

Chapter 2: Management Planning and Control

Key points of chapter

This chapter breaks the processes of planning and control into discrete steps. These steps will undoubtedly vary from the way planning and control is presented in many management textbooks. The differences, though, will be in form, not substance.

A six-step process for planning is presented. The first is to establish goals. No distinction is made between goals and objectives, but they need to be specific and measurable. The second step, limits, deals with the resources available to the organization. The third step is developing options (creative), followed by the fourth step of evaluating the options (analytical). Fifth step is to choose the best, and finally either do it or use the results of step five to establish new, lower level goals and objectives. Various definitions of plans are given, and – again – these may differ in form from other principles of management texts.

A four-step process for control is presented. They are: Establish the standards (which comes out of the organization's goals), then measure performance, compare performance to the standard and evaluate whether they're being met, and finally – if there is a deviation – determine why it exists and how to correct it. Controls of several different types are defined, and both planning and control are related to the other Fayol management functions.

Finally, some other relevant definitions are given, including concepts, models, and inductive vs. deductive.

Answers to Study Questions

1. It is specific, measurable, and serves a valid purpose.
2. Limits include all forms of resources: financial, physical, human, etc.
3. It's difficult to jump back and forth between them. Step 3 is creative, using the right brain and inductive tools; Step 4 is analytical, using the left brain and deductive tools. It's best to do step 3 thoroughly before starting into step 4.
4. Sometimes the result of step 5 in the planning process is still too complex, and must be further subdivided. Recycling, here, means that the manager must return to step one with one or more new, lower level goals to plan.
5. Standards in control of anything come from the objectives and goals which were established in the planning stage.
6. Examples suggested in the book were physical measurements (such as with a micrometer or other tool), counts and reports of output or errors, and general management observation.
7. Staffing, Organizing, and all aspects of management need to be done in response to objectives and measured and controlled accordingly, as well.
8. Concepts provide a structure for analysis; models are simplifications of reality for purposes of explaining or understanding a complex reality.
9. Inductive tools help move from specific to general – such as brainstorming; deductive tools help move from general to specific – such as queuing analysis.

Answers to Exercises

One possible answer among many: Step 1: Decide the goal (We want to have a birthday party for Sherry). Step 2: Define the limits (At least in general terms: When should it happen, who will be invited, how much will we spend on it, etc.). Step 3: Develop options (Next Thursday after work, next Friday at lunch, or Saturday morning). Step 4: Evaluate the options (Good & bad points about each of the

choices). Step 5: Choose the best (Friday at lunch). Step 6: Implement (make lunch reservations in the party room of Joe's) or recycle (decide who to invite).

Possible examples: No vegetables which require more than 3 square feet of space per plant. A combination of flowers which will allow colorful cut flower bouquets throughout the season. Etc.

Other Materials

Answers to pre-test from chapter 1:

- 1 T
- 2 T
- 3 F
- 4 T
- 5 T (most decisions are programmed or routine)
- 6 T
- 7 T (but only "limited" limits)
- 8 T
- 9 T
- 10 T