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PLANNING, TYPES, AND IMPORTANCE.

What is planning in terms of organization? Planning tells us how to work on a particular task so that the task can be completed as said by the enterprise or organization¹. The organization works to be done in the best way to make it efficient and by doing good planning the organization can survive for a long period.

Different kinds of planning are to be performed in the organization the manager studies different types of plans and then implements what is best suited for the organization. Plans are of 2 types that are written below:

1 Based on content plans that are:

I Strategic Plans – This kind of plan defines long-term goals that are to be fulfilled by the organization according to the environment around the organization. Some examples of strategic plans are. Plan to establish three more retail sites during the next 3 years, to retain talent inside the organization, and establish an internal promotion scheme.

II Operational Plans – These plans talk about how the organization should implement strategies²

2. Plans that are based on the usage:

¹Henrymintz Berg, *Research notes and Communication What is Planning Anyway?*, JSTOR, (Mar. 22, 2024, 3:18 PM),

https://www.jstor.org/stable/2486227?searchText=&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3Dmanagement%2Bplanning%26so%3Drel&ab_segments=0%2Fbasic_search_gsv%2Fcontrol&searchKey=&refreqid=fasty-default%3A139a54859f6a1ca80fbf3bbd53eb34b6&seq=1.

² L.M. PRASAD, *PRINCIPLES AND PRACTICE OF MANAGEMENT*, (Sultan Chand & Sons 2021).

I Standing Plans – This kind of plan tells us about the further course of action and this tells us about what is to be done further once they are formulated it is carried out for a long period until it is changed. Standing plans include objectives, strategies, and policies that are to be followed.

II Single-use Plans – In this the plans that are made for a specific period, when the time is over these plans are dissolved. these plans are derived from the Strategic type of plan. Some examples of single-use plans are budgets, programs, project reports, etc. ³

Importance of Planning

1. Planning gives us objective ⁴- A feeling of purpose and direction are provided to the organization via the process of planning. Without having plans and objectives, organizations are only able to respond to the events that occur on a daily basis without taking into consideration what will occur in the long term. Plans prevent this drift condition from occurring and guarantee that efforts will be made in the near term to support and harmonize with long-term objectives. It assists an organization in determining what actions to take and when to take them. It makes actions more purposeful and minimizes the amount of mindless activity that occurs.

2. Planning reduces the risk of uncertainty⁵- People can more effectively define priorities and allocate their efforts when they have a strategy. When an organization has a plan, it communicates to all of its members what it wants to accomplish, what the contribution of each department should be, and who is responsible for making use of the resources to accomplish the objectives. The coordination of efforts at different levels is facilitated by plans. If there was no strategy in place, the organization would be tugged in a variety of different ways, which would result in confusion and misunderstanding on many different levels.

3. Planning helps to reduce expenses⁶- Effective Plans integrate the activities of the organization and remove any effort that is not beneficial. There will be no more guesswork. Utilization of the facilities is maximized for maximum benefit. The removal of waste movements and facilities that

³ *Ibid.*

⁴ SANDEEP GARG, BUSINESS STUDIES 4.4 (Dhanpat Rai Publications 2023).

⁵ Taxman, *What is Planning, Importance, Processes and Type*, TAXMAN (Mar. 22, 2024, 4:52 pm), <https://www.taxmann.com/post/blog/what-is-planning-importance-process-and-types/>.

⁶ *Ibid.*

are not in use Using plans, an organization can make more efficient use of its physical and financial resources. This is accomplished by concentrating attention on what has to be done, how it should be done, and when it should be done. The efficiency of operations is eventually improved as a result of this good planning.

4. Planning promotes innovative ideas⁷- During the planning process, several new ideas come to light, which ultimately leads to a mindset that is creative, innovative, and forward-thinking among the management. Such a novel concept serves as an alternative to specific plans. Planning is the most difficult job for management to do since it reveals how the actions we take will ultimately result in the expansion and profitability of the business in the years to come.

5. Planning facilitates decision-making⁸: Effective planning enables managers to envision the future and select from a multitude of alternatives. The manager will then assess each alternative and choose the most optimal one. Strategic planning facilitates the process of making logical decisions through the establishment of objectives and the anticipation of future circumstances.

Conclusion

Effective planning is essential for an organization to accomplish objectives and ensure long-term survival. It encompasses several forms of planning, including strategic plans, operational plans, standing plans, and single-use plans. Strategic plans establish overarching objectives and guide actions to align with and advance those objectives, ensuring that short-term efforts are aligned with long-term goals. Plans help mitigate the risk of uncertainty by enabling individuals to more precisely establish priorities and allocate their efforts. They enhance collaboration across several levels, mitigating uncertainty and misconceptions. Efficient plans include activities that remove superfluous effort, optimize the use of resources, and reduce wasteful motions. Planning fosters the development of new ideas, which in turn cultivates a creative and forward-thinking mentality among management. Strategic planning is a significant challenge for management, since it entails determining how certain activities will eventually lead to the growth and profitability of the firm. Ultimately, planning enables managers to anticipate the future and make informed choices by

⁷ SANDEEP GARG, BUSINESS STUDIES 4.5 (Dhanpat Rai Publications 2023).

⁸ *Ibid.*

considering many options. Strategic planning enables the systematic and rational decision-making process by setting goals and predicting future situations. In summary, strategic planning is crucial for the achievement and longevity of a company.