Planning and Organizing Management

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Abstract:

The paper describe how to plan and organize the work of the work-unit and groups, using goal setting, objectives, targets, creating work schedules and work-plans with associated budgets and resources, according to the Department's procedures, in order to achieve the tasks, functions and results/outputs required of the work-unit.

Keyword: Planning, Organizing, Skill, Departmentalization, Forecasting.

1. Introduction to Planning:

The process of determining the steps necessary to accomplish a goal is known as planning. It is the primary action to take in order to get the intended outcomes. It entails the development and upkeep of a strategy, including conceptually demanding psychological components[1]. Even a few tests exist to gauge a person's aptitude for careful planning. Planning is therefore a basic characteristic of intelligent conduct. An further significant element that is frequently referred to as "planning" is the legal framework surrounding authorized building developments.

Additionally, planning has a set procedure and is required for a variety of jobs, especially in industries like business and management. There are several plans that assist businesses in achieving efficacy and efficiency in every industry. The link between planning and forecasting is a significant, yet frequently overlooked, part of planning. Planning forecasts what the future should look like for various situations, while forecasting can be defined as predicting what the future will look like. Forecasting is combined with scenario planning and knowing how to respond to them. One of the most crucial time and project management strategies is planning[1]. Planning is the process of organizing a series of actions to accomplish a particular objective. If someone does it well, they can cut down on the amount of time and effort needed to accomplish the goal. Think of a plan as a map. When someone follows a plan, they can track their progress and distance from their destination, as well as how far they have come towards their project goal.

1.1 Nature of planning:
The following are the essential characteristics of planning which describe the nature of planning:

➢ **Planning is primary function of management:**

The four main categories of management functions are organization, direction, planning, and control. Therefore, it is the primary duty of management at all levels. Planning is appropriately referred to as the "essence of management" since it is a part of all managerial tasks[2].

➢ **Planning focuses on objectives:**

Determining an enterprise's objectives or goals is the process of planning. It lays out how to accomplish these goals. Every strategy exists with the intention of helping an organization achieve its goals.

➢ **Planning is a function of all managers:**

Every management needs to make plans. Higher level managers are required to invest more time in planning than are their lower level counterparts. Therefore, a company's president or managing director spends more time preparing than a supervisor does.

➢ **Planning as an intellectual process:**

Planning is a mental task that primarily involves pre-planning. It's an intellectual process that calls for imagination and creative thought. Every action is planned and carried out in a systematic manner according to the plans, not based on conjecture, wherever planning is done. Planning establishes a path of action to be taken while keeping in mind the aims, goals, and purpose of a company. It is based on facts and thoughtful estimations.

➢ **Planning as a continuous process:**

The process of planning is perpetual, ongoing, and unending. In light of information gathered from those involved in plan implementation, a manager creates new plans and also updates existing ones. It's an endless process.

➢ **Planning is dynamic (flexible):**

In the sense that adjustments and revisions are constantly made to the intended course of action due to changes in the business environment, planning is a dynamic function.

Management cannot control all of the elements that affect the firm, thus appropriate adjustments are made as they arise. It is considered poor planning if changes are not possible to incorporate into the plans.

➢ **Planning secures efficiency, economy and accuracy:**

Planning must, at minimum, result in the achievement of goals at the lowest possible expense. It should also provide accuracy, economy, and efficiency in corporate companies, so assisting in the best possible use of the people and physical resources that are available[3]. Because it minimizes expenses, planning is also cost-effective.

➢ **Planning involves forecasting:**

Precise business forecasting is essential to planning. Forecasting is a science that helps extrapolate current patterns into the future. It's a futuristic image in which events that are close by are depicted with some degree of distinction, while occurrences that are farther away seem less and less so.

➢ **Planning is realistic:**

A plan is practical in nature since it always specifies the outcomes that must be achieved.

1.2 Steps in planning process:

Step1. Perception of Opportunities:

Opportunities are not always perceived as being part of the planning process. However, the true beginning point of planning is this understanding of opportunities both inside the company and in the external world. It is crucial to have a thorough and comprehensive understanding of potential future prospects by taking an early look at them.

Every management needs to be aware of their current situation in terms of their strengths and weaknesses, their desired solutions, and their goals[4]. Having awareness is necessary for setting goals. A realistic assessment of the opportunity situation is necessary for planning.

Step2. Establishing Objectives:

The planning process has two steps, this being the second. At this point, the main goals for the organization and the unit are established. Both the short- and long-terms require this to be done. Objectives define desired outcomes, point out where work has to be done, where the main focus should be, and what the various plan kinds are supposed to achieve.

Organizational goals set the direction for the key plans, which in turn define the goals of each major department by mirroring these goals. Subordinate departments' goals are governed by the major objectives, and so on. Stated differently, goals derived from a hierarchy.

If subdivision managers comprehend the overall enterprise objectives and the derivative goals, the aims of smaller departments will be more accurate. It should be possible for managers to share their ideals in establishing the organization's and their personal goals.

Step 3. Planning Premises:

Establishing planning premises, or the circumstances in which planning activities will be carried out, comes after organizational objectives have been determined. Planning assumptions, or planning premises, are the anticipated internal and external conditions.

Planning premises are therefore both internal and external. The entirety of the task environment's components, such as political, social, technological, rivals, plans and actions, and governmental policies, are considered external premises. Organizational policies, diverse resource kinds, and the organization's resilience to external pressures are examples of internal factors[5]. Both internal and external elements are taken into consideration when creating the blueprints.

At each planning level, the type of planning premises varies. It is largely externally directed at the highest level. The internal to external makeup of planning premises shifts as one descends the organizational level. The managers at lower units must plan in light of the fact that both the old and new big plans will have a significant impact on the future.

Step 4. Identification of Alternatives:

Finding the alternatives is the fourth step in the planning process. The planning premises and organizational objectives can be used to identify a variety of solutions. The idea of several options implies that different approaches can be taken to accomplish a specific goal.

If an organization wants to develop, for instance, there are a number of strategies to accomplish this goal, including diversifying into new markets, expanding within the same industry or product line, partnering with other organizations, acquiring another organization, and so on. In any category, there might be multiple options.

Finding alternatives is not always the issue; rather, it's more often the reduction of options so that the most promising can be examined. The number of options that can be fully investigated is limited, even with the use of computers and mathematical methods. Typically, the planner needs to do an initial assessment in order to identify the most promising options.

Step 5. Evaluation of Alternatives:

The premises and goals should be taken into consideration when analyzing the several possible courses of action. There are numerous methods for assessing substitutes. The assessment must be completed with a number of considerations in mind. For instance, financial inflow and outflow, risks, resource constraints, expected payback, etc. The options should maximize profit while maximizing our chances of achieving our objectives.

Step 6. Choice of Alternative Plans:

This is the true purpose of making decisions. It will become clear from an examination and study of substitute courses that two or more are recommended and advantageous. The most suitable candidate is chosen.

Step 7. Formulation of Supporting Plan:

Different plans are derived once the fundamental plan is formulated in order to support the main plan. A company may have a variety of derivative plans, including as those for hiring and training staff, purchasing raw materials, producing new products, and purchasing equipment. The fundamental or primary plan serves as the foundation for these derivative plans, which are almost always necessary to support the basic plan.

Step 8. Establishing Sequence of Activities:

The order of activities is decided upon so that the basic and derivative plans can be implemented. Budgets for different periods and divisions can be generated after decisions are taken and plans are established, giving plans more tangible significance for execution.

An organization's overall budgets show the whole of its revenue and costs, along with any profit or surplus, and the budgets for its key balance sheet components, like cash and capital expenditures. A firm or other enterprise may have separate budgets for each of its departments or programs, which typically include capital and spending allocations that are integrated into the overall budget.

2. Organizing

Definition: After planning, organizing is the second most important management activity. It involves coordinating human activities, setting up resources, and combining the two in a way that facilitates the accomplishment of goals. It entails choosing the strategies and tactics that will allow the plans to be carried out.

To maintain efficiency and effectiveness in operations, it comprises defining roles and working relationships, assigning various tasks related to the plans, organizing and allocating resources, designing a structure that clearly defines duties, responsibilities, and authorities, and scheduling activities[2].

Fig.1: Organization management activity

- **Division of Labor**:The employee who specializes in that work is given that task.

- **Coordination**: Coordination is necessary since different organization members are assigned different duties to do. When all the activities are combined rationally and sequentially, the objectives are reached.
- **Objectives**: Objectives need to be specifically defined.

- **Authority-Responsibility Structure**:The position of each management and executive is defined in accordance with the level of authority and responsibility given to them while carrying out their responsibilities for an efficient authority-responsibility structure.
- **Communication**: The techniques, flow and importance of communication must be known to all the members.

2.1. Process of Organizing

The fundamental task that connects all the resources and activities in a logical and systematic order is organizing. It includes a variety of actions taken in order to fulfill corporate objectives[3]. We will now go over those actions in more detail:
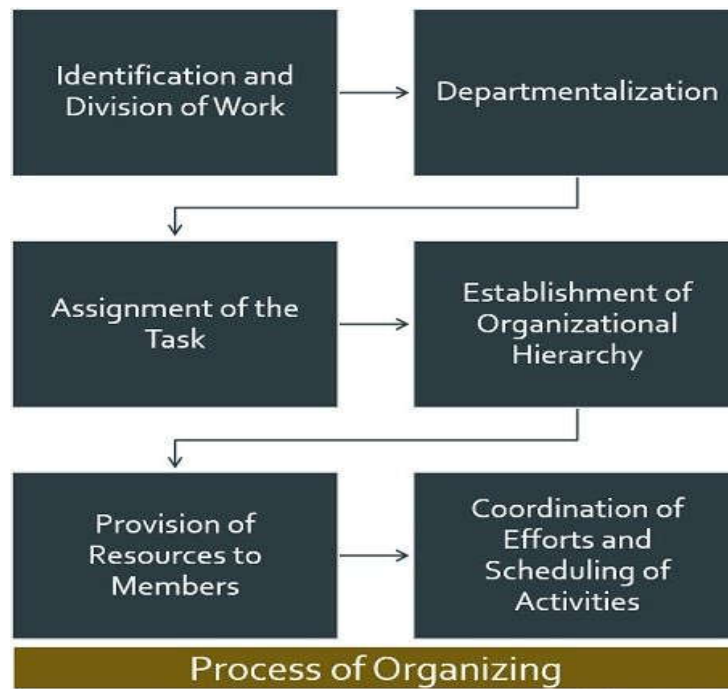
Fig:2 Process of Organizing

> ➢ **Identification and division of work**:

The first step in the organizing process is to identify the tasks and divide them according to the plans. To prevent duplication, the work is essentially divided into several manageable tasks, and sharing of work is encouraged.

> ➢ **Departmentalization**:

Following the division of the task into distinct activities, related activities are grouped together. Departmentalization is the process that makes specialization easier and serves as the foundation for department creation.

> ➢ **Assignment of the task**:

Following the creation of departments, staff members are assigned to various departments under the supervision of a manager known as a departmental manager. Employees are then given employment based on their abilities, credentials, and skill sets[6]. The manager is responsible for making sure that the incumbent and the job are a good fit for each other, meaning that the correct individual must be placed in the right position to maximize performance.

> ➢ **Establishment of organizational hierarchy**:

Work deployment alone is insufficient; staff members also need to know to whom they report and who can issue commands. As a result, it's important to develop clear work relationships, which aids in the organization's hierarchical structure.

➤ **Provision of resources to the members**:
The arrangement and use of resources—money, equipment, supplies, machinery, etc.—that are necessary to carry out the daily activities of the business.

➤ **Coordination of efforts and scheduling of activities**:The final step to this process is the coordination of efforts and scheduling the activities in a logical and systematic manner so that the common objectives can be achieved effectively.

2.2 Importance of Organizing

Organizing is essential to management since it makes the business run more smoothly. Here are some reasons why organizing is important:

➤ **Advantage of Specialization**:Organizing facilitates the methodical classification of jobs among the workforce, resulting in decreased workload and increased productivity. This is because people will regularly do specialized tasks based on their expertise, giving the company the benefit of specialization.

➤ **Describes work relationships**: The superior-subordinate connection is determined by the description of work relationships, which also explains the communication flow[6]. This eliminates uncertainty and disarray when it comes to receiving directives.

➤ **Effective utilization of resources:**The organizing function makes ensuring that resources—human, material, financial, or technological—are used as efficiently as possible. This is so that work does not overlap or be duplicated among personnel whose jobs are assigned to them.

➤ **Adaptation to change**:Through significant adjustments to tactics, connections, hierarchy, and other areas, the organizing process aids in the organization's survival and adaptation to change.

➤ **Development of personnel**:Organizing encourages creativity in executives. Delegation of authority reduces their workload and they get time to identify new methods to perform the work. It also enables them to explore new areas for their growth and development.

2.3 Principles of an Organization:

Some of those principles are discussed as follows:

➤ *Principle of Objective:*
The company should establish some goals, and different departments should strive toward achieving those goals. a shared objective that was developed for the company as a whole, and the organization is structured to meet that objective. If there isn't a single, overarching goal, separate departments will establish their own aims, which may lead to departmental goals that contradict. Thus, the organization needs to have a goal.

➤ *Principle of Specialization:*
Every member of the company should be assigned a task based on his or her qualifications and area of expertise. The individual ought to carry on with the same tasks in order to become an expert in them. This aids in the company's increased output.

➢ *Principles of Co-ordination:*

One of the organization's core values is the coordination of many activities. An organization ought to be in place to coordinate the efforts of different departments. It is possible for separate departments to set different goals in the absence of coordination. The achievement of the concern's ultimate goal depends on effective coordination between several activities.

➢ *Principle of Authority and Responsibility:*

In the line, authority moves lower. Everyone has the authority to complete the task at hand. Even if power can be transferred, the guy assigned the task still bears responsibility. A superior who transfers control to a subordinate still retains accountability for his actions; nevertheless, the subordinate now owes his superior money. Under no circumstances may the obligation be transferred.

➢ *Span of Control:*

The number of subordinates that a supervisor can oversee is known as their span of control. There should be a enough number of subordinates for the supervisor to properly oversee their work. Additionally, the task that is to be supervised have to be of the same kind. Employee productivity will undoubtedly suffer if there is an imbalance in the supervisor-to-employee communication spectrum.

➢ *Principle of Balance:*

According to this theory, each worker should only be assigned as much work as they are capable of doing properly. When one individual works excessively while another works insufficiently, the quality of the work will decline in both cases. Each person should be able to contribute to the fullest extent possible by having the work split accordingly.

➢ *Principle of Continuity:*

The organization ought to be flexible enough to adapt to evolving circumstances. Every day, processes for marketing and production undergo adjustments. Instead of being static, the organization should be dynamic. There should always be the option to make the required changes.

➢ *Principle of Uniformity:*

In order to ensure regularity, the organization should make arrangements for the distribution of tasks. It is best to have each officer oversee their own region in order to prevent conflicts and dual subordination.

➢ *Principle of Unity of Command:*

The organization's command structure ought to be unified. There should only be one boss for an individual. There is a chance of confusion and conflict when someone is controlled by multiple people. Various superiors give him commands that are in conflict. This idea instills a sense of accountability in one person. To ensure that the organization is transparent and audible, leadership must come from the top down. It also results in commanding, directing, and coordinating in a consistent manner.

➢ *Principle of Simplicity:*

To make the organizational structure understandable to all, it should be kept basic. To avoid any misunderstandings, it is important to be explicit about each person's position, authority, and responsibilities. People will become confused and at odds with one another under an intricate organizational system. Additionally, there can be efforts that are duplicated and overlapped that could be avoided [7]. It facilitates the organization's efficient operation.

➢ *Principle of Efficiency:*

Enterprise goals should be attainable by the organization for the least amount of money. Performance should be in line with pre-established benchmarks for income and expenses. The company should also make it possible for different employees to achieve job satisfaction.

➢ *Span of Control:*

The number of subordinates that a supervisor can oversee is known as their span of control. There should be a enough number of subordinates for the supervisor to properly oversee their work. Additionally, the task that is to be supervised have to be of the same kind. Employee productivity will undoubtedly suffer if there is an imbalance in the supervisor-to-employee communication spectrum.

Organization Charts:

There are two ways in which organization charts can be shown:

(i) Vertical or Top to Bottom:

Major functions are displayed at the top of this chart, followed by subordinate functions in descending order of importance. Functions run vertically while scalar levels run horizontally in this figure. At the top is the ultimate authority, and at the bottom is the least authority.

The vertical chart is shown in the following diagram. In this diagram Board of Directors is at the top of the organization. The chief executive controls various functional managers, who in turn have downward staff as the requirement of respective departments.
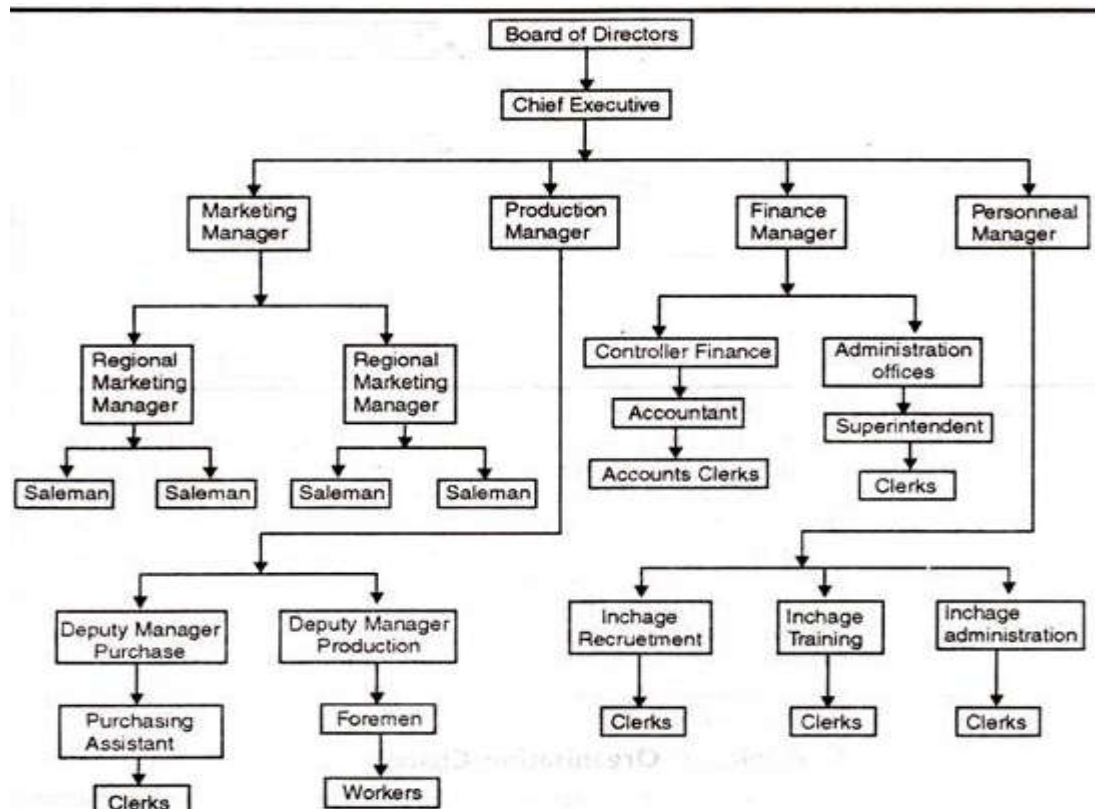

Fig. :3 Vertical Chart

(ii) Horizontal or Left to Right:
The positions with the most authority are on the left side of this chart, while those with the least authority shift to the right. Vertical columns stand in for the organizational levels, and movement from left to right represents the delegation of authority from higher levels to lower ones. Put differently, it operates horizontally and displays scalar levels vertically.

The same levels of authority as shown in vertical chart can be depicted in a left to right chart as follows:
In horizontal chart the supreme authority Le. Board of Directors is shown on the left and chief executive and functional managers and other levels move towards right.
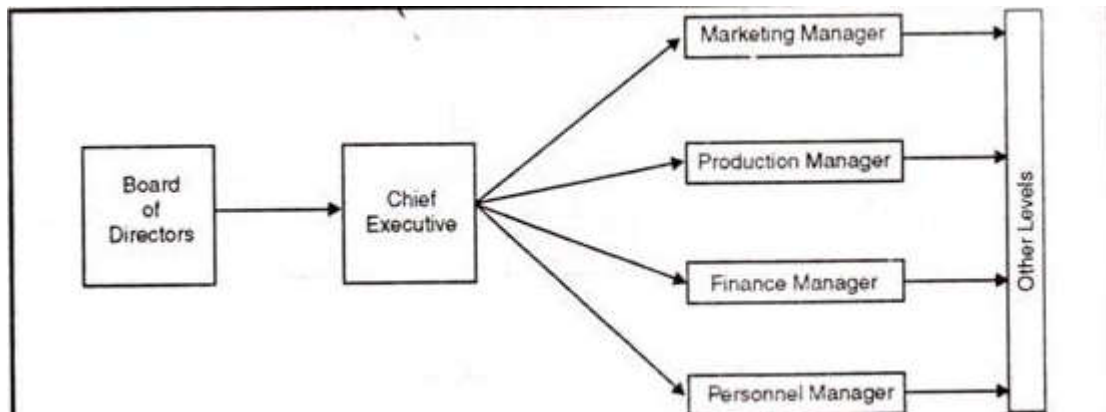

Fig.4: Vertical chart depicted in a left to right

Following principles should be kept in mind while framing organization charts:
(i) The top management should faithfully follow the line of authority while dealing with subordinates. Any attempt to buy pass the organization chart will make it meaningless.

(ii) The chart should define lines of position. The lines of different individuals should be so defined so that there is no overlapping and no two persons should be given the same position.

(iii) The undue concentration of duty at any point should be avoided.

(iii) The organization chart should not be influenced by personalities. Balance of organization should be given more importance than the individuals.

(v) The organization chart should be simple and flexible.

3.2 Advantages of Organization Charts:
  ➢ A managerial tool is an organization chart. It aids in defining the power and accountability of each position.
     The relationships among different persons are also established for smooth working of the organization.
  ➢ As organization chart specifically defines authority and responsibility of people in the enterprise there will be no duplication and overlapping of duties etc. Even if it happens in a particular instance it can be rectified immediately.

➢ The organization chart will help in pointing out the faults, deficiencies, dual command etc. in the organization. The management will be able to take prompt remedial action in case of certain lacuna.

➢ The organization chart acts as an information centre to the new entrants and they can easily understand different levels of authority and responsibility.

➢ The charts are also helpful in decision-making process. They act as a guide to the decision makers.

4.Formal and informal organization:

4.1Formal Organization:

One outcome of the managers' organizing process is the creation of an organizational framework, which facilitates methodical functioning and efficient resource usage [7]. Formal organizational structure is the name given to this kind of structure.
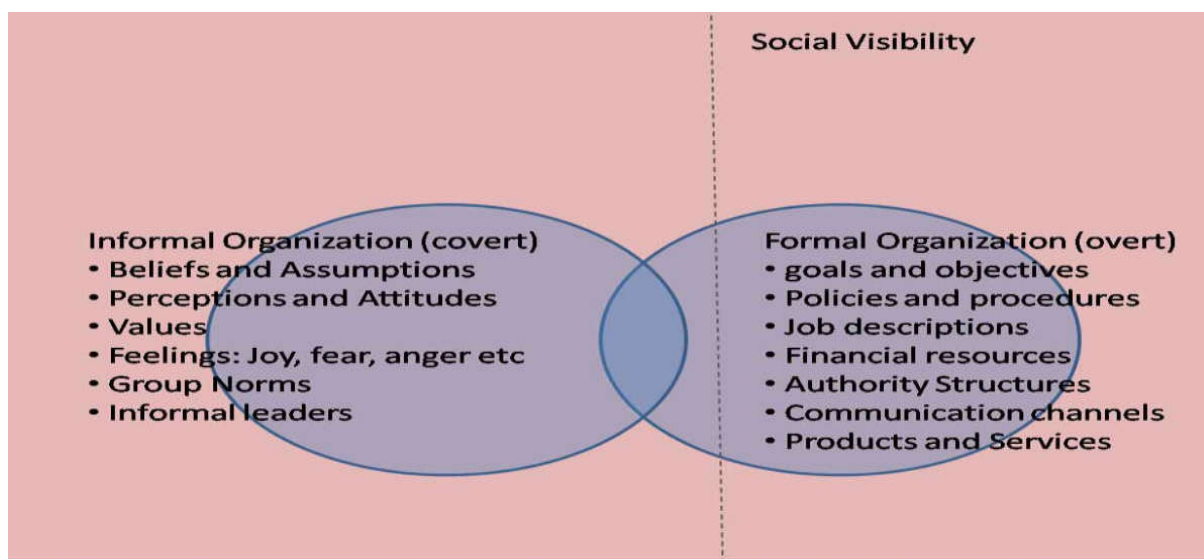

Social Visibility

Informal Organization (covert)
• Beliefs and Assumptions
• Perceptions and Attitudes
• Values
• Feelings: Joy, fear, anger etc
• Group Norms
• Informal leaders

Formal Organization (overt)
• goals and objectives
• Policies and procedures
• Job descriptions
• Financial resources
• Authority Structures
• Communication channels
• Products and Services

Fig.5: Formal organizational structure

The formal organizational structure outlines each person's job duties, authority, and responsibility, as well as the connection between superiors and subordinates and each person's designation within the organization. The managers purposefully designed this structure to fulfill the organization's objective.

Features of Formal organization:
(1) The formal organizational structure is created intentionally by the process of organizing.
(2) The purpose of formal organization structure is achievement of organizational goal.
(3) In formal organizational structure each individual is assigned a specific job.
(4) In formal organization every individual is assigned a fixed authority or decision-making power.
(5) Formal organizational structure results in creation of superior-subordinate relations.
(6) Formal organizational structure creates a scalar chain of communication in the organization .

Advantages of Formal Organization:
  ➢ **Systematic Working:**
Formal organization   structure results in systematic and smooth functioning of an organization .
  ➢ **Achievement of Organizational Objectives:**
Formal organizational structure is established to achieve organizational objectives.
  ➢ **No Overlapping of Work:**
In formal organization structure work is systematically divided among various departments and employees. So there is no chance of duplication or overlapping of work.
  ➢ **Co-ordination:**
Formal organizational structure results in coordinating the activities of various departments.
  ➢ **Creation of Chain of Command:**
Formal organizational structure clearly defines superior subordinate relationship, i.e., who reports to whom.
  ➢ **More Emphasis on Work:**
Formal organizational structure lays more emphasis on work than interpersonal relations.

4.2 Informal Organization:
Different job positions are assigned to persons inside the formal organizational framework. As they perform such jobs, the employees engage with one another and form amiable and social groups within the company[7]. This network of amiable and social groups creates an additional organizational structure within the company known as the informal organizational structure.

The primary goal of an informal organizational structure is to achieve psychological fulfillment. It is formed automatically. Because job positions are produced in formal structures and informal structures are formed by people working at different job positions interacting with one another, the existence of formal structures depends on the existence of informal structures. Thus, in the absence of a formal framework, employment positions and employees will not exist.

Features of informal organization:
(i) Informal organizational structure gets created automatically without any intended efforts of managers.
(ii) Informal organizational structure is formed by the employees to get psychological satisfaction.
(iii) Informal organizational structure does not follow any fixed path of flow of authority or communication.
(iv) Source of information cannot be known under informal structure as any person can communicate with anyone in the organization .
(v) The existence of informal organizational structure depends on the formal organization
     structure.

Advantages of Informal Organization :
  ➢ **Fast Communication:**
Informal structure does not follow scalar chain so there can be faster spread of communication.

➢ **Fulfills Social Needs:**

Informal communication gives due importance to psychological and social need of employees which motivate the employees.

➢ **Correct Feedback:**

Through informal structure the top level managers can know the real feedback of employees on various policies and plans.

Strategic use of Informal Organization.

Informal organization can be used to get benefits in the formal organization in the following way:

1. The knowledge of informal group can be used to gather support of employees and improve their performance.
2. Through grapevine important information can be transmitted quickly.
3. By cooperating with the informal groups the managers can skillfully take the advantage of both formal and informal organizations.

Results and discussion:

These theoretical approaches describe how to translate the objectives into specific plans. Sets goals and objectives relevant to the function and focuses on the customer's needs.

Also discuss how to attend and manages multiple tasks and details by focusing on key priorities and delegation to others.

Identifies and allocates resources. It develops contingency plans for potential problems and co-ordinates work efforts when necessary to produce deliverables.

Chapter discusses to taps into the resources of other work-units and departments, employing methods such as cross functional teams to achieve results. Proper management utilizes all departmental tools and "best practices" to enhance effectiveness and efficiency. It attends to and manages multiple tasks and projects by focusing on key priorities and delegating to others. Assist others to plan and organize their work. Identifies and acts on opportunities to partner with other units in the Department to achieve desired results.

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