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# UNIT 2 CRITICAL REVIEW OF PLANNING METHODOLOGIES

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## 2.1 INTRODUCTION

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Planning is basically concerned with the future impact of current decisions. In other words, it seeks to examine a series of cause-effect relationships that may arise from a particular set of decisions. The results of any decisions do not come up to the expectations of the management; these may be replaced with alternative decisions.

Significantly, planning is influenced by the external and internal environments of the organization. The factors inherent in the external environment are the opportunities, threats and constraints. Those inherent in the internal environment are the capabilities or strengths, constraints or weaknesses, and values of the organization. Together, the external and internal environments determine what the organization can do and the same will be translated

into various types of plans by the management, namely objectives, policies, procedures, rules, strategies, etc. In this Unit we are going to describe the different methods of planning and the merits and demerits of each type of planning, and also inculcation of gender concerns in the planning process of an organization.

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## 2.2 OBJECTIVES

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After studying this Unit, you should be able to:

- describe different types or methods of planning;
  - distinguish advantages and disadvantages of each method of planning;
  - analyze the method of planning for a project; and
  - suggest institutionalizing gender in an organization.
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## 2.3 TYPES OF PLANNING

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Planning is a pervasive function. It may be with respect to the organization as a whole, or at the divisional or departmental level. Organizational planning is usually done by the higher levels of organizational hierarchy and is generally long-term in nature. It is original and energizing in its purpose, and takes within its sweep the entire spectrum of organizational activities. Organizational Planning creates a motivational framework for all employees and serves as the basis for planning at the divisional and departmental level.

Divisional planning, which is made within the framework of organizational planning, is concerned with determining the scope of activities assigned to each division to satisfy stakeholders and target group needs and deciding on specific divisional sub-goals within a specific area of responsibility. Thus, whereas organizational planning is related to selection of broad plans to accomplish the larger organizational goals, divisional planning redefines these goals in terms of activities of each division. The plans formulated at this level are more specific but limited in scope.

Departmental planning is concerned with development of specific plans for each department of a division so as to accomplish the divisional plans. Obviously, planning at this level is still more specific, but limited in scope and short-term in nature.

### **Time Frame of Planning**

On the basis of the length of the planning horizon, plans may be long-term, medium-term and short-term.

Long-term plans deal with broader technological and competitive aspects of the organization as well as allocation of resources in a long time-framework. This may range between five and fifteen years, based on nature, size and complexity of each organization. Since long-term plans penetrate deep into the future, they tend to be lacking in specificity and therefore may remain somewhat vague. As long-term planning

involves a great deal of uncertainty, like occurrence of certain events having a significant bearing on certain plans, such as technological changes, consumer behaviour, Governmental policies, etc., the management has to face a dilemma whether or not to commit scarce resources to a particular plan.

Medium-term plans usually focus on a two to five year time frame. They are specific and detailed. Managers have to safely place demands or requirements in respect of commitment of resources.

Short-term plans cover a time frame of about a year or so. These are the most specific of all plans. These may include plans concerning inventory planning and control, employee training, work methods, etc.

### Check Your Progress Exercise 1

**Note:** i) Use this space given below to answer the question.

ii) Compare your answer with the one given at the given at the end of this Unit.

1) What are the types of plans on the basis of time frame?

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## 2.4 TYPES OF PLANS

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Depending on their nature and scope, plans can be broadly classified as follows:

### Standing or repeated use plans

- Objectives
- Policies
- Procedures
- Rules
- Strategies

### Single use plans

- Programmes
- Budgets

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## 2.5 STANDING OR REPEATED USE OF PLANS

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Standing or repeated use plans are developed by the organization to serve as guidelines with respect to the activities within and outside the organization. A discussion on aspects of each of the standing or repeated use plans is covered in the following sub-sections:

### 2.5.1 Objectives

Objectives may be defined as the future results or a desired state of affairs, though the organization seeks and strives to achieve. Objectives provide the organization with a purpose that keeps its attention and efforts focused in a particular direction. This improves the capacity for steering a steady course towards their accomplishment, taking corrective action when necessary to avoid obstacles.

#### a) Kinds of objectives

According to Charles Perrow, the board categories of objectives of an organization are:

- i) Societal objectives which are concerned with creation and maintenance of cultural values through the production of goods and services.
- ii) Output objectives concerned with the kind of output, viz, durable goods, etc.
- iii) System objectives concerned with growth, stability, profitability and efficiency.
- iv) Product objectives concerned with quality, quantity, innovativeness of the goods and services.
- v) Derived objectives concerned with secondary areas, e.g., community development.
- vi) Departmental objectives related to the overall organizational objectives (stated in general terms).

Due to uncertainties like occurrence of events favourable to their accomplishment, it is customary to lay down specific objectives for the divisions and departments in the organization. There is always considerable discrepancy between the stated formal objectives as a whole and the operational objectives of the various divisions' value. Described in terms of philosophical ideas, they are virtually impossible to achieve in the same form.

#### b) Clarity of objectives

There is a hierarchy of objectives in an organization, e.g., the executive authority lays down overall organizational objectives and also there are operational objectives for individual divisions and departments within the organization. The objectives at each level differ in their level of clarity. The organizational objectives are generally broad and non-specific because they are only stated for public reflection purposes, while the divisional and departmental objectives are relatively quite specific.

However, there is a great need for clarity in the definition of objectives at every level of organization. Clarity in statement of objectives makes the organization more efficient because it keeps the attention focused on the right ends. Moreover, unclear objectives are likely to be overlooked if they come into conflict with the clear ones.

Clarity also promotes healthy superior-subordinate relations. Although the importance of clear objectives cannot be overemphasized, it is common to come across extremely vague objectives. In certain cases, objectives are deliberately kept vague so as to accommodate inconsistent operational and secondary objectives. Another reason for the lack of clarity is the fear of ensuring adequate performance or, because of conflicting demands, reluctance to make any specific commitment to a particular objective.

### **c) Evaluation of objectives**

Now we will specifically focus on merits and limitations of objectives.

#### **Merits**

Some key advantages of setting objectives include:

##### **1) *Vital to planning***

Objectives are vital to planning. They provide targets for all managerial efforts.

##### **2) *Integrated planning***

Objectives make it possible to have an integrated approach towards planning. Objectives are accomplished through policies, programmes, procedures and strategies.

##### **3) *Performance control***

Objectives provide the yardstick to measure the effectiveness of performance at various levels. Also, the functionaries and communities share the milestone to be crossed in the journey towards accomplishment of the overall organizational objectives. Thus, objectives act as a great motivating force, for fulfilling the organizational goals.

#### **Limitations**

What are the limitations in setting objectives? They may include the following:

##### **1) *Difficult to define***

Objectives deal with broader issues, particularly for the organization as a whole. But they can serve as guides to result-oriented action only if they are expressed in terms of clear qualitative outcomes, quantitative outputs and so on.

##### **2) *Difficult to devise/lacking suitable and adequate resources***

Objectives may be too ambitious without availability of the required resources. In the event, they may breed frustration and defeatism, due to inevitable non-accomplishment.

##### **3) *Difficult to avoid conflict***

Often an organization lays down a number of objectives, all intended to be pursued simultaneously. But sometimes this may create a problem in the sense that pursuit of one objective may adversely affect the accomplishment of another.

### **d) Guidelines for Objective-setting**

The following four guidelines would be useful:

**1) Specificity**

Objectives are set to be accomplished. They need to be distinguished from mere hopes and wishes. They should be as specific and concrete as possible.

**2) Realism**

Objectives should be attainable. But this can be possible only when the planner has to set them after taking into account factors such as: (a) economic environment; (b) degree of competition; (c) strong and weak points of the organization; (d) Government's fiscal and other policies; and (e) public attitudes and behaviour.

**3) Suitable sub-goals**

Objectives should be given a concrete shape with suitable policies, procedures, programmes and strategies. Accomplishment of the objectives greatly depends on the clarity and precision of these sub-goals.

**4) Flexibility**

One must hope for the best but also be ready for the worst. Therefore, while formulating objectives, factors that are likely to affect their smooth accomplishment should be adequately provided for. Similarly, there should be provision for adjusting the objectives to the needs of a given situation.

### **2.5.2 Policies**

Policies may be defined as guidelines to think and to take action for those who have to make decisions in the course of accomplishing organizational objectives. They provide ready answers to all the questions faced in the running of the organization. Policies are formulated in broad terms. They provide a comprehensive and flexible course of action to be pursued to attain the given objectives. Thus, they give a concrete touch to objectives.

However, it should be noted that policies do not provide any decisions as such. They only lay down the limits within which decisions have to be made. For example, an organization which has set the objective of promoting the development of people in a particular area may follow the policy of employing only local people.

**a) Characteristics of a good policy**

A policy must be formulated after considering all the aspects of a given situation to which it is to be applied. The following points must be taken into consideration while formulating a policy:

**1) Broad Outline**

A policy should provide only a broad outline, leaving it to the policy makers to decide the framework. If it is made to cover every detail, it may lose its ability to respond to regional/local

realities or to possibilities for innovation. But, at the same time, it should be definite enough to prevent it from being misinterpreted through diverse interpretations.

2) ***Consistent***

There may be a number of policies dealing with different questions. Hence, it is necessary to ensure that the policies are not mutually contradictory. If there is inconsistency between any two policies, decision making is bound to be slowed down, because policy makers will not know which of the two policies has the support of their superiors.

3) ***Adequate number***

There should be an adequate number of policies to guide thinking and action in different fields of activity. For example, there should be definite policies dealing with personnel, finance, etc. At the same time, there should not be any duplication.

4) ***Sound and practicable***

An organization is known by its policies. Policies are great image-builders. For this reason, policies decided by an organization should be sound and logical in every respect. It is only then that the policy makers can rely on them and confidently tackle a variety of problems.

5) ***Flexible***

Though policies are not meant to be changed frequently, there is need to keep them flexible enough to be adjusted to suit the needs of changing times.

**b) Kinds of policies**

An organization may have different kinds of policies, such as:

- 1) Internal or originated policies;
- 2) External or imposed policies;
- 3) Appealed policies;
- 4) Stated or explicit policies; and
- 5) Unstated or implied policies.

Each of these policies can be described as follows:

1) **Internal or originated policies**

They are formulated at different levels of organizational hierarchy. Internal policies differ in their nature and scope, depending upon the level in the hierarchy. For example, policies decided by executive authority will be applicable to the organization as a whole, but the policies formulated by a departmental policy maker are meant only to be followed by the members within his/her department.

2) **External or imposed policies**

Sometimes an outside agency may also be instrumental in the formulation of a policy in the organization. For example, if the government passes a law whereby employers are required to reserve a certain percentage of jobs for the backward sections of society, this is bound to give rise to a similar policy decision at the organizational level. Likewise, policies may have to be framed to give effect to the decisions of other development organizations/federations/networks.

### 3) **Appealed policies**

At times, policies may be formulated in line with suggestions or complaints received from people within or outside the organization. This will happen when the subject-matter of a suggestion or complaint is not already covered by the existing policies. Because the ideas for such policies originate at the people's level, these are called appealed policies.

### 4) **Stated or explicit policies**

Stated or explicit policies are those which are in writing or in print, and form part of the organization's manual or records. Most of the policies in an organization or government belong to this category.

### 5) **Unstated or implied policies**

These are the policies which are not recorded in writing or in print, though quite well-understood and practiced at every level. "People are always right" and "Keep to honest and clean dealings" are some examples of such policies. Many organizations are following policies without a written record.

### c) **Factors influencing policy-making**

Many factors influence the formulation of policies in an organization. Some factors are visible and some are not so evident. Some of the important factors influencing policy formulation are as follows:

- Values, beliefs, ambitions and foresight of the policy makers and members of top management;
- Prevalent technology;
- Finance availability;
- Employee reaction;
- Accomplishments and activities;
- Governmental regulations and control;
- General environment;
- Public attitudes and behaviour;
- Bureaucratic structure and procedure; and
- Red tapism, corruption.

### d) **Evaluation**

## **Merits**

Some of the key merits include:

### **1) Guide to thinking and action**

Policies provide a framework to key functionaries for taking necessary decisions. Without these, they would lack direction and prioritization. Thus, policies serve as an essential guide for decision making.

### **2) Consistency**

Policies establish the limits within which key functionaries at various levels are required to make their decisions. This leads to predictability and consistency in implementation and operations. Moreover, the key functionaries are enabled to act in a coordinated manner for the accomplishment of organizational objectives.

### **3) Broader applicability**

Policies are shaped after weighing and evaluating a number of factors. Thus, appropriate policies can be applied in varying contexts.

### **4) Confidence building**

A well-formulated policy will provide responses to all or most possible questions.

If key functionaries strictly adhere to policies, any shortfall in attainment of objectives can be justified or explained.

### **e) Limitations**

Let us now explore some important limitations.

#### **1) No panacea for all problems**

Policies cannot provide a solution to every problem. This is so because each policy is formulated under a particular set of circumstances which may not remain the same at all times. This is true in the modern world where social, economic, political and technological changes are taking place at a fast pace. But this limitation can be overcome if policies are constantly evaluated to test their usefulness in present circumstances.

#### **2) No instant solutions to problems**

Policies only serve as guidelines to thinking and action by policy makers. They point to the limits and constraints under which policy makers have to make decisions to solve existing problems. The policy maker may be disappointed if policy is expected to provide a solution to every problem. But here it needs to be remembered that policies only provide the mechanism for decision-making, and they cannot possibly provide a solution to each individual problem.

#### **3) No substitute for human judgement**

Policies only indicate how and within what limits problems of different kinds have to be tackled. But they cannot be blindly applied to all problem-situations. The policy maker's own sense of judgment will remain even when she/he has a pre-determined policy to deal with every conceivable problem. This is self-evident. Key functionaries need to determine which policy is to be applied in a given situation, and to what extent.

#### 4) **No room for initiative**

Too many policies stifle individual initiative. Policy makers may be required to follow the earlier formulated policies such that they may lose the capacity to think for themselves.

We must remember that policies only provide an arena within which key functionaries have to make their decisions. They do not provide any decisions as such. Decision-making continues to be an exclusive preserve of executive authorities and in exercising this function they are free to exercise as much individual initiative as they choose.

### **2.5.3 Procedures**

Objectives and policies may be well established but they seldom produce action. This is because they do not lay down the ways and means through which the objectives are to be accomplished and the policies are implemented. This lacuna is fulfilled by formulating procedures which determine:

- a) the specific tasks to be performed;
- b) the time when these tasks will be performed; and
- c) the persons who will perform them.

Procedures lay down the process of establishing time-sequences for work to be done. They may be described as plans "prescribing the exact chronological sequence of specific tasks required to perform designated work." Thus, procedures are concerned with fixing a time-table for starting a given work, going through its different phases and its completion. The procedures will be formulated within the framework of the objectives and resource position of the organization.

Procedures can be established for a wide variety of tasks, such as placement of staff, wage payment, providing incentives etc.

#### **Evaluation**

##### **a) Merits**

What are the merits? They include:

- 1) *Basis of control* – Procedures prescribe the time sequence of specific tasks to be performed to accomplish a given job. Thus, they can be used to know if the work is proceeding according to the plan or not.

- 2) *Standardization* – Procedures lay down the sequence of tasks to be performed. They also enable systematic performance of work at every stage. This saves considerable time and energy of functionaries across organizational hierarchy levels.
- 3) *Consistency* – Since the course of action to be performed with regard to each item of work is well defined, there is consistency and uniformity in performance at different levels. This leads to efficiency all around.
- 4) *Aid to communication and co-ordination* – Establishment of any procedure is preceded by a great deal of communication and coordination of thinking and effort. Thus, it represents the collective wisdom of the persons concerned with putting it into effect. If any problem occurs at any stage of work, these same people will have to think and act together to find a solution.

#### **b) Limitations**

Key limitations include:

- 1) *Redundancy* – Often age-old procedures are retained even after they have outlived their usefulness. As a result, they are not adequate for the purpose of meeting the requirements of the changing situation.
- 2) *Updating* – Procedures need to be constantly reviewed and evaluated. They should also be suitably modified or altered. However, often there is hesitation to undertake this exercise to suit the current needs.

### **2.5.4 Rules**

A rule means a decision made by the executive authority regarding what is to be done and what is not to be done in a given situation. It applies to specific situations and includes self-imposed principles of action. Rules do not leave any scope for flexibility in decision-making. They do not permit any deviation. Rules are different from policies which will guide decision-making but do not eliminate discretion of the executive authority. Rules either forbid or require a particular kind of behaviour, leaving no scope for discretion.

### **2.5.5 Strategies**

The word “strategy” is derived from the Greek word “stratgia” meaning the office of the general. It is often used to mean the art of military leadership in the planning and execution of large-scale combat operations.

In managerial terminology, a strategy may be defined as an overall plan for an organization. Strategy is used to accomplish organizational objectives in the context of environmental forces beyond the control of the organization. In other words, strategy is concerned with an organization’s relationship to the external environment and the competitive situation inherent therein. It seeks to specify how the organization plans to meet the uncertain world outside, and makes different assumptions as regards the tactics and strength of the competing interest groups.

### **a) How strategy formulation is influenced by environment**

Formulation of a strategy is influenced by the external and internal environments of the organization. The external environment consists of opportunities, threats and constraints, and the internal environment reflects the strengths and weaknesses of the organization.

If the external environment is favourable, then it has the potential for expansion of operations. If the organization has enough internal strength in the form of physical, human and financial resources, it can go in maintaining or expanding its operations/activities. The organization may diversify its activities either backward towards supplying of necessary needs or demands to the people or forward towards project, plan or programme development, and so on.

On the other hand, if the external environment indicates low opportunities for growth, then even with significant internal strengths, the organization will have to adopt a strategy awaiting a favourable external situation. And if neither external nor internal environment is favourable, the only advisable course of action would be to adopt the strategy of survival.

### **b) Types of Strategies**

The following strategies may be adopted by an organization for implementing a programme, plan or project to accomplish its objectives:

#### **1) Stability**

In this case the organization is satisfied with the present level of activities and works; it may follow the 'stability strategy'. The factors which contribute to this line of approach may be: (a) stable environment; (b) limited number of programmes and services; (c) limited number of targets and competitors; (d) minimum need for specialized knowledge and skills about programmes, plans, targets etc.; (e) values, attitudes, background, etc., of the higher levels of organizational hierarchy which may disfavour growth for its own sake.

An important drawback of the 'stability strategy' is that it may make the management complacent and indifferent to the need for any change. If the external environment undergoes a swift change, the organization may not be fully prepared to bear its effects.

#### **2) Vertical integration**

Vertical integration is the process of consolidation. It helps the organization to diversify its activities either backward towards the supply of essential needs for meeting the targets, or forward towards fulfilling the demands. Accordingly, it may decide to work the necessary activities so as to assure fulfilling continuous supply. It may also decide to develop its own outlets in order to better serve the targets.

Obviously, vertical integration strategy will be followed to a dynamic unpredictable environment comprising plenty of activities and services, and a number of targets and competitors.

#### **3) Merger**

Merger denotes the combining of several similar units to rationalize the activities and to attain the economies of large scale accomplishment of targets.

Merger as a strategy aims at acquiring other similar organizations to expand target needs and demands. Such a strategy will be followed in a dynamic, unpredictable environment by an organization which desires growth and expansion.

#### 4) Other strategies

An organization may also adopt various other strategies, such as distribution strategy, technological strategy, financial strategy, managerial strategy etc., in order to accomplish its specific objectives.

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## 2.6 SINGLE USE PLANS

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Single-use plans are designed to meet novel or non-repetitive situations, with limited scope. Once the specific situation has been adequately tackled, the plans may be given up.

Single use plans may be classified as follows:

### 2.6.1 Programmes

A programme denotes activities of a broad nature, including many different functions and interactions. It lays down the operations to be carried out to accomplish a given task. In this sense, it prescribes how an organization's resources are to be used.

To make a programme successful, the whole or a large segment of the organization has to be involved in a defined action plan. In this respect it is different from a procedure which affects only a particular part of the organization.

#### Evaluation

##### a) Merits

Two major merits can be identified:

- 1) *Action-based:* Programmes are generally short-term plans of action. Being action and result-oriented, they provide practical responses and frameworks for managerial activities.
- 2) *Greater motivation:* Programmes are result-oriented in a practical sense. They provide greater motivation than policies or objectives. They deal with the issues in abstract, theoretical terms.

##### b) Limitations

Two major limitations include:

- 1) *Greater risk of failure:* Generally, programmes aim at securing immediate results. For this reason, they are often hastily devised without paying due regard to availability of resources. This increases the chance of their failure.
- 2) *Inadequate motivation:* For successful execution of a programme, involvement of all or many segments of the organization is necessary. But everyone concerned with its execution may not be duly motivated.

## **2.6.2 Budgets**

A budget is a plan relating to a period of time, expressed in numerical terms. It may be defined as a pre-determined statement of management policy, during a given period, which provides a standard for comparison with the results actually achieved. A budget may cover projected activities of a firm for a definite period of time. It provides pre-determined standards of performance in the fields of income, expenditure, investments and profits. The standards are set by keeping in view the objectives and resource positions in the organization. They also serve as the basis for evaluating performance in various fields, and for correcting the deviations and deficiencies.

### **a) Objectives of Budgeting**

Broadly, budgeting serves the following important objectives:

#### **1) Planning**

Budgeting provides a plan of action to be pursued by an organization within a specified period. It is a statement of what the higher levels of hierarchy intends to achieve by employing the resources in the organization. There is a budget for each of the different fields of activity, such as recruiting persons, fulfilling the needs and demands of target group. Budgets specify income, expenditure, profits, and so on.

#### **2) Coordination**

Budgeting is aimed at coordinating the activities in different fields. It enables the activity to keep pace with fulfilling the demands, needs and requirements of the target groups/stakeholders/beneficiaries.

#### **3) Control**

Budgets establish standards of performance for different activities. They make it easy to verify if procedures are appropriate and adequate. If there is any deficiency or deviation, suitable corrective measures can be immediately applied.

#### **4) Motivation**

Budgeting provides specific goals to accomplish the organizational goals by utilizing the resources in a correct way, and ensuring that the policies and programmes are strictly adhered to. It serves as a great motivating force for employees of the organization. They know what is to be achieved, and how it can be achieved.

## **Merits of Budgeting**

The following are the main merits of budgeting:

### **1) Instrument of management policy**

A budget lays down the organizational goals and also highlights the means (physical and human resources) to realize them. It helps management to determine its future course of action.

### **2) Time-bound**

*A budget has a definite time-frame.* It may be designed for a month, a quarter or a year, but seldom for a period longer than that.

### **3) Specific targets**

A budget aims at specific, well-defined targets which are often expressed quantitatively. Essay-type description of the targets is generally avoided.

### **4) Synthesis of the past, present and future**

Forecasting is an essential part of budgeting. But it is different from empty guess-work. It is the result of a careful analysis of the past, accurate appraisal of the present and realistic assessment of the future. It also provides the means (policies, programmes, strategies, etc.) to realize the stated targets.

### **5) Right motivation**

Budgeting lays down attainable targets and also prescribes the means to achieve them. Once the employees know what they have to achieve and how, they can be suitably motivated to work for the desired outcome.

### **6) Basis of control**

A budget not only provides a future plan for action, but also lays down standards for various activities. It can be used to measure performance, detect deficiencies, and initiate corrective action, where necessary.

## **Demerits of Budgeting**

Budgeting suffers from certain limitations. Some of the important limitations among them are as follows:

### **1) Confined courses of action**

Once targets are set, and the resources are allocated for the purpose, action has to be within the prescribed limits. Thus, budgeting does not allow freedom to function in a flexible manner.

### **2) Excessive reliance on past experience**

In theory, budget-making is an exercise involving synthesis the past, present and future. Since it is not possible to accurately interpret present trends, or to predict future events, budget-makers increasingly turn to their past experience. As a result, targets for the forthcoming year may be similar to different from those of the past years. Any radical change in them may invite a hostile reaction from the departments concerned.

**3) Danger of inaccuracy in estimates**

Despite due caution, budgeted estimates may turn out to be unrealistic or inaccurate. Some departments may be given targets which may be impossible to achieve. On the other hand, some departments may fix lower targets, which are too low in relation to their capacities.

**4) Curb on initiative**

The budget may be treated as an end in itself. As such, they may not take pains to engage in rational and pragmatic decision making beyond what is permissible within the budgeted limits. In the event, initiative is stifled and excessive emphasis is placed on the latter rather than the spirit of the budgets.

**Check Your Progress Exercise 2**

**Note:** i) Use this space given below to answer the question.

ii) Compare your answer with the one given at the given at the end of this Unit.

1) Define "Single Use Plan".

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**2.7 SUMMING UP**

In this Unit, we discussed the types of planning. The types of planning have been divided on the basis of time frame, nature and scope. We elaborately discussed each type and its objectives, policies, procedures, rules, strategies, programmes and budgets. Types have been divided depending upon the nature and scope of planning. Standing or repeated use plans are developed by the organization to serve as guidelines with respect to the activities within and outside the organization. Single-use plans are designed to meet novel or non-repetitive situations, with limited scope. Once the specific situation is adequately tackled, the plans may be given up. At the end of the Unit, we have discussed budgeting, how budgeting is significant and how it influences target and goals.

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**2.8 GLOSSARY**

**Policy** : A definite course or method of action selected from among alternatives, and in the light of given conditions, to guide and determine the future action. In the context of group action, policy makes it possible to predict how different people would act in a given situation.

- Procedure** : A particular way of accomplishing something, or of acting. It is a series of steps followed in a regular definite order. In procedure, the emphasis is on details whereas in policy it is on the basic general approach.
- Rule** : A decision made by the management regarding what is to be done and what is not to be done in a given situation. It applies to specific situations and generally includes self-imposed principles of action. Rules do not leave any scope for decision-making. Nor do they permit any deviation.
- Creed** : It is a set of fundamental beliefs. Though not very easy to define, it greatly influences policy formulation.
- Practice** : It signifies the tasks regularly performed in a given situation. Opportunism is at the root of a practice. It lacks general direction and accepts a given situation as it is, rather than aiming to improve it.
- Principle** : It denotes that idea which we form of things so as to regulate our conduct. It is grounded upon the exercise of one's reasoning power and thus signifies some basic truth. The validity of a principle will remain even if some consider it to be good and others as bad.
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## 2.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress Exercise 1

- 1) Standing or repeated use plans and Single use plans.

### Check Your Progress Exercise 2

- 1) Single-use plans are designed to meet novel or non-repetitive situations, with limited scope. Once the specific situation is adequately tackled, the plans may be given up.
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## 2.11 QUESTIONS FOR REFLECTION AND PRACTICE

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- 1) Enumerate the different types of plans.
- 2) Describe the characteristics of a good policy.
- 3) Briefly discuss the objectives, merits and limitations of budgeting.
- 4) Describe the different types of strategies.
- 5) Examine the major steps in project planning. Provide hints to develop gender strategies in an organization.