

## Chapter 4 – Planning

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### Question 1

What is Planning?

**Answer:** Planning refers to ascertaining in advance what to do and how to do. This is contemplated as one of the elementary managerial functions.

### Question 2

What are the qualities that are required for planning?

**Answer:** Imagination, Intelligence, Sound Judgement and Foresight.

### Question 3

State any 3 limitations of planning the functions of management.

**Answer:** Every aspect has its own limitations. The limitations of Planning are:

- **Planning leads to rigidity:** In an establishment, a defined plan is outlined with a specific goal to be achieved within a predefined timeframe; however, the managers may not be in a situation to change it. As the business environment is, effective managers need to be provided with some amount of flexibility to manage with the varied situations.
- **Planning may not work in an effective environment:** Planning is purely based on the prediction of future occurrences and since the future is indefinite, hence the establishment requires to accommodate itself to the changes.
- **Planning reduces creativity:** The top-level management takes the responsibility of planning and middle management implements the plan, but, they are not allowed to deviate and hence, creativity and skill sets of these managers reduce.

### Question 4

What is the 6 importance of Planning?

**Answer:** The importance of planning is as follows:

- It provides a perfect direction for any course of action
- Risk of uncertainty is reduced
- Helps in decision making
- Initiates standards for controlling
- Promotes creative ideas
- Reduces the number of wasteful activities

### **Question 5**

Is planning worth the huge costs involved? Explain.

**Answer:** Planning certainly involves a huge cost. However, the cost involved in planning is negligible when it is being compared to its importance. Below mentioned are a few factors due to which we can say that planning is a vital action despite the huge costs:

- **Gives direction:** Planning precisely states the goals that are to be accomplished. Hence, it is an acting guide for the actions that are to be taken. It certainly renders direction to the actions of different departments of an organisation.
- **Risks are reduced:** By guiding an organisation in the right direction, it assigns its managers to scrutinize and predict changes. This leads to a reduction in uncertainty of the predictable events.
- **Minimized overlapping:** As all the managers are well informed with the policies and plans of an establishment, they agree to coordinate different activities together to attain those goals.
- **Encourages creativity:** Planning is one of those aspects that promotes innovative ideas and thoughts. It is a vital pursuit, which demands the best of the managers thinking abilities and skillsets.
- **Assists in decision making:** Planning serves as the foundation for making the decisions. It involves scrutinizing the future, assessing the various courses of action and picking the best alternative.

### **Question 6**

'Planning is the basic function of management.' Explain.

**Answer:** Every management begins with planning. Rest of the functions like – staffing, organising, controlling and directing are certainly based on planning. It precedes the accomplishment of all other managerial tasks and permits the managers to organise the staff, direct and control the pursuits in a better way to accomplish organisational goals.