadequate because of changing circumstances.

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Now, we will you know now look into the different types of plans. Now, we looked at the you know components and the different levels of plan, now we are going to look at the types of the planning. You know one of the important four most function is planning as we are already discussing. You know it also differed by types and levels of the organisation. So, now, we will look at the types.

Now, operational plan; so, it is the manager who want to use to accomplish his or her job response. It become a single or a continuing plan. Now, operation level plan is very important because you know how we are going to operate or how we are going to do so that our general activities are going smoothly and aligning with achieving the organisation goal.

Then tactical plan: it is you know generally is focused on the tactics needed to activate a strategy or make it working in the organisation you know. It is specifically for you know certain specific activities or certain set of you know deliverables to be delivered.

So, we have you know for example, my competitors are you know making some new approaches, then I need to have a tactical plan you know where I make a different

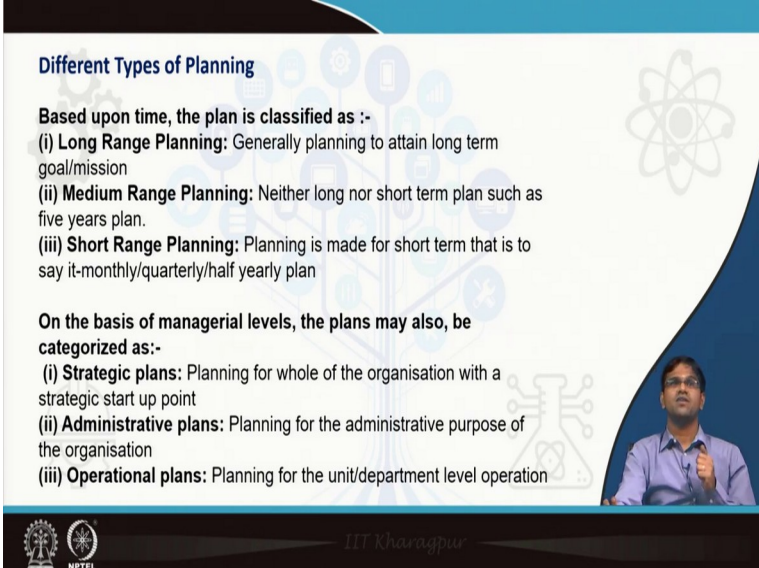
tactical. So, that know I actually you know activate a strategy do something more so that know I am progressing I am moving.

Then strategic plan: strategic plan I had set line outlines you know design the goals of the entire organisation as a whole in a systematic direction it is also decide the course of actions right. Then contingency planning: so, we have been you know talking about this contingency planning right. So, contingency planning you know you need to always look at the all trade course of actions in say.

Let us say you know I am going in a direction of A; I anticipate the know so, let us say you know direction of a has stuck in after you know traveling for 75 percentage. Now, there should be a contingency plan when you are stuck here you need to dive it this way and then move right.

So, that is how the contingency plan in comes into picture where it talks about the alternate course of action, in case you know I fail in this direction what should I do. Should I move to this direction or it should be should be direction of a B or should be direction of a C? So, I should have a contingency planning ok.

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Different Types of Planning

Based upon time, the plan is classified as :-

- (i) **Long Range Planning:** Generally planning to attain long term goal/mission
- (ii) **Medium Range Planning:** Neither long nor short term plan such as five years plan.
- (iii) **Short Range Planning:** Planning is made for short term that is to say it-monthly/quarterly/half yearly plan

On the basis of managerial levels, the plans may also, be categorized as:-

- (i) **Strategic plans:** Planning for whole of the organisation with a strategic start up point
- (ii) **Administrative plans:** Planning for the administrative purpose of the organisation
- (iii) **Operational plans:** Planning for the unit/department level operation

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Now, you know now we are going to look at in a different based on the you know types we are going to see it types of planning, now based on the time. So, long range planning generally a long-term plan now. As an organisation we always have a long term plans

you know let us say what I am going to do for next 5 years or 10 years that can be a long-term plan.

Let us say you know I wanted to become a market player in the particular sector or particular industry, particular domain. So, that can be my long-term plan. Let us say you know I wanted to expand my business or I let us say you know let us say I have a one corporate one office now, I wanted to have 10 offices in 10 different location that can be my long-term plan.

Now, medium range you know where you neither short term nor a long-term where it is talking about ok. So, I have my foresight planning you know, where I am looking at now, I will plan like this you know in the midterm planning you know mid range medium range planning where it is not that long pretty long it is about let us say 2 years planning.

Now, short range planning you know which is let us say you know I am going to plan for next 6 months or I am going to keep it restricted only for a 1 year because let us say you know as an organisation, we are understanding that now the business is changing so rapidly.

So, I cannot like you know make my plans long term plans. Of course, long term plans are important for an organisation growth, but you know for certain decision making, certain investments I do not want to make a long-term planning because you know business is volatile, uncertainty and I am you know rapidity of change. So, I wanted to restrict with the short-term ranges. So, I made to make 6 months or 1-year planning.

Now, basis of the managerial level how these plans are different. So, the managerial level was strategic plan. You know strategic plan is generally for a whole organisation you know as a strategic you know plan it to always for a whole organisation and it decides the course of action for the whole organisation how we are the strategic planning to decide what we have to do, how we have to do and all this.

Now, administrative planning; so, administrative planning you know generally for administrative purposes how we need to plan our administrative activities, who has to report to whom it because you know there is the important that you know reporting is also important know how we need to coordinate between people administrative purpose

is also important. Otherwise you know it become too complicated and messy things are messy then it is very difficult to understand right that is why administrative plan is important.

Then operational level planning, anyway continuity here about is operational planning now. So, you know operational plan is nothing, but you know how we are going to at the operational level, at the department level how things have to be done ok.

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The slide is titled "Different Types of Planning" and is set against a background of various icons including gears, a lightbulb, a smartphone, a Wi-Fi symbol, a bar chart, a tree, a person, a gear, a flask, and a circuit board. The text on the slide reads:

In terms of repetitiveness of operations in the firm, planning may be divided to :-

- (i) **Standing plan:** Planning is developed once and may be used for many times that tend to be recurring and modified as per need of the organization
- (ii) **Single use plans:** Planning is designed for a specific purpose to solve a particular need and in non-repetitive manner.

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Now, we will look at in terms of you know repetitiveness of the operations you know firm planning it will be divided into 2 things. You know standing plan you know planning is developed once and may be used for many times that tend to be recurring on modified aspect it is of the organisation.

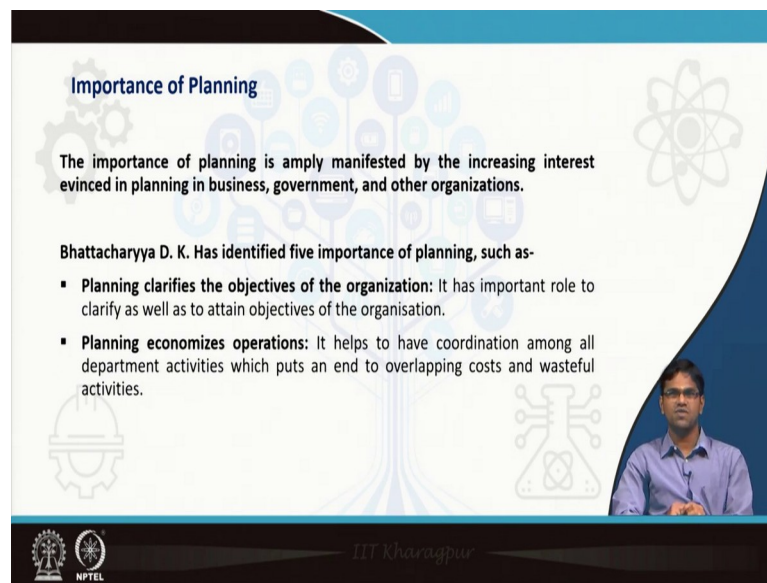
Standing plan for example, you know we are talking about standing orders act. You know every organisation might have a standing order you know that is going to be the standard rules who can you know it is a you know long term one as an organisation we have made a policy which will be you know followed for several years. So, that is at standing plan.

Then single use plan for example, let us say you know I am going to handle it with the one particular customer. So, for the particular customer, there are you know specific

needs from the customer now customized you know planning I am done to, so that know my I am able to maintain or manage the customer. So, this is single use plan.

Now, I will make a plan only to this specific customer; when I finish my business with the particular customer that stand you know plan becomes obsolete or redundant. It is not even applicable or not even relevant to the other areas or other sections of the organisations. So, that is a single use plan ok.

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Importance of Planning

The importance of planning is amply manifested by the increasing interest evinced in planning in business, government, and other organizations.

Bhattacharyya D. K. Has identified five importance of planning, such as-

- **Planning clarifies the objectives of the organization:** It has important role to clarify as well as to attain objectives of the organisation.
- **Planning economizes operations:** It helps to have coordination among all department activities which puts an end to overlapping costs and wasteful activities.

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Now, we will understand why planning is important ok. Planning actually clarifies the objectives of the organisation because when we are planning it will actually tell me ok. So, considering the let us talk about a pest as you know political, economical, you know social and technological you know analysis. You know after conducting this pest analysis we will be able to understand as an organisation are, we going to make the goals set like this or are we going to make some changes.

So, it is actually planning actually helps to you know clarifies and you know state the clear objectives for the organisations because you know for example, I set some you know goals which is actually you know can be you know refuted or which will be you know you will fail you know achieving this, then you know that is you know actually after spending lot of your efforts money and then people then it will become you know use that right. You know planning has to be help the framing the objective of the organisation.

And, planning allow also economizes the operation how it can actually reduce the expenses in terms of you know the proper planning actually you know will identify what would be the unnecessary processes or it also help you to reduce the wastages in terms of terms of being spent, money being spent, resources being spent and up some my activity which is not actually relevant to achieve your organisational goals.

So, planning will tell you cut down these activities, so that now you do not need to unnecessarily spend on these activities because that is nowhere related or aligning to our organizational goals. So, planning actually economizes your operation in terms of you know you know you let us say you know using less resources, but you know maximum output, so that way you know it will actually economize the operations.

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Importance of Planning

- **Planning precedes control:** Proper planning help all employees in the organisation informed about their work, time and costs. It helps compare actual work done with standard, in time and order.
- **Planning provides for the future:** Planning helps to generate the best output of the employees within stipulated timeframe that creates the way of better future.
- **Planning increases the efficiency of all managerial functions:** Planning imparts a real power of thinking and the ideas to encourage real birth of innovative ideas. It helps increasing efficiency of the employees and of the managers.

The slide features a blue and white color scheme with various icons (gears, atom, microscope) in the background. A small inset video shows a man in a blue shirt speaking. At the bottom, there are logos for IIT Kharagpur and NPTEL.

And, you know it planning precedes the control as I said in the beginning of the lecture. So, planning is the precursor for all the functions of the management, unless there is no planning we cannot talk about organisations or control you know because you know when you are talking about control, I need to know against what standard I need to measure. For example, you know I have never set a target for an individual. How will I say you know this person is performing or not, right?

Let us say now I have now I will take an example. I have set the target for one particular individual that you know you need to sell a particular item every day's target is 10, now I set a goal. Now, he is doing he is selling a at the rate of 5 per day, then against the set

parameter I am going and asking him come on we set your target of 10, but you are only achieving 5.

So, then actually I can control I can make a control I can make a decision I will say you know you need to improve upon, corrective actions can be done. So, unless otherwise I do not know the set goal then it is very difficult for a control that is why you know planning precedes the control.

Planning provides for the future, you know as we said you know planning actually tells me what I am going to do in the future what are my goals because you know goals always set again of us right the once the goal is set then we are actually making our activities, deciding the activities towards the direction of the goals.

So, it is actually helping provides me the direction for the future how united will be progress because you know planning actually help me is to decide what are my activities, what are my goals.

And, planning increases the efficiency of the all managerial functions because planning you know involves people and planning involves considering alternate course of actions, alternate decisions because you know planning you know for example, I am not just taking only one direction.

I always do lot of brainstorming, exploration considering all the technological assessment, you know economic condition of my organisation, political situation, general you know macroeconomic conditions of the country and micro economic conditions in terms of my industry domain specific considering all that I do a planning.

When I and then I also see my resources availability in the organisation considering that resources I will plan mitigatory, so that you know I always able to have a higher efficiency you know I can spend some resources which I can expect a better return. That is why I know it actually increases the efficiency of all managerial functions it helps you to provide a clear direction so that you know you can able to control plan coordinate organisation all things can fall in place.

And, for example, it also helps you to decide for example, I am going to have a you know product, then it will tell me how many people you need to hire. Let us say you

know I am going to increase my you know business expansions then I need to know how many people I should hire. So, it is actually helping my human resource function also ok.

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Barriers of Planning

Planning in some organisations do not give always desired results. There are many reasons for that. Here we have summed up some limitations of planning as follows:

- **Inability to plan or inadequate planning:** Due to lack of efficient management, plan is not prepared in a scientific way in tune of the objectives of the organisations.
- **Lack of commitment to the planning process:** Management can not foresee the changing pattern of time, cost and resources due to lack of commitment.
- **Inferior information:** It is assumed that planning in previous years got success so that same plan is replicated in future which is a part of inferiority of information.

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Barriers of planning: so, though we are talking about you know importance of planning, types of planning, why planning is important, how it is going to help the organisation all we have studied, but we need to also understand the barriers of planning some limitations in the planning also.

So, you know sometimes inability to plan some organisation or inadequate planning. You know losing out or not considering a complete set of information rather you know with an incomplete set of information you make a plan. Or let us you know you fail to consider you know assess what is your existing resources, but you made a plan and goals and you are started your activity, then it is an actually a limitation. And, you if you are; if you are not preparing a planning basis on the scientific principles or a scientific way of planning, then you are actually making in you know inadequate planning.

Now, that will actually go into you know cost the organisation and lack of commitment to the planning process. You know management cannot foresee the changing pattern of time cost resources due to lack of commitment. Unless otherwise you know as an organisation as a top-level management you do not have a commitment to you know spend time in planning process then you know you will actually fail because, why?

Unless otherwise you do not spend your commitment and you know time, know devote your time for the planning process you will not anticipate what is the future, how it is going to behave. You know if you do not do that particular exercise you know you failing which what will happen you will make a you know inefficient planning; you know that will actually going to cost an organisation again.

And, inferior information, as I said earlier – so, now, when we have a very less information you know if you are not able to make a better forecasting you know we help you the limited information and if you make some forecasting you know information are very less and you know then let us sometimes you know we will be only you know most of the time you know data driven approaches we go with the previous data set right.

Sometimes maybe you know we would never have a particular process, but you know we using that data and then you make a decision, then you know it is become an inferior information what you are decided is you know not relevant considering what you are having now done.

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Barriers of Planning

- **Focusing on the present at the expense of the future:** Planning yields results for the present do not necessarily will bring the same in long turn as other factors are unseen.
- **Too much reliance on the organization's planning unit:** In large organisations planning unit itself looks after it but they do not implement so that the effect is not assessed.
- **Concentrating on controllable variables:** Planning sometimes concentrate on the events and resources within organisations but it does not consider the outside factors like government policy, external resource gapping etc.

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Focusing on present at the expense of the future. A planning is results of the present do not necessarily will bring the same in the long turn as the other factors are unseen. Why we say because you know what we always anticipate you know worry as of now today we are doing really bad you know not doing really well considering the fact that maybe

you know as an organisation your resources are better, your products are better and your plans are better.

But you know you cannot anticipate the same in the future course of action because you know you never know that what how your business environment is going to behave or we never know that you know how political situation or organisational you know country's policies might change.

For example, you know if you take the example from you know US United States of America, where president Donald Trump as imposing a new policies you know curbing or some you know visa policy changes and all that will definitely going to impact the multinational organisation how we are going to planning a man forces manpower forces or the technological inputs, skilled people you wanted to have.

So, you know you cannot plan that way know you cannot be only focusing on the present and you know not kind of you know seeing the unforeseen the information then it is difficult ok. Then too much of reliance on the organizations planning unit in a large organisation planning unit itself looks after it, but they do not implement so that the effect is not assessed.

You know you cannot only spend you know resources and everything only on a planning you need to ensure that you know is being translated into an action, that has been properly implemented. You know you because you are having a better plan it is not going to assure you that know you will have the better outcome correct.

So, concentrating on the control variables: planning sometimes planning sometimes you know concentrate on the events and resources within the organisation, but you may know it might fail not to consider the what is happening outside the organisation because you know sometimes we always limit our self that you know or within the organisation we have the resource we are having this you know this is my you know request from my clients, these are the demands I have, these are the forecast I am making. You know we always heavily rely on the internal sources but, we are actually failing to look at outside environment.

For example, I have taken an example I am going to quote an example from BSNL as in again going back the telecom industry. So, BSNL of course, you know it is our national

you know organisations where you know it you know where BSNL actually you know failed in the competition mark and the reason being that know they were not looked at the how external environment is going to behave, how my customers are going to respond because you know there is a huge transition has happened from the you know let us say you know talk about you know calling to a data usage right.

So, people have quickly transition to you know high use amount of data usage unless otherwise you know you are you know speed is not that then you cannot you know survive in the market.

That is how you know BSNL has the actually you know went behind in the market right. So, these are all some examples you know we need to talk about. You know you cannot only talk about you know how within the you know organisations resources are available right ok.

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Process of Planning

Step by step process of planning can be defined as follows-

- **Step-1 Perception of opportunities:** Managers should identify first the opportunities of planning and action.
- **Step-2 Setting the objectives:** Setting objectives in the clearest possible term keeping in mind the strength and weaknesses of it.
- **Step-3 Setting planning premises:** It is to build a condition through which planning activities will be taken up.
- **Step-4 Identifying the alternatives:** Searching for various alternative course of action is an important step of planning.
- **Step-5 Evaluation of the alternatives:** Alternative course of action can be evaluated in terms of cost and benefit to the organisations.

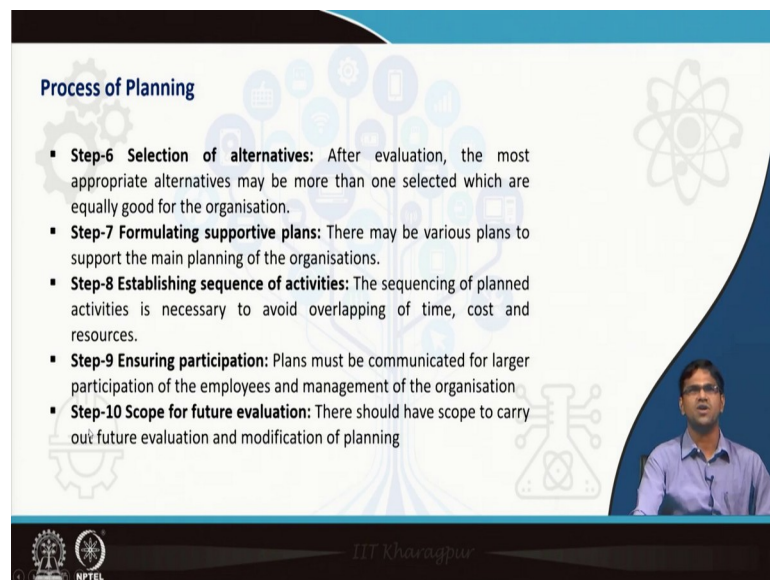
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We will see the process of planning. There are steps involved in the planning. One is a perception of the opportunities as a manager you need identify what are my opportunities are available, so that you know I can consider when it making the planning. Then setting the objectives: so, once we are discussing about it and then we need to identify you know and say what are my goals and what are my aims are.

Then setting the planning premises you know in that is very important. Now, you need to understand what are the premises under which you are going to work on. So, you need to and set setting the planning premises is very important and where the planning will add take up you know, how we are going to decide it and all that.

Then deciding the alternatives. So, it is always important to look at the alternatives when you are coming with the plan A, you need to have plan B, C, D all alternatives and then compare the you know an evaluation of what is next step subsequent. When we have alternative, you need to evaluate the alternatives what are the pros and cons of each of these alternatives.

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Process of Planning

- **Step-6 Selection of alternatives:** After evaluation, the most appropriate alternatives may be more than one selected which are equally good for the organisation.
- **Step-7 Formulating supportive plans:** There may be various plans to support the main planning of the organisations.
- **Step-8 Establishing sequence of activities:** The sequencing of planned activities is necessary to avoid overlapping of time, cost and resources.
- **Step-9 Ensuring participation:** Plans must be communicated for larger participation of the employees and management of the organisation
- **Step-10 Scope for future evaluation:** There should have scope to carry out future evaluation and modification of planning

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And then you need to decide on the best alternatives. As I have A, B, C, D 4 plans and then I have evaluated the pros and cons then I need to you know understand and then select the best possible and appropriate alternatives so, then I can use that as my action. Then, formulating the supportive plans you know of course, you know you any of the main plan you need to also parallelly have the supportive plan, so that you know it can actually support your main plan of the organisation.

Then establishing the sequence of activities. Yes, I decided these are my activities that, these are my goals and aims how I am going to now create the sequence of activity, so that know I can know better efficiently plan it there is no overlapping of the time or resource or cost ok. So, I can efficiently use it.

Then ensuring the participant: plan must be communicated for large participation of the employees and management. You know plan if you will let us say you know if you just plan it and keep it only at the top level if it is not you know penetrating or you know moving to the you know people at the lower level, then it has become very difficult planning has to be consciously plan and then just be communicated so that know everybody knows what is our goals are right. There is a scope for the future evaluation.

You know it is we always have some scope for you know future evaluations and modification of the planning. You cannot have a rigid planning. Let us say you know I have decided unless otherwise we reach the end, we cannot make any changes we cannot do that way we know. Planning should always have some scope for the mid evaluations or any you know need for the evaluation it has to be considered yeah.

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CONCLUSION

This lecture session has covered basic concepts of planning, types, elements, objectives, importance, barriers and process of planning which will be helpful to all Learners to have an idea on all these issues of planning after careful observation and attendance of the session

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So, today's lecture we have you know discussed about the definition of the planning and importance, types of planning, levels of planning and we also spend discussed on the process of planning how planning is happening and how we have to set the plans.

Thank you.