NATURE AND PURPOSE OF PLANNING

NATURE OF PLANNING

Planning is goal-oriented: Every plan must contribute in some positive way towards the accomplishment of group objectives. Planning has no meaning without being related to goals.

Primacy of Planning: Planning is the first of the managerial functions. It precedes all other management functions.

Pervasiveness of Planning: Planning is found at all levels of management. Top management looks after strategic planning. Middle management is in charge of administrative planning. Lower management has to concentrate on operational planning.

Efficiency, Economy and Accuracy: Efficiency of plan is measured by its contribution to the objectives as economically as possible. Planning also focuses on accurate forecasts.

Co-ordination: Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of all activities, we cannot have united efforts.

Limiting Factors: A planner must recognize the limiting factors (money, manpower etc) and formulate plans in the light of these critical factors.

Flexibility: The process of planning should be adaptable to changing environmental conditions.

Planning is an intellectual process: The quality of planning will vary according to the quality of the mind of the manager.

PURPOSE OF PLANNING

As a managerial function planning is important due to the following reasons:-

To manage by objectives: All the activities of an organization are designed to achieve certain specified objectives. However, planning makes the objectives more concrete by focusing attention on them.

To offset uncertainty and change: Future is always full of uncertainties and changes. Planning foresees the future and makes the necessary provisions for it.

To secure economy in operation: Planning involves, the selection of most profitable course of action that would lead to the best result at the minimum costs.

To help in co-ordination: Co-ordination is, indeed, the essence of management, the planning is the base of it. Without planning it is not possible to co-ordinate the different activities of an organization.

To make control effective: The controlling function of management relates to the comparison of the planned performance with the actual performance. In the absence of plans, a management will have no standards for controlling other's performance.

To increase organizational effectiveness: Mere efficiency in the organization is not important; it should also lead to productivity and effectiveness. Planning