

### Resource Metadata

<b>Level</b>	Undergraduate
<b>Duration</b>	3 Hours: 2 hours lecture 1 Hour Tutorial
<b>Resources required</b>	Moodle Platform <a href="https://udmintelec.org/course/view.php?id=5">https://udmintelec.org/course/view.php?id=5</a>

### Learning Outcomes

1. Comprehend the fundamental principles and functions of management within organisational contexts.
2. Differentiate between strategic, operational, short-term, and long-term planning approaches.
3. Analyse the role of objectives, mission, and vision in guiding organisational direction.
4. Recognise the importance of formal and informal planning in achieving organisational goals.
5. Explain the relationship between planning, control, and organisational effectiveness.
6. Identify various types of plans and their specific applications in management practice.
7. Appreciate the significance of aligning individual, divisional, and organisational objectives to overall strategic goals.

## The Basics of Planning

### Introduction

Planning encompasses defining the organisation's objectives or goals, establishing an overall strategy for achieving these goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities. It is concerned with ends (what is to be done) as well as means (how it should be done)

Planning can further be defined in terms of whether it is formal or informal. All managers engage in planning and this can be both formal and informal. A formal plan is one which is made on behalf of the organisation. It is strict and formal in approach. Plans can be informal as well. In other words, they can be just trivial, not written or specified, and there is little or no sharing of objectives with others in the organisation.

Planning is the function of any manager. Obviously long-term planning is more appropriate to the senior manager than the supervisor. Planning helps in developing parameters for future action through the definition of new objectives. Companies which do not plan fail. Hasn't it been heard that good planning ensures the survival of companies. Businesses that have lacked vision have evidently fared worse than those that have a sound strategic plan.

### The purpose of planning

The objective of planning is to give direction, to reduce impact of change, to minimise waste and redundancy, and to set the standards to facilitate control.

*Plans give direction*

Managers are concerned about where the organisation is going and how they can contribute to reach the objective. They will then coordinate activities, cooperate with each other, and work in teams. Lack of planning will create disorder and prevent an organisation from attaining its goals.

*Planning reduces uncertainty*

Since plans enable managers to think ahead, anticipate changes and consider the impact of change, effective planning reduces uncertainty.

*Planning reduces wastage*

Planning can help reducing wastage. When means and ends are clear, inefficiencies become visible and overlapping or wastage is reduced.

*Planning establishes parameters for control*

Planning establishes objectives or standards that facilitate control. Planning and control are linked. Planning establishes objectives and actions. Control attempts to correct the deviations from stated objectives or actions.

**Types of plans**

A popular way of describing plans is to relate them with:

Breadth (strategic v/s operational)

Time frame (short term v/s long term)

Specificity (Specific v/s directional)

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### *Strategic plans*

These are plans that are organization-wide. They establish the overall objectives, and position an organisation in terms of its environment. They are long term.

### *Operational plans*

These refer to plans that specify details on how overall objectives are to be achieved. Operatives normally do them. Operational plans are routine and repetitive. The degree of complexity is lower than a strategic plan. In general, operational plans apply to the operatives of the firm. Junior managers or supervisors are empowered to put this plan to practice.

### *Short term plans*

These are plans that cover a period of less than one year. Such plans are predictive in that they are quite easy and straightforward to plan for the short term. Note that short and operational plans are broadly similar in perspective.

### *Long term plans*

These are plans that extend beyond five years. For instance, a Master Plan on Education or on Health is a long term plan that can impact on education for at least five years. These are less predictive than the short term plan. Long-term plans lay the strategy for the organization and they have a large focus.

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### *Specific plans*

Specific plans have clearly defined objectives. They leave no room for interpretation. They require clarity and a sense of predictability. When uncertainty is high, managers may not use such plans. They can choose directional plans.

### *Directional plans*

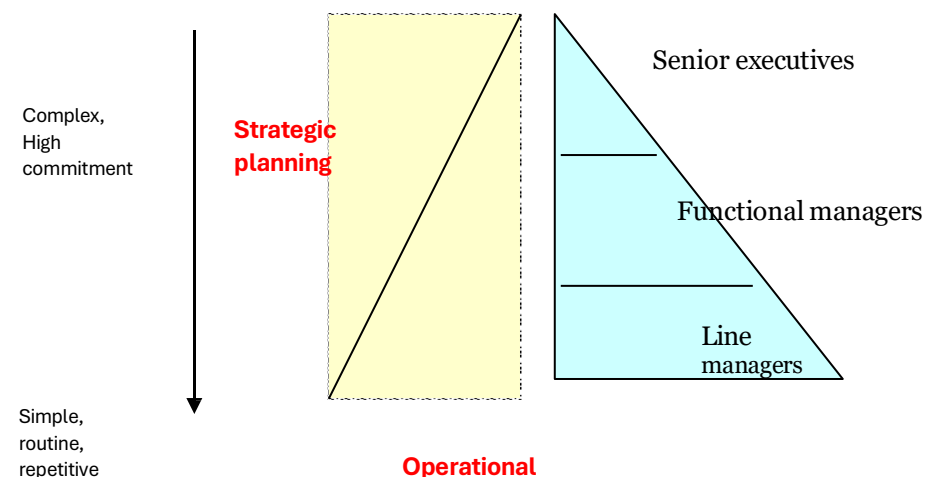
Directional plans identify general guidelines. They provide focus but are not specific and exact. They are more flexible than specific plans.

## Plans and Objectives

### Introduction

The strategic plan is a long-term plan. Basically, senior managers of an organisation prepare it. It is a broad based plan that requires a large amount of input from managers. Since the environment is less predictive in the long run, strategic plans mainly forecast the changes and make predictions in respect to them.

The operational plan is effective for the short term. It is executed by operatives and quite often applied by the line manager or supervisor. The operational plan is detailed but it is also more easily interpreted and carried out by operatives.



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## Objectives

Objectives are goals. The terms are used interchangeably. They state end results. Overall objectives must be supported by sub objectives. Objectives form a hierarchy as well as a network. Moreover, organisations and managers have multiple goals which are sometimes incompatible and may lead to conflicts within the organisation. Objectives represent the desired outcomes for individuals, groups or entire organisations.

### Hierarchy of objectives



### *Purpose*

It implies the raison d'être of an organisation.

What is the purpose of being in the business?

-We are in the business of jeans production

### *Mission*

This clarifies where the organisation is and what it intends to do. It can be related to the mission statement of the firm.

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~~E.g. The mission of a research-led organisation is to consistently pursue high level of~~  
advanced research that will contribute to the betterment of mankind.

### *Strategic objectives*

These determine the long-term plans or objectives of the organisation. They will affect it at all levels. Strategic objectives are achievable over a five-year period or more.

### *Divisional objectives*

These will affect the different divisions of the organisation, like Human Resource, Accounting, Purchasing, Legal and Finance.

The aim of the production division is to improve production by 25,000 units by the end of the year.

### *Unit objectives*

These are more related to the manager's objectives in each unit of the firm. They are simpler to the above-mentioned objectives.

### *Individual objectives*

They can be the individual objective of the supervisor or the employee.

Objective:

To become a full-fledged operator in the firm by Dec 2013.

### **Real and stated objectives**

Stated objectives are official statements of what an organisation says. It refers to what it wants various publics to believe. They can be found in the organisation's annual report, or in public statements made by managers.

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### *Real objectives*

These are objectives that are related to what members of the organisation actually do.

It is therefore right to say that real objectives of the firm are more closely followed by the stated or official objectives.

### **Tutorial Questions**

1. How does a plan show a direction to a company?
2. Differentiate between a specific and directional plan.
3. Why is a strategic plan useful to an organisation?
4. How do operational plans develop from strategic plans?
5. Organisations that do not plan effectively fail. Discuss.
6. Why is the long-term plan less predictive?
7. Write an objective for a small organisation in the short-term.
8. Illustrate an objective both qualitatively and quantitatively.
6. Describe a procedure in an organisation that offers clerical services.
10. What is a rule and how may it be inflexible to an organisation?

