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Notes Overview

Business Management 1A Unit 7

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School

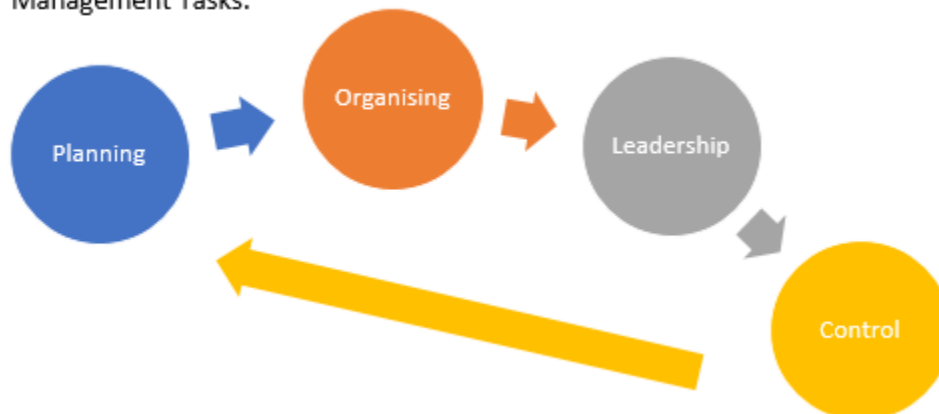
University of South Africa
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CHAPTER 7

Two components of planning:

1. The activities involved in determining the organisation's goals
2. How to achieve these goals

Management Tasks:



Goals: the desired future state that the organisation sets for itself over a fixed period of time

Why planning is important:

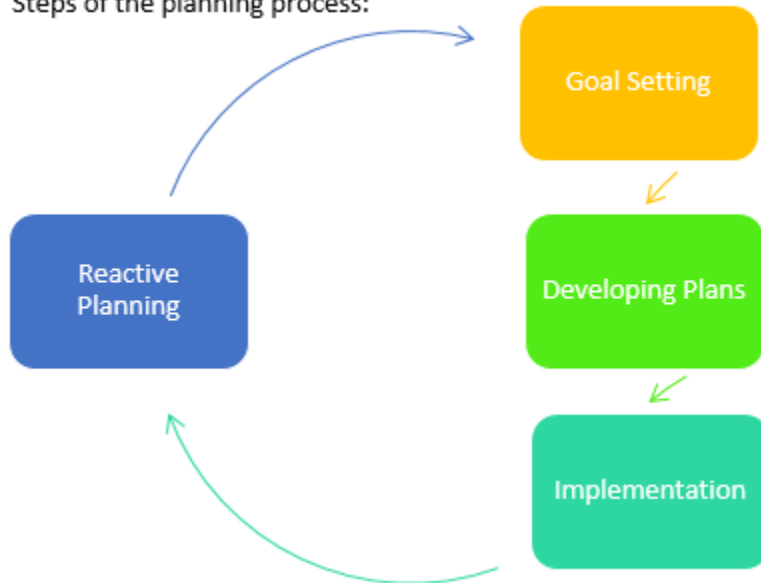
1. Planning gives direction to the organisation in the form of goals and plans
2. Planning helps to get the different functional areas to work together. Planning helps with the coordination, cohesion and stability of the organisation
3. Planning forces the organisation to take a hard look at what the future holds for the organisation

Management goal objectives:

1. Goals provide guidance to the organisation; they must be used by all employees
2. Goals must be measurable in order to be controlled
3. The responsibility for attaining goals must be assigned to specific people in the organisation
4. Goals must be set consistently
5. Every employee must be informed and motivated to attain the set goals

Management by objectives: managers and employees jointly define goals for the business. Employees have a say in setting goals, which also improves worker motivation

Steps of the planning process:



Planning is a dynamic process

Planning is the foundation on which the other managerial tasks rest; it is interlinked with the other managerial tasks

Organisational goal: a specific achievement to be attained at a specific future date. Goals are influenced by the mission of the organisation, the business environment in which the business operates, the values held by management and the experience gained by management

Types of goals:

1. **Strategic or long-term goals:** set by top management, from 3-10 years
2. **Tactical or functional goals:** set by middle management, 1-3 years
3. **Operational or short-term goals:** set by lower-level management, max 1 year