



11

PLANNING AND ORGANISING

In the previous lesson, you learnt about the various functions of management, viz., planning, organising, staffing, directing, coordinating and controlling. In this lesson we shall discuss the first two functions i.e., planning and organising emphasising the nature, importance and process of planning, and the basic concepts of organising including process of organising, the organisation structure, delegation and decentralisation of authority.



OBJECTIVES

After studying this lesson, you will be able to:

- explain the meaning and features of planning;
- describe the importance of planning;
- identify the steps involved in process of planning;
- explain the meaning and importance of organising;
- outline the steps involved in process of organising;
- explain the concept of organisation structure and outline the forms it takes;
- differentiate between formal and informal organisation; and
- explain the concepts of delegation and decentralisation of authority and the distinction between the two.

11.1 WHAT IS PLANNING

When we talk of planning, it simply refers to deciding in advance what is to be done and how it is to be done? For example, you decide in advance where to study (at NIOS or regular school) and what to study (to go in for Business Studies and Accountancy or Physics and Chemistry) etc. and plan for the admission, transport arrangement and purchase of books and stationeries etc. Thus, planning is a systematic way of deciding about and



doing things in a purposeful manner. In the context of business organisations and their management it may be defined as the process of setting future objectives and deciding on the ways and means of achieving them. In the words of M.E. Hurley “planning is deciding in advance what is to be done in future. It involves the selection of objectives, policies, procedures and programmes from among the alternatives”.

11.2 FEATURES OF PLANNING

The basic features of planning can be summarised as follows:

- (a) Planning is the primary function of management as every activity needs to be planned before it is actually performed. In other words, planning precedes all other managerial functions and provides the very basis for organising, staffing, directing and controlling.
- (b) Planning is always goal directed. A manager cannot plan anything unless he knows what he wants to achieve. For example, you cannot plan for a journey unless you know where you want to go. Thus, planning is taking such steps so as to achieve the desired goal.
- (c) Planning is pervasive at all levels of management and so also for all functional area. Managers at the top level plan for the entire organisation. They make plans for a long period and lay down the objectives for the organisation as a whole. Middle-level managers make quarterly, half-yearly and yearly plans for the departments under them. Foremen and office supervisors plan for a workshop or a section of the office. They make plans for a short period, i.e., for the next day, next week or next month.
- (d) Planning is always futuristic. It is deciding in advance what to do, how to do, etc. It requires collection of information about various matters relating to business and then choosing a course of action for the future. However, while planning for the future, it does take past experience and current situation into consideration.
- (e) Planning is an intellectual activity and requires certain conceptual skills to look ahead into the future. It needs good foresight and sound judgment to anticipate future events, develop alternative courses of action and make the right choice.
- (f) Planning is a continuous process. In organisations plans are made for a specific period followed by new plans for further period. Sometimes the conditions or circumstance change requiring the plans to be revised. For example, a sugar factory situated in upper regions of Uttar Pradesh had planned for 1,000 tonnes of sugar during the last quarter of the year. Accordingly, the management planned for procurement of sugar cane from the nearby areas. Unfortunately, there was snowfall leading to loss of crop. This made the management to change their plan and procure sugarcane from far off areas like Haryana and Rajasthan and also revise their planned production of 1000 to 800 tonnes. Thus, planning is a continuous activity in organisations.
- (g) Planning basically involves making choices. Need for planning arises when goals/objectives are many and alternatives to achieve them are also plenty. While planning, alternatives are evaluated and a choice is made regarding which course of action is to be followed.



- (h) Planning is flexible. Planning is done on the basis of some forecasts which may not materialise. Hence, plans have to be changed in accordance with the changed conditions. Activities are planned with certain assumptions, which may not come true. Managers must make provision for alternate strategies and plans as indicate in the earlier example of a sugar factory.

11.3 IMPORTANCE OF PLANNING

Planning is the most importance of all the management functions. Some of the importance are as follows:

- (a) Planning reduces uncertainty, risk and confusion in operation. Through planning, the future course of action is known to all and so, everybody knows exactly what needs to be done. This gives a sense of direction resulting in efficiency in operations.
- (b) Planning guides the decision making by the managers. Planning of goals to be achieved and the course of action to be followed to achieve the goal act as a guide in their own decision making and action plans.
- (c) Planning helps in achieving coordination and facilitates control. Proper planning integrates the tasks at the operational level, thereby making coordination more effective. It also helps in identifying deviations and taking the corrective action.
- (d) Planning with an element of flexibility makes the organisation adaptable. In other words planning makes the organisation capable of coping with the changing environment and facing challenges.
- (e) Planning leads to economy and efficiency in operations. Best methods are selected out of available choices, thus, reducing overlapping and wasteful activities.
- (f) Planning begins with the determination of objectives and directed towards their achievement. It keeps the executive alive and alert. Managers have to review the progress periodically and recast their strategies to meet the objectives.

It should be noted that planning also has certain limitations, as the plans are based on certain assumptions and incomplete information. Hence, the management has to be vigilant and provide for necessary flexibility to take care of changed situations.



INTEXT QUESTION 11A

1. Define the term Planning.

2. Read the statements given below. Write against each if it represents a feature, or importance of planning or neither.

- (a) Planning is the primary function of management.
- (b) Planning brings about efficiency and effectiveness.



- (c) Planning is always futuristic.
- (d) Planning reduces uncertainty, risk and confusion.
- (e) Planning helps in achieving coordination and control.

11.4 THE PLANNING PROCESS/STEPS IN PLANNING

Planning in organisation follows a step-by-step process without which it may be difficult to build up proper plans and ensure their implementation. Such steps are as follows.

1. Establishment of Objectives

All of us know that every organisation has some goals that it wants to achieve. Planning actually starts with defining these goals in more concrete, clear and unambiguous terms. This enables the management in gaining clarity on what they have to achieve and then plan all activities accordingly. Hence establishing organisational objective is a pre-requisite for good and meaningful planning.

2. Making Assumptions (establishing premises) about the External and Internal Conditions

Making assumptions about the future environment of business is the second step in planning. For example, it may be assumed that there will not be any change in tax laws and that there will be sufficient funds available to meet its financial requirements. These assumptions about the future environment of the business are known as **planning premises**. These premises may be **external** or **internal**. External planning premises relate to conditions outside the business. Internal planning premises relate to conditions prevailing within the organisation.

External planning premises include assumptions about the market demand and nature of competition, laws affecting the business, availability of resources, and changes in technology. If the management can visualise the likely changes in the external conditions, they can take steps to solve problems arising there from and plan to take advantage of the emerging business opportunities. Government policies and laws, for example, affect the decisions of managers to a great extent. Advance knowledge of the likely changes in government policy enables managers to plan their activities more appropriately.

Internal planning premises relate to conditions within an organisation. These conditions include cost, methods and techniques of production, employees, type of machinery and equipment, etc. All these constitute the internal resources which determine as to what the organisation is capable of achieving.

The study of external conditions enables a business unit to know the opportunities available in the market. Hundreds of opportunities are available to a business unit, but it cannot take advantage of every opportunity. It has to decide what it will produce and distribute in the light of what it can do i.e., on the basis of the study of internal factors and then plan accordingly.



3. Development of Alternative Courses of Action

The next step in planning is to identify the alternative courses of action to achieve the objectives set. For example, to achieve the objective of increasing the profits of a business unit, any one or more of the following alternatives can be used:

- Increase the sale of its existing products
- Improve product quality
- Add new products/product lines
- Increase the prices of products
- Reduce costs

4. Evaluation of Alternatives

Evaluation of alternatives is the fourth step in planning. When alternative courses of action are there before a manager, he has to examine the feasibility and the possible results of each course of action before selecting the best course. Certain alternatives may not be practicable. Management should ignore such alternatives. For example, to maximise profits the management may not think of reducing the wages of workers as it may not be workable. Similarly, if prices are increased, the business unit may not be able to face competition in the market. So, the management should evaluate each of the remaining alternatives and work out how far they help in meeting the objectives and whether these are workable in the light of available resources.

5. Selecting the Appropriate Course of Action

After evaluating the alternatives the manager will select that alternative which gives maximum benefit at minimum cost. In selecting the best course from among the alternatives, managers should also keep in mind their own limitations of resources. So in making the final selection from among the alternative courses of action, the management will ultimately be guided by:

- (a) the opportunities provided by the external environment; and
- (b) the ability of the business unit to take advantage of these opportunities.

6. Arranging for implementation

After the management has finalised their choice, it should build up the necessary strategies and action plan for its implementation in due consultation with all key personnel who are to implement it.



INTEXT QUESTIONS 11B

1. Rearrange the following elements of external and internal planning premises.



Notes

External Planning Premises	Internal Planning Premises
(a) Methods of production	(i) Market demand
(b) Availability of skilled labour	(ii) Change in technology
(c) Change in govt. policy	(iii) Use of modern machinery

2. Ramesh wants to appoint managers in different departments of his factory. He follows the following steps, which are not given in proper order. Arrange them carefully in correct sequence in the table given below.

- (a) Appointed three managers.
- (b) Visited two management institutes to interview the management graduates.
- (c) Compared the short listed candidates in terms of qualification and salary expected.
- (d) Set assumption that the technology is going to change; and that enough money is available for payment of salaries to the new managers.
- (e) Set a target of appointment of three managers.

Correct sequence:

1	2	3	4	5

11.5 ORGANISING

Organising is the next important function of management after the planning. You know that in case of planning a manager decides what is to be done in future. In case of organising, he decides on ways and means through which it will be easier to achieve what has been planned. Suppose, it is planned to start a new plant for soft drinks within six months. The immediate task for the manager then is to identify and assign the various tasks involved, and devise structure of duties and responsibilities so that things move smoothly and the objective is achieved. All these tasks form part of organising function. Thus, organising refers to the process of :

- Identifying and grouping the work to be performed.
- Defining and determining responsibility and authority for each job position.
- Establishing relationship among various job positions.
- Determining detailed rules and regulations of working for individuals and groups in organisation.



11.6 IMPORTANCE OF ORGANISING

Organising is essential because it facilitates administration as well as operation of enterprise. By grouping work and people properly, production increases, overload of work is checked, wastage is reduced, duplication of work is restricted and effective delegation becomes possible. Secondly, organising facilitates growth and diversification of activities through clear division of work. It helps in developing a proper organisation structure and the extent and nature of decentralisation can be determined. In addition to the above, organising also provides for the optimum use of technical and human resources. It also encourages creativity and enhances interaction among different levels of management which leads to unification of efforts of all.

11.7 PROCESS OF ORGANISING

The process of organising consists of the following steps –

1. **Identification of activities:** Every enterprise is created with a specific purpose. Based on this, the activities involved can be identified. For example, in a manufacturing firm, producing goods and selling them are the major activities in addition to routine activities like, paying salary to employees, raising loans from outside, paying taxes to the government etc. And these activities vary when the organisation is a service concern or a trading firm. Therefore, it is essential to identify various activities of an enterprise.
2. **Grouping of activities:** Once activities are identified, then they need to be grouped. They are grouped in different ways. The activities which are similar in nature can be grouped as one and a separate department can be created. For example – activities undertaken before sale of a product, during the sale of the product and after the sale of the product can be grouped under the functions of a marketing department. Normally, all activities of a manufacturing unit can be grouped into major functions like purchasing, production, marketing, accounting and finance, etc. and each function can be subdivided into various specific jobs.
3. **Assignment of Responsibilities:** Having completed the exercise of identifying, grouping and classifying all activities into specific jobs, they can be assigned to individuals to take care of.
4. **Granting authority:** On the basis of responsibilities given to specific individuals, they are also to be given the necessary authority to ensure effective performance.
5. **Establishing relationship:** This is a very important job of management as everybody in the organisation should know as to whom he/she is to report, thereby establishing a structure of relationships. By doing so, relationships become clear and delegation is facilitated.



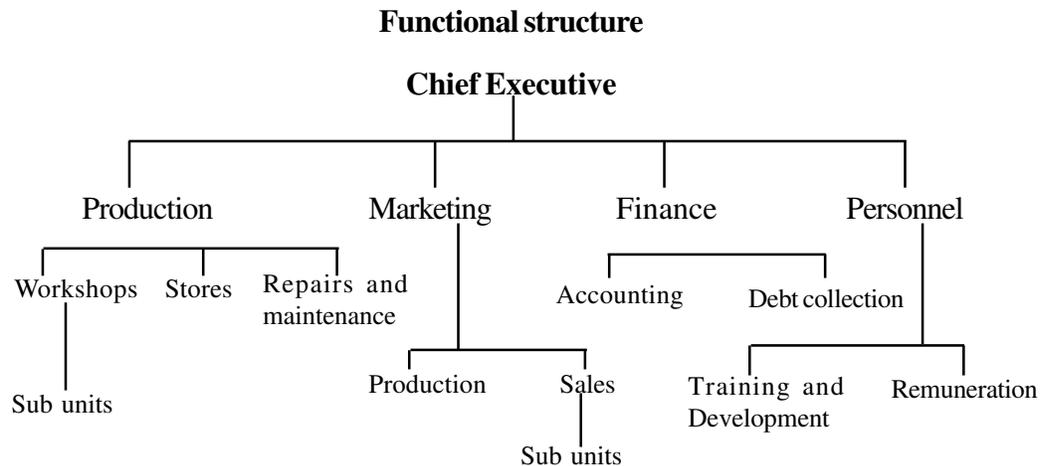
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11.8 ORGANISATION STRUCTURE

The process of organisation culminates into an organisation structure which constitutes a network of job positions and the authority relationships among the various positions. The various factors that are usually taken into consideration for designing a good organisation structure are job specifications, departmentation, authority-responsibility relationships, etc. The whole structure takes the shape of a pyramid (look at the type of structure that follow) and broadly indicates the tasks assigned, the hierarchical relationships and the patterns of communication and coordination. Based on the arrangement of activities, two most commonly used forms of organisation structure are (1) functional structure, and (2) divisional structure. These are discussed hereunder.

1. Functional Structure

An organisation structure formed by grouping together all activities into functional departments and putting each department under one coordinating head is called functional structure. Thus, in any industrial enterprise the functions like manufacturing, marketing, finance, personnel may constitute the major separate units (departments) of the enterprise; and in case of a large retail store purchasing, sales and warehousing may be the major units. It may be noted that the major units use are further divided into sub-units. For example, the manufacturing department may be sub-divided into stores, repairs, maintenance, production, etc.



This form organisation structure helps in developing functional specialisation in each unit duly headed by an expert in that functional area. This facilitates the coordination within the department since all are fully familiar with the various activities involved. However, this type of structure is considered suitable for small and medium size organisations. In case of large organisations, the units become too unwieldy and difficult to manage.

2. Divisional Structure

In large organisations dealing in multiple products and serving a number of distinctive markets, the divisional structure is considered more suitable. Under such structure the

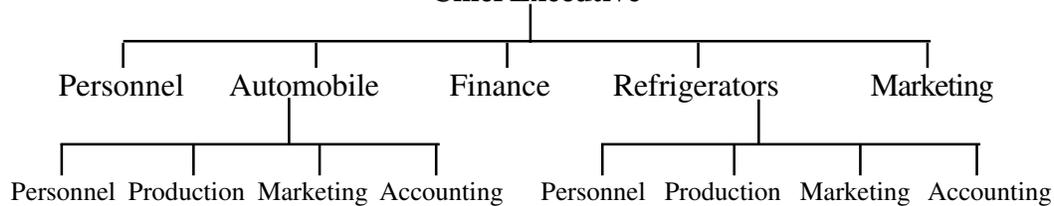


organisation is divided into units entrusted with all activities related to different products on different territories (markets). Each divisional head is required to look after all functions related to the product or market territory.

Divisional structure

(Product based)

Chief Executive



Under divisional structure, most activities associated with a product or product group can be well coordinated and its profitability easily ascertained. Moreover, it provides opportunity to divisional managers to take prompt decisions and resolve all sorts of problems without much difficulty. However, this structure is expensive and gives rise to duplication of efforts.



INTEXT QUESTIONS 11C

1. What is meant by the functional structure of organisation?

2. Arrange the following steps of organising in proper sequence in the table given below.
 - (a) Assigning responsibility.
 - (b) Identification of activities to be done.
 - (c) Granting authority.
 - (d) Establishing relationships among individuals and groups.
 - (e) Grouping and sub-dividing activities within each function on the basis of similarity or relatedness.

Correct sequence:

1	2	3	4	5

11.9 FORMAL AND INFORMAL ORGANISATION

Formal organisation refers to the officially established pattern of relationship among departments, divisions and individuals to achieve well-defined goals and is a consciously



designed structure of roles. In other words, formal organisation clearly spells what a person has to do, from who he has to take orders and what rules, policies and work procedures are to be followed. Thus, it is a system of well defined jobs, each bearing a definitive measure of authority, responsibility and accountability. This promotes order and facilitates planning and controlling functions.

Informal organisations on the other hand, refers to relationship between individuals in the organisation based on personal attitudes, likes and dislikes and originates to meet their social and emotional needs and develops spontaneously. It represents natural grouping of people in work situation and is supplementary to formal organisation as it serves the needs not satisfied by formal organisation. The formal organisation does not provide opportunity to members to exchange personal views and experiences and so they interact informally to fulfill such interest and needs. In fact, informal organisation comes into being because of the limitations of the formal structure and both are interlinked. However, they differ in respect of their origin, purpose, structure, authority, channels of communication and behaviour of members.

11.9.1 DIFFERENCE BETWEEN FORMAL AND INFORMAL ORGANISATIONS

Formal Organisation	Informal Organisation
1. It is created by the top management.	It is not created by top management. It arises out of the natural desire of the people to associate.
2. It is created to get the jobs of an organisation performed in a planned and systematic manner.	It is formed to satisfy those needs of members which can not be satisfied through formal organisation.
3. It is managed by officially appointed managers.	Members of the informal group select some one as their leader to take care of the interests of the group members.
4. Managers of formal organisation have formal authority.	The authority of the leader of the informal group depends upon the combined support of group members.
5. Formal organisation is permanent and stable.	Informal organisation is of temporary nature. It changes its size and membership from time to time.

11.10 DELEGATION

In organisations, it is difficult on the part of a manager to complete all the jobs assigned to him. He thus, can take help from others by asking them to do some of the work in a formal way. It means, he can assign some of the work to his subordinate and give them authority to carry on the work and at the same time make them accountable. For example, a production manager may have the target to produce 1000 units in a weeks time. He can distribute his work to three of his subordinates to produce 250 units each and keep 250



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units for self to produce. And then he must also give them enough authority to use organisational resources to produce. By doing so he also makes his subordinates answerable to him for non-performance.

This active process of entrustment of a part of work or responsibility and authority to another and the creation of accountability for performance is known as delegation. Thus, there are three elements of delegation as follows.

1. **Assignment of Responsibility:** This is also known as entrustment of duties. Duties can be divided into two parts: one part, that the individual can perform himself and the other part, that he can assign to his subordinates to perform.
2. **Granting Authority:** Authority here simply refers to the official powers and position required to carry on any task. When duties are assigned to subordinates then the required authority must also be conferred on him. For example, when a manager asks his subordinate to receive a guest of the company on his behalf then he must also grant him some authority like carry the company vehicle, booking the company guest house for accommodation etc.
3. **Creating Accountability:** This refers to the obligation on the part of the subordinates, to whom responsibility and authority are granted to see to it that the work is done. In other words, the delegatee is fully answerable to his superior for performance of the task assigned to him. Thus, the superior ensures performance through accountability by his subordinate.

Responsibility:

Obligation of a subordinate to perform the assigned duties

Authority: Right to take decision, right to issue orders and right to take action if orders are not carried out

Accountability:

Answerability

11.10.1 IMPORTANCE OF DELEGATION

Delegation is considered as one of the most important elements in the process of organisation because, it reduces the load on managers as work is successfully shared by the subordinates. This improves the managerial effectiveness because by delegating a good part of work to the subordinate the managers are able to concentrate on important matters which require them personal attention. Not only that, the organisations now-a-day are usually large in size and complex in character, and no manager can claim to have all the skills and expertise to handle all kinds of jobs himself. Moreover, the business activities are spread over a larger area with several branches and units, which makes it difficult for him to look after the supervise activities personally at all places. The delegation of responsibility with commensurate authority offers a good workable solution. This also provides an opportunity for subordinates to develop, and motivates and prepares them for taking up higher responsibilities in future. It leads to creating a healthy work environment and harmony among the employees. Thus, delegation facilitates organisational growth and prosperity.

11.11 DECENTRALISATION

Decentralisation refers to a systematic effort to delegate authority at all levels of management and in all departments. This shifts the power of decision making to lower level under a well considered plan. Take the case of traffic police controlling movement of vehicles on road.



He holds a lower level position in the organisation yet he has lot of authority given to him. The senior concentrate on ways and means to improve traffic control. In case of business units, the heads of departments have the authority to take decisions on most matters relating to the functioning of their department. The top managers are confine themselves to policy decisions like product lines to be added, further investment etc.

Decentralisation has number of benefits. Firstly, it reduces the workload of the top level management. Secondly, it motivates the employees and gives them more autonomy. It promotes initiative and creativity. It also helps employees to take quick and appropriate decisions. In the process the top management is freed from the routine jobs and it enables them to concentrate on crucial areas and plan for growth.

11.11.1 DISTINCTION BETWEEN DELEGATIONS AND DECENTRALISATION

Decentralisation is not same as delegation. The points of differences are -

- While delegation is the process of assigning responsibility and authority and thereby creating accountability; decentralisation is the ultimate outcome of planned delegation.
- Delegation of authority takes place between the manager and his subordinates while decentralisation involves the entire organisation, and is between top management and divisions/departments.
- Delegation is done to speed up the work and is essential in trace; while decentralisation is optional and is usually done in large scale organisations.
- In case of delegation the responsibility and authority delegated may be withdrawn by the delegator; which is not so easy in case of decentralisation.

11.12 AUTHORITY RELATIONSHIP

When a person is given certain duties to perform, he must be given necessary authority to carry on the activity successfully. Otherwise, he will not able to do the work. Similarly, in an organisation every member must have some sort of authority while performing individual job. In other words, there must be an authority relationship among the staff members. Thus, on the basis of nature, authority may be of three types.

- (a) Line authority;
- (b) Staff authority; and
- (c) Functional authority.

Let us have a brief idea about all these types.

(a) Line Authority

Line authority is the authority of a manager over his immediate subordinates. For example, the chief manager has line authority over production manager and the production manager



has line authority over managers of workshops. Line authority is the right of a manager to issue order and to see that these orders are carried out. A line manager gets the authority from his supervisor and shares it with his subordinates. So it flows from top to bottom.

(b) Staff Authority

When the work of line managers increases, staff officers are appointed to help them. The job of staff officers is to give advice, information, suggestion and guidance. For example, personnel manager is appointed to help the managers in hiring and training people. He does not have the final authority to appoint people. Final authority lies with that of line managers. Staff people can only advice. Their advice can be accepted or rejected by line managers. So staff authority refers to the responsibility and authority of providing advice and services to the line managers.

(c) Functional Authority

Functional authority is similar to line authority, but it is exercised over a person who is not the immediate subordinate of a manager. The purchasing manager, for example, has functional authority related to procedures to be followed in purchasing goods for various production departments. The purchasing manager may be given this authority to ensure that goods purchased are of right quality and are suitable for purchase for which they have been purchased.

Let us consider another example. Production is a line activity. Security is a staff function. Normally production managers takes decision relating to production. But in the event of fire, manager of security would be given functional authority to handle the emergency situation. He will exercise this authority till the crisis is over.

The main reason of using functional authority is to take advantage of the special knowledge and skill of functional specialists. In practice, however, functional authority is restricted to specialised persons. If too much functional authority is used the position of line managers becomes weak and they are not able to perform their managerial duties properly.



INTEXT QUESTIONS 11D

1. Identify the following as formal or informal organisation.

(a) Students enjoying a picnic in a park.

(b) Workers of the Health department are engaged in cleaning the roads.

(c) People gathered for marriage party.

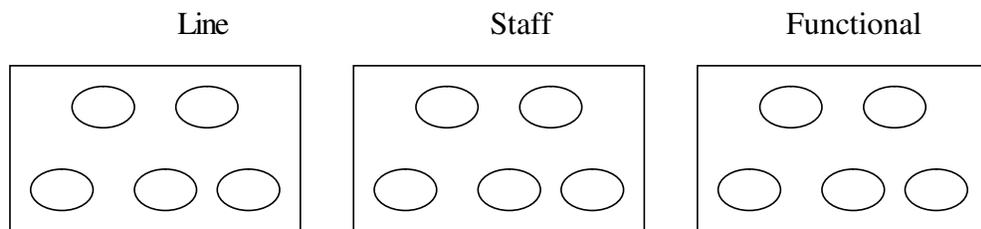
(d) Workers of Production department working at the machines.

(e) Teachers Delhi University teaching the learners.



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2. Following is a list of decisions to be taken by a manager of an organisation. Write against each what kind of authority is needed for the decision-making.
- (a) Production manager giving instructions to Foreman for target output.
 - (b) Head of Engineering department giving instructions regarding security norms to be kept in mind.
 - (c) Head of the marketing research unit asking for some value addition to the product.
 - (d) Personnel manager recommending names for recruitment in the sales department.
 - (e) The Chief Executive Officer asking General Manager to ensure 25% reservation in recruitment.



11.13 WHAT YOU HAVE LEARNT

- Planning is deciding in advance what is to be done and how it is to be done.
- Planning is a primary function of management. It is all pervasive, intellectual, futuristic and continuous activity. It is a flexible activity dealing with making choice when many alternatives are available.
- Planning is very important function of management. It helps in achieving economy, efficiency, coordination and facilitates proper control.
- Planning process:
 - establishment of objectives
 - making assumptions about external and internal conditions
 - development of alternative course of action
 - evaluation of alternatives
 - selecting the appropriate course of action
 - arranging for implementation.
- Organising is the next important functions of management after planning. It refers to identifying and grouping the activities to be performed, defining the responsibility and authority for each job position, establishing relationship between various job positions and determining detailed rules and regulations of working.



- An organisation structure formed by grouping together all activities in to functional departments and putting each department under one coordinating head is called functional structure.
- When the organisation is divided into units entrusted with all activities related to different products or on different territories, it is called divisional structure.
- Delegation is the process of entrustment of part of work or responsibility and requisite authority to another person and creating accountability for performance.
- Decentralisation is the effort to delegate authority at all levels of management.
- Formal organisation refers to the officially established pattern of relationship among departments, divisions and individuals to achieve well-defined goals. Informal organisations on the other hand, refers to relationship between individuals in the organisation based on personal attitudes, likes and dislikes and originates to meet their social and emotional needs and develops spontaneously.
- Authority means the right to take decision, right to issue orders and right to take action if orders are not carried out. On the basis of the nature, it can be of three types viz., Line authority, Staff authority and Functional authority.



11.14 KEY TERMS

Accountability	Functional authority	Planning
Authority	Functional structure	Planning premises
Decentralisation	Informal organisation	Responsibility
Delegation	Line authority	Staff authority
Formal organisation	Organising	



11.15 TERMINAL QUESTIONS

Very Short Answer Type Questions

1. Define the term Organising.
2. What is meant y planning premises?
3. Explain the meaning of authority.
4. Define the term delegation.
5. Give the meaning of decentralisation.



Short Answer Type Questions

6. State the different steps of planning process.
7. Differentiate between external and internal planning premises.
8. What is functional authority? How is it different from line authority?
9. State the different elements of delegation.
10. Mention the different steps of organising.

Long Answer Type Questions

11. Explain the features of planning.
12. What is meant by planning? Describe any four points of importance of planning.
13. What is organising? Describe the steps in the organising process.
14. Explain the meaning of formal and informal organisations. What are the differences between these two?
15. If a person is responsible for supervising employees, why must that person have authority?



11.16 ANSWER TO INTEXT QUESTIONS

11A

2. Features – (a), (c)
Importance - (b), (d), (e)

11B

- 1.

External Planning Premises	Internal Planning Premises
(b)	(a)
(c)	(iii)
(i)	
(ii)	

- 2.

1	2	3	4	5
(e)	(d)	(b)	(c)	(a)



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11C

2.

1	2	3	4	5
(b)	(e)	(a)	(c)	(d)

11D

1. Formal (b) (d) (e)
 Informal (a) (c)
2. Line (a) (e)
 Staff (b) (c)
 Functional (d)



DO AND LEARN

Visit the nearest grocery shop and ask the shopkeeper to list the activities he did to set up his shop. Now differentiate the activities into planning and organising.



ROLE PLAY

Aditya and Abhinandan studied together. After finishing their studies they started their own business at different places. They do not find time to meet each other. Whenever Aditya fixes up a meeting Abhinandan excuses himself saying there is a problem in the organisation. Aditya visited him one-day in his office.

- Aditya : Abhinandan! Why there is always a problem in your organisation?
- Abhinandan : Well, I can't make out! I have good number of people working for me in different areas. But, there is a confusion and argument about who has authority, responsibility and accountability in respect of different activities.
- Aditya : Have you ever sit down and listed all the activities of your organisation? Grouped them? Assigned specifically to each of them?
- Abhinandan : No! But how will it help?
- Aditya : Friend, what you need is not only number of people but also ensure that activities are properly identified, grouped and assigned to competent people.
- Abhinandan : Means?
- Aditya : Means, proper organisation.

(Thereafter Aditya explained to Abhinandan about the importance of proper organisation)

Place yourself as Aditya and one of your friends as Abhinandan and continue the conversation.



Chapter at a Glance

- 11.1 What is Planning
- 11.2 Features of Planning
- 11.3 Importance of Planning
- 11.4 Steps in Planning
- 11.5 Organising
- 11.6 Importance of Organising
- 11.7 Process of Organising
- 11.8 Organisation Structure
- 11.9 Formal and Informal Organisation
 - 11.9.1 Difference between formal and informal organisation
- 11.10 Delegation
 - 11.10.1 Importance of Delegation
- 11.11 Decentralisation
 - 11.11.1 Distinction between delegation and decentralisation
- 11.12 Authority Relationship