Planning and Goal Setting

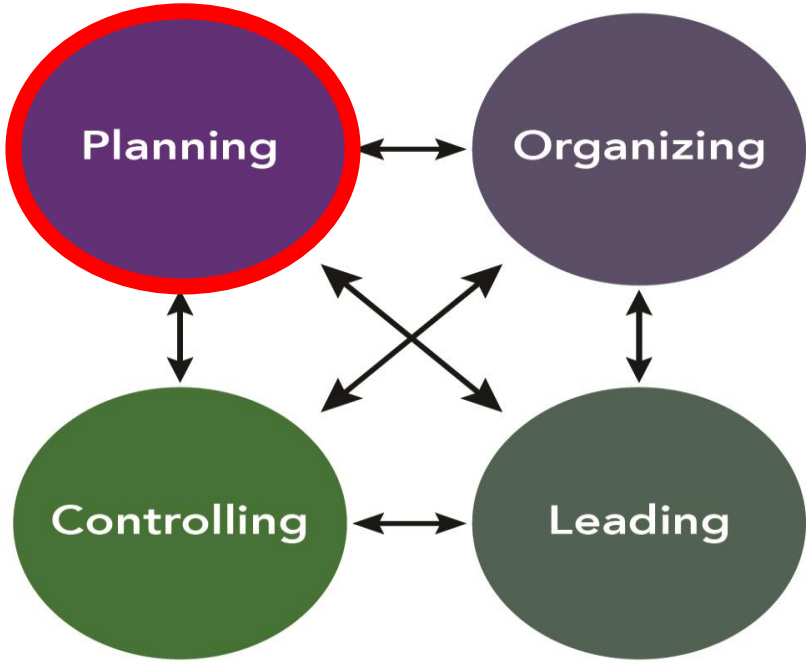
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Foundation of Planning

Planning is the **most basic of all managerial functions** and involves:

- Selecting **missions and objectives**, deciding on the actions to achieve them
- It requires **decision making that is, choosing a course of action** from among alternatives

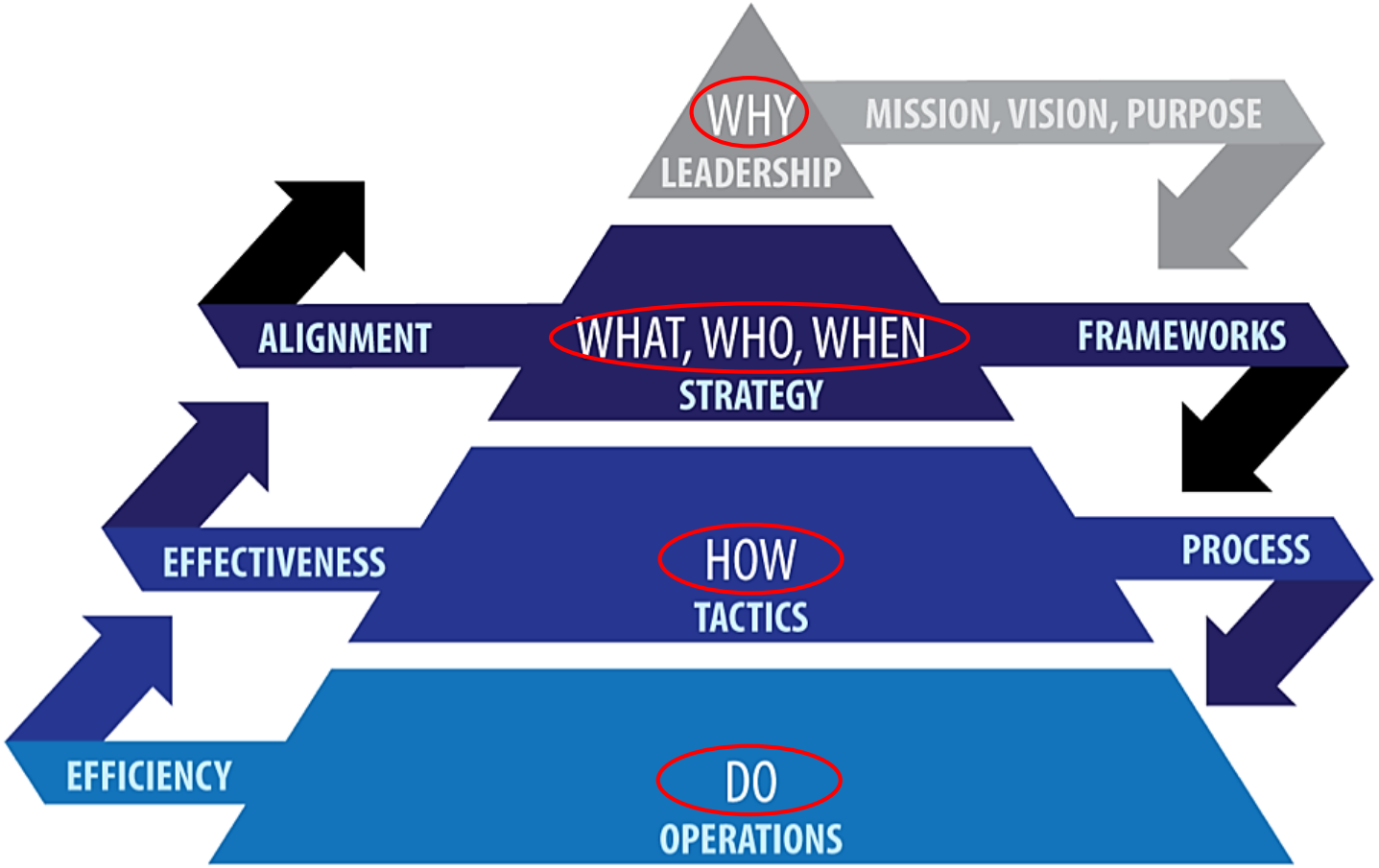
Planning bridges gap from where we are to where we want to go



What is Planning?

- Planning is **an attempt to manage the future**: what is to be accomplished and how.
- This process determines **where** the organization should be going, **why**, and **how**. Planning involves:
  - **Defining** the organization's goals
  - **Establishing** strategy for achieving those goals
  - **Developing** plans for organizational activities

Plans thus **provide a rational approach to achieving pre-selected objectives**



- **Strategy –** defines long-term goals and how to achieve them. The path needed toward achieving mission
- **Tactics –** are much more real and oriented toward smaller steps and a shorter time frame along the way

Types of Plan

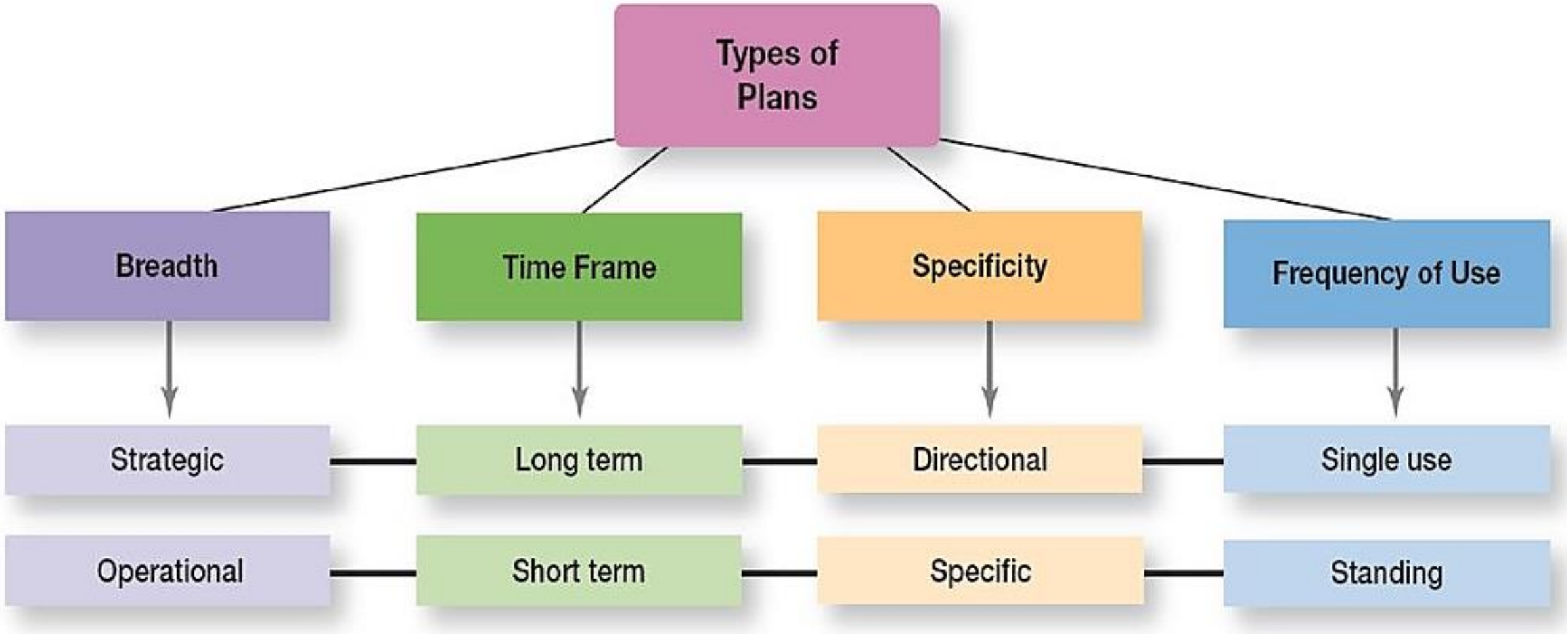
Organization establish many kinds of plans. **Generally, three types:**

- **Strategic Plan** - A general plan outlining decisions of resource allocation, priorities, and action steps necessary to reach strategic goals
- **Tactical Plan** - A plan aimed at achieving tactical goals, developed to implement parts of a strategic plan
- **Operational Plan** - Focuses on carrying out tactical plans to achieve operational goals

Types of Plan

Basing on the **timeframe**, plans are classified:

- **Long-range Plan** -A plan that covers many years, perhaps even decades; common long-range plans are for **five years or more**
- **Intermediate Plan** - A plan that generally covers from **one to five years**
- **Short-range Plan** - A plan that generally covers a **span of one year or less**
- **Action Plan** - A plan used to operationalize any other kind of plan
- **Reaction Plan** - A plan developed to react to an unforeseen circumstance


Types of Plans
Breadth
Time Frame
Specificity
Frequency of Use
Strategic
Long term
Directional
Single use
Operational
Short term
Specific
Standing

Types of Goal

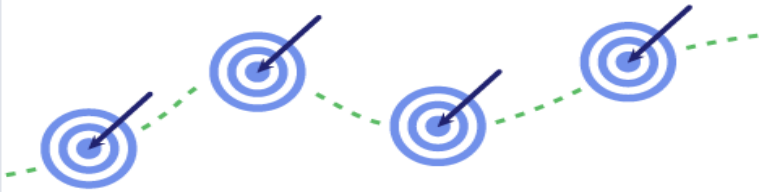
- **Mission -** Statement of an organization's fundamental purpose
- **Strategic Goal -** Goal set by and for top management of the organization
- **Tactical Goal -** Goal set by and for middle managers of the organization
- **Operational Goal** - Goal set by and for lower-level managers of the organization

Goals Example Vs Objectives Example

A goal is an achievable outcome that is **generally broad and longer term** while an **objective is shorter term and defines measurable actions** to achieve an overall goal

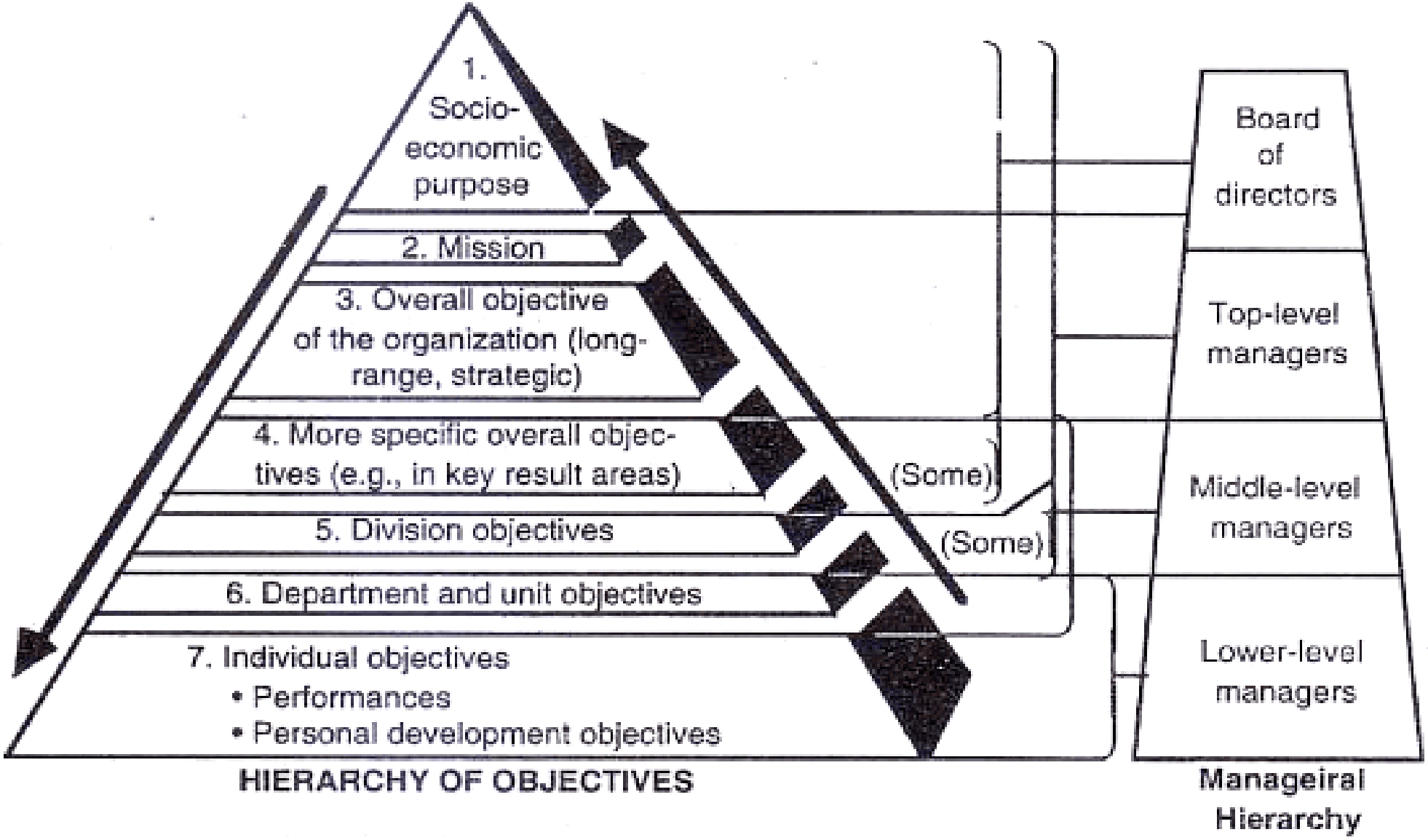


Reach
100,000 subscribers on the company YouTube channel in 12 months.



- Producing 10 videos a month
- Hiring 2 more video editors
- Partnering with YouTube influencers in your niche
- SEO audit on old channel videos

Relationship of Objectives and the Organizational Hierarchy



Goal Setting

- Goal setting involves the **development of an action plan** designed in order to motivate and guide a person or group toward a goal
- Goals are more deliberate than desires and momentary intentions

Setting goals means that **a person has committed thought, emotion, and behavior towards attaining** the goal

Management by Objectives (MBO)

What is Management by Objectives (MBO)?

- MBO, also known as management by planning, was first popularized by **Peter Drucker** in **1954**
- MBO is a strategic approach to enhance the performance of an organization
- It is a process where the **goals of the organization are defined and conveyed by the management to the members** of the organization with the intention to achieve each objective

The MBO process



Steps in Management by Objectives Process

1. **Define Organization Goals -** Setting objectives is not only critical to the success and to include several different types of managers in setting goals.

2. **Define Employee Objectives -** Subordinates on establishing their personal objectives

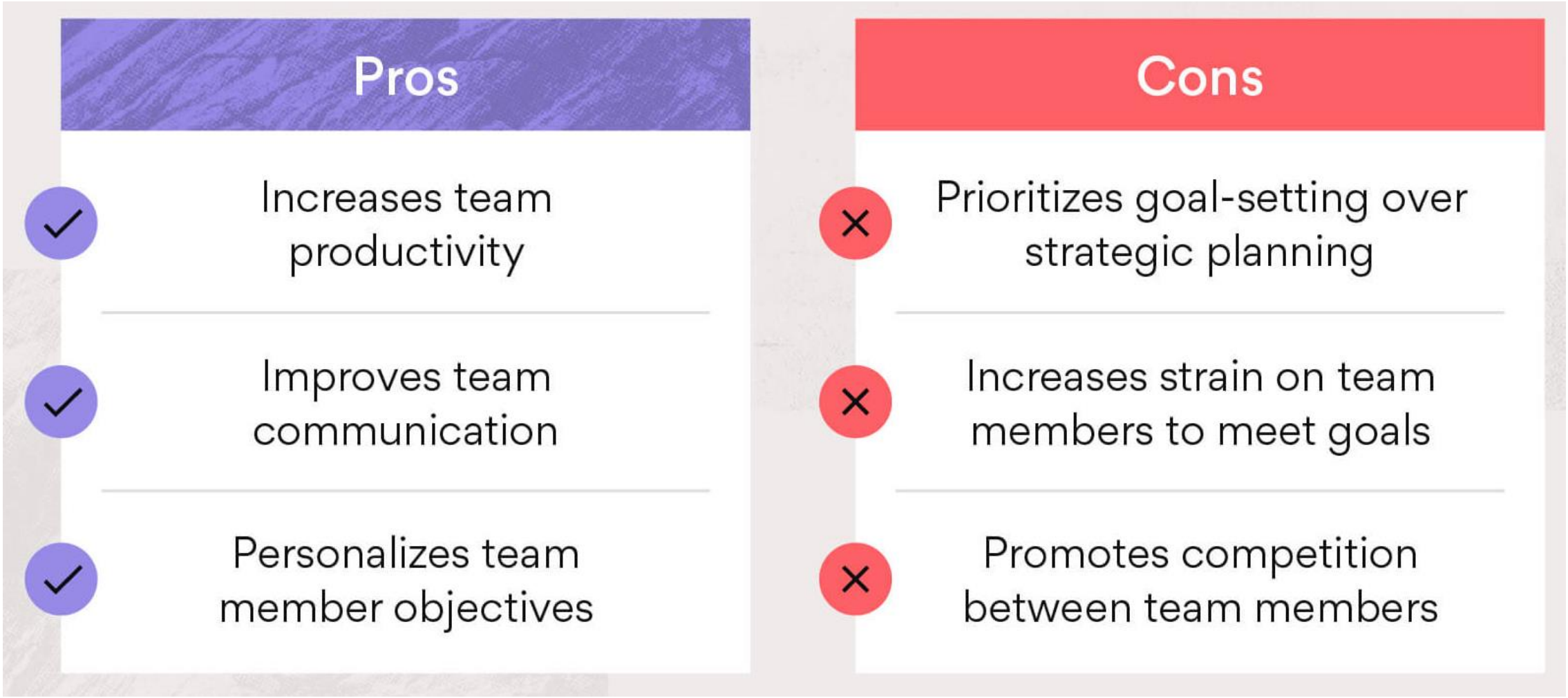
3. **Continuous Monitoring Performance and Progress -** Essential for monitoring the performance and progress of each employee in the organization.

4. **Performance Evaluation** – Performance review is achieved by the participation of the managers concerned.

5. **Providing Feedback -** To track and make corrections to their actions.

6. **Performance appraisal -** Routine Review of the Success of Employees within MBO

MBO


Pros
Increases team productivity
Improves team communication
Personalizes team member objectives
Cons
Prioritizes goal-setting over strategic planning
Increases strain on team members to meet goals
Promotes competition between team members

Well Written Goals

- SMART Goals are **Specific, Measurable, Achievable, Realistic, and Time-Bound**
- Well-written goals should answer the main questions:
  - Who?
  - What? and
  - How?

