*"Considering the future of our children and young people … we have no choice but to go ahead with the village-wide evacuation."*

*Mayor Noro Kanno of Kawamata-cho town, after a 9.0 earthquake and monster tsunami destroyed nuclear power facilities in Fukushima, Japan.*

AFP/Getty Images

# 8
# Planning Processes and Techniques
## Get there faster with objectives

### CHAPTER QUICK START

Most of our days are chock full of time pressure and multiple activities—expected and unexpected. A good plan can help us to stay on course and get a reasonable number of things accomplished. Managers need plans, too, but the planning environment within organizations can be complicated. Now is a good time to study the essential planning processes and techniques.

### Key Takeaways

- Identify the importance of planning and steps in the planning process.
- List and give examples of the types of plans used by managers.
- Discuss useful planning tools and techniques.
- Explain how goals and participation influence planning success.

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### SKILLS MAKE YOU VALUABLE

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No one can know for sure what the future holds, but no one doubts its likely complications. A meeting of the World Economic Forum in Davos, Switzerland, for example, identified five key risks for the world at large—extreme weather events, climate change, cyber-attacks, rising unemployment and underemployment, and growing income disparities.[1] What are the implications for companies like Amazon or Nike, or for our schools and local governments? What might they mean to you?

Like all of us, managers need the ability to look ahead, make good plans, and help themselves and others meet future challenges. But it can be easy to get so engrossed in the details of the present moment that we forget about what happens next. Other times an accelerated rush to the future can go off track because of a wide range of uncertainties and few or no familiar reference points. The likelihood is that even the best of plans—organizational and personal—will have to be adjusted or modified to fit unforeseen new circumstances. This requires the insight and courage to be flexible, and the discipline to stay focused on goals even as events change and problems arise.

## Why and How Managers Plan

**TAKEAWAY 1 Why and how do managers plan?**

**LEARN MORE ABOUT |** Importance of planning • The planning process • Benefits of planning
Planning and time management

The management process involves planning, organizing, leading, and controlling the use of resources to achieve performance objectives. The first of these functions, **planning**, sets the stage for the others by providing a sense of direction. It is a process of setting objectives and determining how best to accomplish them. At its core, planning involves deciding exactly what needs to be accomplished and how best to go about it.

> **Planning** is the process of setting objectives and determining how to accomplish them.

### Importance of Planning

When planning is done well it creates a solid platform for the other management functions. It helps with *organizing*—allocating and arranging resources to accomplish tasks, *leading*—guiding and inspiring others to achieve high levels of task accomplishment, and *controlling*—monitoring task accomplishments and taking corrective action when needed.

The centrality of planning in management is shown in Figure 8.1. Good planning helps us become better at what we are doing and to stay action-oriented. An Eaton Corporation



annual report, for example, once stated: "Planning at Eaton means making the hard decisions before events force them upon you, and anticipating the future needs of the market before the demand asserts itself."[2]

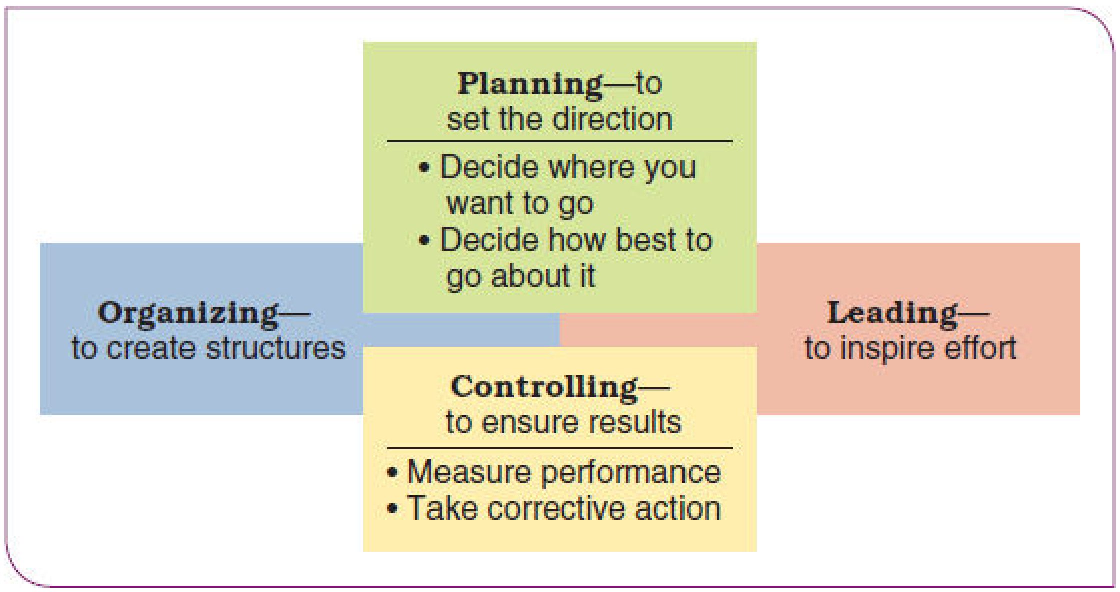



**FIGURE 8.1 The roles of planning and controlling in the management process.**

## The Planning Process

The five basic steps in the planning process are:

1. *Define your objectives*—Identify desired outcomes or results in very specific ways. Know where you want to go; be specific enough that you will know you have arrived when you get there, or know how far off the mark you are at various points along the way.
2. *Determine where you stand vis-à-vis objectives*—Evaluate current accomplishments relative to the desired results. Know where you stand in reaching the objectives; know what strengths work in your favor and what weaknesses may hold you back.
3. *Develop premises regarding future conditions*—Anticipate future events. Generate alternative "scenarios" for what may happen; identify for each scenario things that may help or hinder progress toward your objectives.
4. *Analyze alternatives and make a plan*—List and evaluate possible actions. Choose the alternative most likely to accomplish your objectives; describe what must be done to follow the best course of action.

5. *Implement the plan and evaluate results*—Take action and carefully measure your progress toward objectives. Follow through by doing what the plan requires; evaluate results, take corrective action, and revise plans as needed.

Planning should focus attention on **objectives** and **goals** that are specific results or desired outcomes. But the objectives and goals have to be good ones; they should push you to achieve substantial and not trivial accomplishments. Jack Welch, former CEO of GE, believed in what he called **stretch goals**—performance targets that we have to work extra hard and really stretch to reach.[3] Do you agree that Welch's concept of stretch goals adds real strength to the planning process for both organizations and individuals?

**Objectives** and **goals** are specific results that one wishes to achieve.

**Stretch goals** are performance targets that one must work extra hard and stretch to reach.

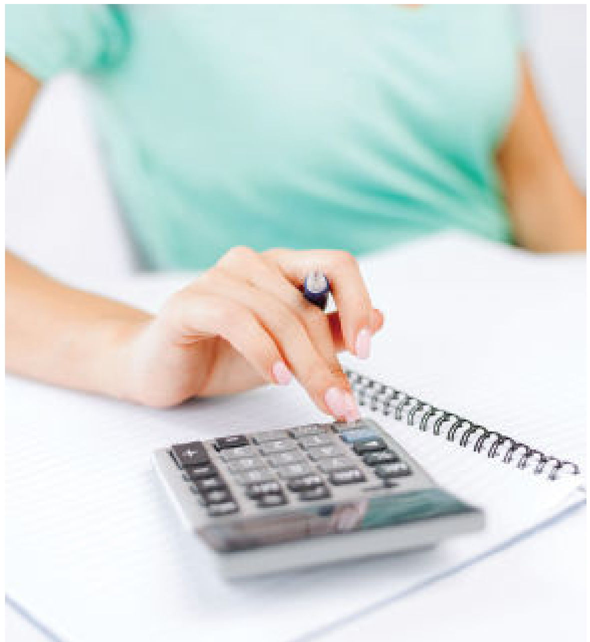


It's important not to forget the action side of planning. The process should always create a realistic and concrete **plan**, a statement of action steps to be taken in order to accomplish objectives and goals. These steps must be clear and compelling, so that the all-important follow-through takes place. Plans alone don't deliver results; implemented plans do. Like other decision making in organizations, the best planning includes the active participation of those whose work efforts will eventually determine whether or not the plans get put successfully into action.

A **plan** is a statement of intended means for accomplishing objectives.

## Issues&Trends

### *Should College Students Pick Majors Based on Possible Future Salaries?*



Syda Productions/Shutterstock

One of the most important plans a college student ever makes is the choice of major. It may not be the absolute key to career and life success, but it's certainly an important part of a college experience that should build personal skills and knowledge for long-term accomplishments. Many students take out large loans to pay for their studies, but different majors command different starting salaries. How many students have a good plan for turning their choice of major into future career opportunities … and quickly paying off their loans? One expert advises students to carefully consider these planning questions: "Will your major and career choice allow you to meet your family obligations? Will the ratio of your earnings to debt be something you can manage? Will your major selection make you competitive in your career?"

It's also important to remember that planning is not something managers do only on occasion or while working alone in quiet rooms, free from distractions, and at scheduled times. It is an ongoing process, enacted continuously while dealing with a busy work setting filled with distractions, interpersonal dynamics, and ever-constant performance pressures.

## Benefits of Planning

The pressures organizations face come from many sources. Externally, these include changing social norms and ethical expectations, government regulations, uncertainties of a global economy, new technologies, and the sheer cost of investments in labor, capital, and other supporting resources. Internally, they include the quest for operating efficiencies, new structures and technologies, alternative work arrangements, greater workplace diversity, and concerns for work–life balance. As you would expect, planning under such conditions has a number of benefits for both organizations and individuals.

### Planning Improves Focus and Flexibility

Good planning improves focus and flexibility, both of which are important for performance success. An organization with focus recognizes what it does best, understands the needs of its customers, and knows how to serve customers well. An individual with focus knows where he or she wants to go in a situation, career, and life in general. An organization with flexibility is willing and able to change and adapt to shifting circumstances without losing focus, and operates with an orientation toward the future rather than the past. An individual with flexibility adjusts career plans to fit new opportunities and constraints as they arise.

### Planning Improves Action Orientation

Planning focuses attention on priorities and helps avoid the **complacency trap**—simply being carried along by the flow of events. It is a way for people and organizations to stay ahead of the competition and become better at what they are doing. Planning keeps the future visible as a performance target and reminds us that the best decisions are often those made before events force problems upon us.

The **complacency trap** is being carried along by the flow of events.

Management consultant Stephen R. Covey points out that the most successful executives "zero in on what they do that 'adds value' to an organization."[4] Instead of working on too many things, they work on the things that really count. Covey says that good planning makes managers more (1) results oriented—creating a performance-oriented sense of direction; (2) priority oriented—making sure the most important things get first attention; (3) advantage oriented—ensuring that all resources are used to best advantage; and (4) change oriented—anticipating problems and opportunities so they can be dealt with most effectively.

### Planning Improves Coordination and Control

Planning improves coordination.[5] Individuals, groups, and subsystems in organizations are all engaged in multiple tasks and activities simultaneously. But their efforts must also be combined into meaningful contributions to the organization as a whole. Good plans promote coordination of the activities of employees and organizational subsystems so that their accomplishments advance critical performance initiatives.

Planning that is done well facilitates control. The link between planning and controlling begins when objectives and standards are set. They make it easier to measure results and take action to improve things as necessary. After launching a costly information technology upgrade, for example, executives at McDonald's realized that the system couldn't deliver on its promises. They stopped the project, took a loss of $170 million, and refocused the firm's plans and resources on projects with more direct impact on customers.[6]



## insight> LEARN ABOUT YOURSELF

> *It isn't a waste of time to occasionally relax ... it is a waste to let friends dominate your time.*

### Time Management Unlocks Performance Capacity

When it comes to planning, one of the first things that often pops into mind is time. It is one of our most precious resources, and **time management** is an essential career skill.

Some 77% of managers in one survey said that the digital age has increased the number of decisions they have to make. Forty-three percent said there was less time available to make these decisions. Who hasn't complained or heard others complain, "There are just not enough hours in the day to get everything done"?

Don't you wonder about the time you waste every day?—instant messages, voice and text messages, drop-in visitors, surfing the Web, and more? Of course, you have to be careful defining what "waste" means to you. It isn't a waste of time to occasionally relax, take a break from work or school or just day-to-day activities, and find pleasure in socializing. Breaks help us gather and replenish our energy. But it is a waste to let friends dominate your time so you don't work on a class paper until it's too late to write a really good one, or delay a decision to apply for an internship until the deadline has passed.

Time management is a form of planning that is consistently rated one of the top "must-have" skills for new graduates entering fast-paced and complicated careers in business and management. Many of us, perhaps most of us, keep to-do lists. But it's the rare person who is consistently successful in living up to their list. Planning can easily suffer the same fate as the to-do lists—it starts with the best of intentions, but may end up with little or nothing to show as to real results.

Can the "Checkup" shown here help you keep time management on your side?

**Time Management Checkup**

*List 1—What I have to do tomorrow*

**A.** Most important, top priority—these are things you *must* do.

**B.** Important, not top priority—these are things you *should* do.

**C.** Least important, low priority—these are things you *might* do.

**D.** Not important, no priority—these are things you *should not* do.

*Ask:* Do my actions match the priorities?

*List 2—Time wasters*

**A.** Things I can control—they won't happen if I don't let them.

**B.** Things I can't control—they happen and I can't do anything about it.

*Ask:* Are you taking control where you can?

## GET TO KNOW YOURSELF BETTER

**Now is a good time to improve your planning capabilities. It's a key management function and a critical life skill. Start by getting in touch with how you manage and use your time. *Task 1*—Keep a daily time log for at least two days, listing what you do and how long it takes. Then write up an analysis of where you seem to be wasting time and where you are using it well. *Task 2*—Complete the lists requested in the Time Management Checkup. Double-check List 1 "B" items and reclassify any that are really "As" or "Cs." Look at your "As" and reclassify any that are really "Bs" or "Cs." Write a priority to-do list for your day tomorrow. Also check your time wasters in List 2. Write down a plan to take charge of things that are controllable.**

This is how planning and controlling work closely together in the management process. Without planning, control lacks objectives and standards for measuring how things are going and identifying what could be done to make them go better. Without control, planning lacks the follow-through necessary to ensure that things work out as planned. With both good planning and good control, it's a lot easier to spot when things aren't going well and make the necessary adjustments.

## Planning and Time Management

When Daniel Vasella was CEO of Novartis AG and responsible for operations spread across 140 countries, he admitted to being calendar-bound and said: "I'm locked in by meetings, travel and other constraints… . I have to put down in priority things I like to do." Kathleen Murphy is president of Fidelity Personal Investing. She's also calendar-bound, with conferences and travel booked well ahead. Meetings can be scheduled



at half-hour intervals and workdays can last 12 hours. She spends lots of time traveling, but tries to make good use of her time on planes. "No one can reach me by phone," she says, "and I can get reading and thinking done."[7]

### Personal Time Management Tips

1. *Do* say "No" to requests that divert you from what you really should be doing.
2. *Don't* get bogged down in details that you can address later or leave for others.
3. *Do* have a system for screening telephone calls, e-mails, and requests for meetings.
4. *Don't* let drop-in visitors or instant messages use too much of your time.
5. *Do* prioritize what you will work on in terms of importance and urgency.
6. *Don't* become calendar-bound by letting others control your schedule.
7. *Do* follow priorities and work on the most important and urgent tasks first.

These are common executive stories—tight schedules, little time alone, lots of meetings and phone calls, and not much room for spontaneity. The keys to success in such classic management scenarios rest, in part at least, with another benefit of good planning—time management.

Check out the box with useful tips on developing time management skills. A lot of this skill comes down to discipline and priorities. Lewis Platt, former chairman of Hewlett-Packard, once said: "Basically, the whole day is a series of choices." These choices have to be made in ways that allocate your time to the most important priorities. Platt says that he was "ruthless about priorities" and that you "have to continually work to optimize your time."[8]

Most of us have experienced the difficulties of balancing available time with our many commitments and opportunities. As suggested in the chapter opener, it is easy to lose track of time and fall prey to what consultants identify as "time wasters." All too often we allow our time to be dominated by other people or to be misspent on nonessential activities.[9] To-do lists can help, but they have to contain the right things. In daily living and in management situations, it is important to distinguish between things that you must do (top priority), should do (high priority), would be nice to do (low priority), and really don't need to do (no priority).

### Learning Check 1

**TAKEAWAYQUESTION 1 Why and how do managers plan?**

**BE SURE YOU CAN** • explain the importance of planning as the first of four management functions • list the steps in the formal planning process • illustrate the benefits of planning for an organization familiar to you • illustrate the benefits of planning for your personal career development • list at least three things you can do now to improve your time management

## Types of Plans Used by Managers

**TAKEAWAY 2 What types of plans do managers use?**

**LEARN MORE ABOUT |** Long-range and short range plans • Strategic and tactical plans Operational plans

"I am the master of my fate: I am the captain of my soul." How often have you heard this phrase? The lines are from "Invictus," written by British poet William Earnest Henley in 1875. He was sending a message, one of confidence and control, as he moved forward into the future. That notion, however, worries a scholar by the name of Richard Levin. His response to Henley is: "Not without a plan you're not."[10]

Managers use a variety of plans as they face different kinds of challenges in organizations. In some cases the planning environment is stable and predictable; in others, it is more dynamic and uncertain. Different situations call for different types of plans.

### Long-Range and Short-Range Plans

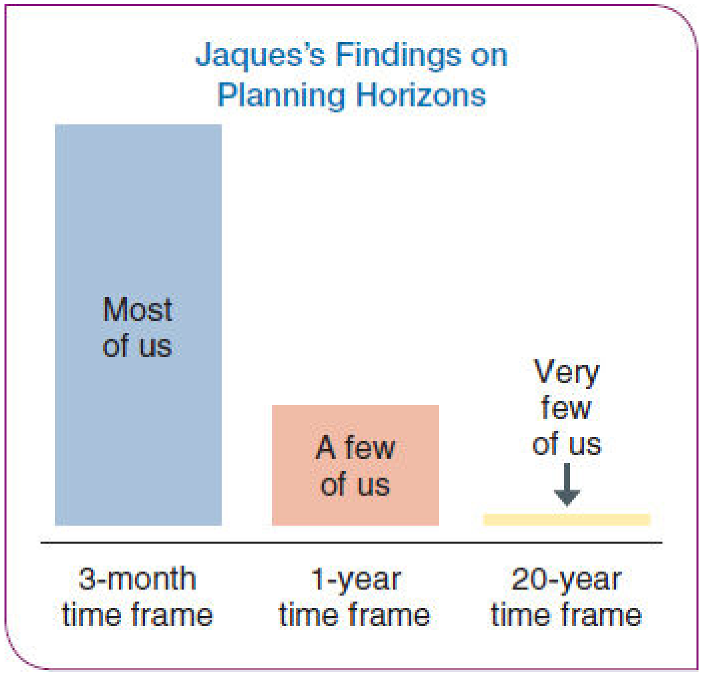
In the not-too-distant past **long-term plans** looked three or more years into the future, while **short-term plans** covered one year or less. But, the increasing environmental



complexity and dynamism of recent years has severely tested the concept of "long-term" planning. Most executives would likely agree that these complexities and uncertainties challenge how we actually go about planning and how far ahead we can really plan. At the very least we can conclude that there is a lot less permanency to long-term plans today and that they are subject to frequent revisions.

**Long-term plans** typically look three or more years into the future.

**Short-term plans** typically cover one year or less.




Even though the time frames of planning may be shrinking, top management is still responsible for setting longer-term plans and directions for the organization as a whole. They set the context for lower-level management to work on useful short-terms plans. Unless everyone understands an organization's long-term plans and objectives, there is always risk that the pressures of daily challenges will divert attention from "important tasks." Without a sense of long-term direction, employees can end up working hard and still not achieve significant—or mission-critical—results.

Management researcher Elliot Jaques believes that people vary in their capability to think with different time horizons.[11] In fact, he suggests that most people work comfortably with only 3-month time spans; a smaller group works well with a 1-year span; and only the very rare person can handle a 20-year time frame. These are provocative and personally challenging ideas. Although a team leader's planning may fall primarily in the weekly or monthly range, a chief executive is expected to have a vision extending years into the future. Career progress to higher levels of management requires the conceptual skills to work well with longer-range time frames.

## Strategic and Tactical Plans

When a sports team enters a game, it typically does so with a "strategy" in hand. Most often this strategy is set by the head coach in conjunction with assistant and position coaches. The goal is clear: Win the game. As the game unfolds, however, situations arise that require actions to solve problems or exploit opportunities. They call for "tactics" that deal with a current situation in ways that advance the overall strategy for winning. The same logic holds true for organizations. Plans at the top of the traditional organizational pyramid tend to have a strategic focus. Those at the middle and lower levels of the organization are more tactical.

**Strategic plans** are focused on the organization as a whole or a major component. They are longer-term plans that set broad action directions and create a frame of reference for allocating resources for maximum performance impact. Strategic plans ideally set forth the goals and objectives needed to accomplish the organization's **vision** in terms of mission or purpose and what it hopes to be in the future.

A **strategic plan** identifies long-term directions for the organization.

A **vision** clarifies the purpose of the organization and expresses what it hopes to be in the future.

**Tactical plans** are developed and used to implement strategic plans. They specify how the organization's resources can be used to put strategies into action. In the sports context you might think of tactical plans as having "special teams" or as "special plays" ready to meet a particular threat or opportunity. Tactical plans in business often take the form of **functional plans** that indicate how different components of the enterprise will contribute to the overall strategy. Such functional plans might include:

A **tactical plan** helps to implement all or parts of a strategic plan.

**Functional plans** indicate how different operations within the organization will help advance the overall strategy.

- *Production plans*—dealing with work methods and technologies.
- *Financial plans*—dealing with money and capital investments.
- *Facilities plans*—dealing with physical space and work layouts.
- *Logistics plans*—dealing with suppliers and acquiring resource inputs.
- *Marketing plans*—dealing with selling and distributing goods or services.
- *Human resource plans*—dealing with and building a talented workforce.

### Operational Plans

**Operational plans** guide behavior and describe what needs to be done in the short term to support strategic and tactical plans. They include both *standing plans* like policies and procedures that are used over and over again, and *single-use plans* like budgets that apply to one specific task or time period.

An **operational plan** identifies short-term activities to implement strategic plans.



## choices> THINK BEFORE YOU ACT

> *"If you try to carefully plan your life, the danger is that you will succeed—succeed in narrowing your options and closing off avenues of adventure that cannot now be imagined."*

### Keep Your Career Plan Tight and Focused … or Loosen Up?

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*Executive 1*. “Career planning is more art than science… . Nonetheless, some form of plan can greatly enhance the evaluation of various opportunities and enable you to make better career decisions. A career plan allows you to identify how to use your basic strengths to maximum advantage, set major career objectives, and establish immediate milestones to measure personal development and advancement.”

*Executive 2*. “A career … is a series of accidental changes of job and shifts of scenery on which you look back later, weaving through the story retroactively some thread of logic that was not visible at the time. If you try to carefully plan your life, the danger is that you will succeed—succeed in narrowing your options and closing off avenues of adventure that cannot now be imagined.”

*Those in favor of tight career planning are likely to say:* “You need a plan to give yourself a sense of direction.” … “Having a career objective is highly motivating.” … “Without a plan you’ll wander and not accomplish much of anything.” *Those against tight career planning are likely to say*: “How can you know today what the future might offer?” … “If you are too tightly focused you won’t spot unique opportunities.” … “We grow and change over time, our career plans should too.”

### YOUR TAKE?

**Both executives are talking from experience and personal success. Is executive 1’s advice right for most people—careers should be carefully planned and then implemented step-by-step to achieve a long-term goal? Or is executive 2’s advice right for most people—careers are best built with flexibility and spontaneity to take advantage of opportunities that pop up along the way? How do these perspectives fit with what we know about job markets and career directions today? Which position do you favor? Would you prefer to blend both perspectives to carve out your career pathway?**

## Policies and Procedures

A **policy** communicates broad guidelines for making decisions and taking action in specific circumstances. Organizations operate with lots of policies that set expectations for many aspects of employee behavior. Typical human resource policies cover things like employee hiring, termination, performance appraisals, pay increases, promotions, and discipline. For example, Judith Nitsch made sexual harassment a top priority when starting her engineering-consulting business.[12] Nitsch defined a sexual harassment policy, took a hard line on its enforcement, and appointed both a male and a female employee for others to talk with about sexual harassment concerns.

> A **policy** is a standing plan that communicates broad guidelines for decisions and action.

**Procedures** describe specific rules for what actions are to be taken in various situations. They are stated in employee handbooks and often called SOPs—standard operating procedures. Whereas a policy sets a broad guideline, procedures define precise actions to be taken. In the prior example, Judith Nitsch was right to establish a sexual harassment policy for her firm. But, she should also put into place procedures that ensure everyone receives fair, equal, and nondiscriminatory treatment under the policy. Everyone in her firm should know both how to file a sexual harassment complaint and just how that complaint will be handled.

> A **procedure** is a rule describing actions that are to be taken in specific situations.



## analysis> MAKE DATA YOUR FRIEND

> *Some employees sign "love contracts" saying office relationships won't interfere with their work.*

### Policies on Office Romances Vary Widely

Allison Michael Orenstein/Getty Images

The press is quick to report when a top executive or public figure runs into trouble over an office affair. But the fact is that employer policies on office relationships vary. One survey finds the following.

- 24%—prohibit relationships among employees in the same department.
- 13%—prohibit relationships among employees who have the same supervisor.
- 80%—prohibit relationships between supervisors and subordinates.
- 5%—have no restrictions on office romances.
- New trend—"love contracts," where employees pledge that their romantic relationships in the office won't interfere with their work.
- Small business caveat—it's hard to separate dating and married couples in small business settings. The CEO of a 30-person e-commerce firm says, "At one point, exactly one third of the whole workforce was married to or dating a co-worker."

#### YOUR TAKE?

**Do you know anyone who has been involved in an office relationship? What is your thinking on this issue? Is this an area that employers should be regulating? Or should office romances be left to the best judgments of those involved? After all, it's their private business—isn't it?**

### Budgets

**Budgets** are single-use plans that commit resources for specific time periods to activities, projects, or programs. Managers typically spend a fair amount of time bargaining with higher levels to get adequate budgets to support the needs of their work units or teams. They are also expected to achieve work objectives while keeping within allocated budgets. Being "over budget" is generally bad, while coming in "under budget" is generally good.

A **budget** is a plan that commits resources to projects or activities.

Managers deal with and use a variety of budgets. *Financial budgets* project cash flows and expenditures; *operating budgets* plot anticipated sales or revenues against expenses; *nonmonetary budgets* allocate resources like labor, equipment, and space. A *fixed budget* allocates an established amount of resources for a specific purpose, such as $50,000 for equipment purchases in a given year. A *flexible budget* allows resources to vary in proportion with emergent levels of activity, such as having extra money available to hire temporary workers when workloads exceed certain levels.

Because budgets link planned activities with the resources needed to accomplish them, they are useful for activating and tracking performance. But budgets can get out of control, creeping higher and higher without getting sufficient critical reviews. In fact, one of the most common budgeting problems is that resource allocations get "rolled over" from one time period to the next without rigorous scrutiny; the new budget is simply an incremental adjustment over the previous one. In a major division of Campbell Soups, for example, managers once discovered that 10% of the marketing budget was going to sales promotions no longer relevant to current product lines.

A **zero-based budget** deals with this rollover budget problem by approaching each new budget period as it if were brand new. In zero-based budgeting there is no guarantee that any past funding will be renewed; all proposals, old and new, must compete for



available funds at the start of each new budget cycle. What do you think? Does zero-based budgeting make sense in government and other organizations that struggle to balance goals and available resources?

A **zero-based budget** allocates resources as if each budget were brand new.

### Learning Check 2

**TAKEAWAYQUESTION 2 What types of plans do managers use?**

**BE SURE YOU CAN** • differentiate between short-range and long-range plans • differentiate between strategic and operational plans and explain how they relate to one another • define *policy* and *procedure* and give examples of each in a university setting • define *budget* and explain how zero-based budgeting works

## Planning Tools and Techniques

**TAKEAWAY 3 What are some useful planning tools and techniques?**

**LEARN MORE ABOUT** | Forecasting • Contingency planning • Scenario planning Benchmarking • Staff planning

Planning delivers the most benefits when its foundations are strong. Useful planning tools and techniques include forecasting, contingency planning, scenario planning, benchmarking, and staff planning.

## Forecasting

What are top executives around the world thinking about as they make plans for the future? Are they on top of the right trends? Planning in business and our personal lives often involves **forecasting**, the process of predicting what will happen in the future.[13] Periodicals such as *Business Week*, *Fortune*, and *The Economist* regularly report forecasts of industry conditions, interest rates, unemployment trends, and national economies, among other issues. Some are based on *qualitative forecasting*, which uses expert opinions to predict the future. Others involve *quantitative forecasting*, which uses mathematical models and statistical analyses of historical data and surveys to predict future events.

> **Forecasting** attempts to predict the future.

Although useful, all forecasts should be treated cautiously. They are planning aids, not substitutes. Forecasts rely on human judgment—and they can be wrong. It is said that a music agent once told Elvis Presley: "You ought to go back to driving a truck, because you ain't going nowhere." And when it came time to make the second pick in the 1984 NBA draft, the Portland Trail Blazers chose Sam Bowie. The next-in-line Chicago Bulls used their third pick to choose Michael Jordan.

## Contingency Planning

Picture the scene: A professional golfer is striding down the golf course with an iron in each hand. The one in her right hand is "the plan"; the one in her left is the "backup plan." Which club she uses will depend on how the ball lies on the fairway. One of her greatest strengths is being able to adjust to the situation by putting the right club to work in the circumstances she encounters.

Planning is often like that. By definition it involves thinking ahead. The more uncertain the planning environment, the more likely it is that an original forecast or intention will turn out to be inadequate or wrong. The golfer deals with this uncertainty by having backup clubs available. This amounts to **contingency planning**—identifying alternative courses of action that can be implemented if circumstances change. A really good contingency plan will even contain "trigger points" to indicate when to activate preselected alternatives. In the face of uncertainties, this can be an indispensable tool for managerial and personal planning.

> **Contingency planning** identifies alternative courses of action to take when things go wrong.

Eamonn McCabeCamera Press/Redux Pictures

***The Shift: The Future of Work Is Already Here***
(HarperBusiness UK, 2011)

**by Lynda Gratton**

As a professor of management at the London Business School, Lynda Gratton is concerned that students fail to understand the nature, pace, and complexity of forces that will shape the future of work. Her book *The Shift* describes five key forces. These are technology (helpful but time consuming), globalization (workers from everywhere compete for the same jobs), demography (more people, less space), society (traditional communities under threat), and energy resources (too few and shrinking). In the face of these forces, "What's the worker to do?" she asks. The answer is we can enter a bleak and default future or a bright and crafted one. In order to work on the bright side in the future, she says, we must shift from "shallow generalist to serial master" of things; shift from "isolated competitor to innovative connector" in vast networks; and shift from "voracious consumer to impassioned producer" who worries more about creating things than buying them. Are you ready for the shift?

Poor contingency planning was center stage when debates raged over how BP managed the disastrous Deepwater Horizon oil spill in the Gulf of Mexico. Everyone from the public at large to U.S. lawmakers to oil industry experts criticized BP not only for failing to contain the spill quickly, but also for failing to anticipate and have contingency plans in place to handle such an ecological crisis.[14]

*A BP spokesperson initially said*—"You have here an unprecedented event … the unthinkable has become thinkable and the whole industry will be asking questions of itself."

*An oil industry expert responded*—"There should be a technology that is preexisting and ready to deploy at the drop of a hat… . It shouldn't have to be designed and fabricated now, from scratch."

*Former BP CEO Tony Hayward finally admitted*—"There are some capabilities that we could have available to deploy instantly, rather than creating as we go."

The lesson here is hard-earned but very clear. Contingency planning can't prevent crises from occurring. But when things do go wrong, there's nothing better to have in place than good contingency plans.

## Scenario Planning

**Scenario planning** is a long-term version of contingency planning. It involves identifying several possible future scenarios or states of affairs and then making plans to deal with each scenario should it actually occur.[15] In this sense, scenario planning forces us to think really far ahead and to be open to a wide range of possibilities.

**Scenario planning** identifies alternative future scenarios and makes plans to deal with each.

The scenario planning approach was developed years ago at Royal Dutch/Shell when top managers asked themselves a perplexing question: "What would Shell do after its oil supplies ran out?" Although recognizing that scenario planning can never be inclusive of all future possibilities, a Shell executive once said that it helps "condition the organization to think" and better prepare for "future shocks."

Shell uses scenario planning to tackle such issues as climate change, sustainable development, fossil-fuel alternatives, human rights, and biodiversity. Most typically it involves descriptions of "worst cases" and "best cases." With regard to diminishing oil supplies, for example, a worst-case scenario might be that global conflict and devastating effects on the natural environment occur as nations jockey with one another to secure increasingly scarce supplies of oil and other natural resources. A best-case scenario might be that governments work together to find pathways that take care of our resource needs while supporting the search for sustainability of global resources. It's anyone's guess which scenario will materialize or if something else altogether will happen. But these words of former Shell CEO Jeroen van der Veer highlight the value of the scenario planning process: "This will require hard work and time is short."[16]



## ethics> KNOW RIGHT FROM WRONG

> *“We aren’t really interested in the more-aid-less-aid debate. We’re interested in seeing what works and what doesn’t.”*

## What Really Works When Fighting World Poverty?

DIPTENDU DUTTA/AFP/Getty Images/NewsCom

Developing countries send $100+ billion in aid to poor countries; private foundations and charities spend $70+ billion more fighting poverty and its effects around the world. Their plans and goals are praiseworthy, but is all of that money being well spent, and to the greatest effect?

Not all of it is being well spent, that’s for sure. That’s one of the problems being tackled by the Poverty Action Lab at the Massachusetts Institute of Technology. The director, Abhijit Banerjee, a development economist, says: “We aren’t really interested in the more-aid-less-aid debate. We’re interested in seeing what works and what doesn’t.” The lab criticizes “feel-good” approaches and pushes for rigorous evaluations of poverty-fighting programs using scientific methods. Here’s an example.

The Indian antipoverty group Seva Mandir was concerned about teacher absenteeism and low performance by rural school children. Its original plan was to pay extra tutors to assist teachers in 120 rural schools. The Poverty Lab Plan suggested paying extra tutors in 60 schools, making no changes in the other 60, and then comparing outcomes to see if the plan worked. An evaluation of results showed no difference in children's performance, even with the higher costs of extra tutors.

A new plan was made to buy cameras for 60 teachers, have them take time/date-stamped photos with children at the start and end of each school day, and have the photos analyzed each month. Teachers would receive bonuses or fines based on their absenteeism and student performance. Again, no changes were made in the other 60 schools. Evaluation revealed that teacher absenteeism was 20% lower and student performance was significantly higher in the camera schools. With the Poverty Lab's help, Seva Mandir concluded that investing in closely monitored pay incentives could improve teacher attendance in rural schools.

#### WHAT DO YOU THINK?

**Look around your organization and at cases reported in the news. How often do we draw conclusions that "plans are working" based on feel-good evaluations or anecdotal reports rather than solid scientific evaluations? What are the consequences at work and in society when plans are implemented at great cost, but without systematic, defensible systems for evaluation? Even if the objectives of a project are honorable, what ethical issues arise in situations where it isn't clear that the project is having the intended benefit?**

### Benchmarking

Planners sometimes become too comfortable with the ways things are going and become overconfident that the past is a good indicator of the future. It is often better to keep



challenging the status quo and not simply to accept things as they are. One way to do this is through **benchmarking**—which is the use of external and internal comparisons to better evaluate current performance and identify possible ways to improve for the future.[17]

> **Benchmarking** uses external and internal comparisons to plan for future improvements.

The purpose of benchmarking is to determine what other people and organizations are doing very well, and then plan how to incorporate these ideas into one's own operations. It is basically a way of learning from the successes of others. One benchmarking technique is to search for **best practices**—things people and organizations do that help them to achieve superior performance.

> **Best practices** are things people and organizations do that lead to superior performance.

Well-run organizations emphasize *internal benchmarking* that encourages members and work units to learn and improve by sharing one another's best practices. They also use *external benchmarking* to learn from competitors and non-competitors alike. Xerox, for example, has benchmarked L.L. Bean's warehousing and distribution methods, Ford's plant layouts, and American Express's billing and collections. Ford benchmarked BMW's 3 series.[18] And in the apparel industry, the Spanish retailer Zara has become a benchmark for excellence in "fast fashion."[19]

### Staff Planning

As organizations grow, so do their planning challenges and so does the use of staff planners. These specialists are experts in all steps of the planning process, as well as in the use of planning tools and techniques. They can help bring focus and expertise to a wide variety of planning tasks. But one risk is a tendency for a communication gap to develop between the staff planners and line managers. Unless everyone works closely together, the resulting plans may be based on poor information. Also, an organization's employees may end up with little commitment to implement the plans made by the staff, no matter how good they are.

Learning Check 3

**TAKEAWAYQUESTION 3 What are some useful planning tools and techniques?**

**BE SURE YOU CAN** • define *forecasting, contingency planning, scenario planning,* and *benchmarking* • explain the benefits of contingency planning and scenario planning • describe pros and cons of using staff planners

## Implementing Plans to Achieve Results

**TAKEAWAY 4 How can plans be well implemented?**

**LEARN MORE ABOUT** | Goal setting • Goal alignment • Goal management • Participation and involvement

In a book entitled *Doing What Matters*, Jim Kilts, the former CEO of Gillette, quotes an old management adage: "In business, words are words, promises are promises, but only performance is reality."[20] The same applies to plans. They are, we might say, words with promises attached. These promises are only fulfilled when plans are implemented so that their purposes are achieved. And, the foundations for successful implementation are set with the planning processes of goal setting, goal alignment, and participation and involvement.

### Goal Setting

Although most of us are aware of the importance of goal setting in management, we may mistakenly think that goal setting is an easy thing to accomplish. The reality is that how goals are set can have a big impact on how well they function as performance targets and motivators. There's a significant difference between having "no goals" or even just everyday run-of-the-mill "average goals," and having really "great goals" that inspire effort and result in plans being successfully implemented.



## wisdom> LEARN FROM ROLE MODELS

> *"I wanted to give this opportunity to girls who had a light so bright that not even poverty could dim that light."*

**Oprah Thinks Now and Embraces the Future**

HO/REUTERS/Newscom

Having grown up poor, Oprah Winfrey says she is grateful for getting a good education, calling it “the most vital aspect of my life.” She’s now sharing that lesson through the Oprah Winfrey Leadership Academy for young women in South Africa.

When the academy opened Winfrey said: “I wanted to give this opportunity to girls who had a light so bright that not even poverty could dim that light.” Her goal was for the new academy to “be the best school in the world.”

Nelson Mandela, first president of non-apartheid South Africa, spoke at the opening ceremony and praised her vision. “The key to any country’s future is in educating its youth,” said Mandela. “Oprah is therefore not only investing in a few young individuals, but in the future of our country.” One of the first students said: “I would have had a completely different life if this hadn’t happened to me.”

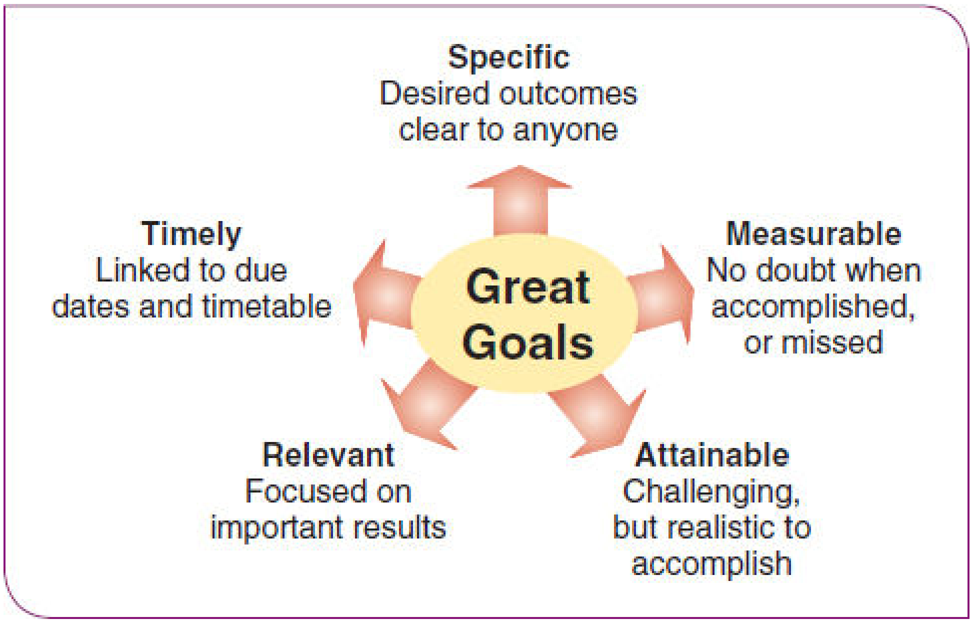
Even the best intentions couldn’t guarantee that everything would go according to Winfrey’s plan. Not long after the academy launched, it was hit by scandal over alleged abuse of students by a dorm matron. Oprah quickly apologized to the students and their families, and rededicated herself to the school.

“I think that crisis is there to teach you about life,” she said. “The school is going to be even better because that happened.”

### FIND THE INSPIRATION

**In what ways do Oprah’s objectives for the leadership academy reflect her life and past experiences? Can you make plans that will include social contributions in the future? Are you adaptable in your plans as Oprah appears to be, or more fixed? What are the implications of your approach for your professional and personal goals, and what you accomplish?**

Great goals—think SMART goals—tend to have the five characteristics shown in the small figure. They are *specific*—clearly targeted key results and outcomes to be accomplished. They are *measurable*—described so results can be measured without ambiguity. They are *attainable* —include a challenging stretch factor while still being realistic and possible to achieve. They are *relevant*—focused on important results, not just on activities or effort expended. And they are *timely*—linked to specific timetables and "due dates."




One of the more difficult aspects of goal setting is making performance objectives as measurable as possible. It's best to achieve agreement on a *measurable end product*—for example, "to reduce travel expenses by 5% by the end of the fiscal year." But performance in some jobs, particularly managerial positions, can be hard to quantify. Rather than abandon the quest for a good objective in such cases, it is often possible to agree on *verifiable work activities*. Their accomplishment serves as an indicator of performance progress. An example is "to improve communications with my team in the next three



months by holding weekly team meetings." Whereas it can be difficult to measure "improved communications," it is much easier to document whether the "weekly team meetings" have been held.

## Goal Management

> *Scandal*—The Ohio state auditor charged that teachers and principals in the Columbus school district were pressured to change student test scores and attendance rosters in order to improve the district's performance scorecard on goals that affected state funding. Failing grades were changed to passing for at least 7,000 students.[21]

> *Scandal*—An internal audit of the U.S. Department of Veterans Affairs system charged that managers covered up long appointment waiting times and used bogus lists in order meet tight scheduling goals and receive personal bonuses. More than 120,000 veterans failed to get care, and at least 23 died awaiting treatment.[22]

It isn't enough to set smart goals with and for others, and for yourself—the goals and the quest for their accomplishment must also be well managed. The fact is that goals can have a "dark" as well as positive side.[23] Look again at the scandals just reported. The ethics and performance failures in both cases were linked in part to unrealistic goals tied to performance rewards. In the

Ohio school district, the teachers and principals—not the students—became the cheaters. In the VA scandal, the audit report described the negative effects of unrealistic goals set for patient waiting times this way: "Imposing this expectation on the field before ascertaining the resources required and its ensuing broad promulgation represent an organizational leadership failure ... pressures were placed on schedulers to utilize unofficial lists or engage in inappropriate practices in order to make waiting times appear more favorable."[24]

Researchers point out that goals can have negative consequences when they are set unrealistically high, when individuals are expected to meet high goals over and over again, and when people striving to meet high goals aren't given the support they need to build abilities and learn what is needed to accomplish them.[25] The downsides of poorly managed stretch goals include high stress for the goal seeker, poor performance results, and possible unethical or illegal behavior. Good management of goal setting helps to avoid such problems. Scholars Gary Latham and Gerard Seijts point out that it is important to distinguish between **learning goals** that create the knowledge and skills required for performance and **outcome goals** that set targets for actual performance results. If outcome goals are emphasized at the expense of learning goals that are prerequisite to them, undesirable effects are likely. Latham and Seijts say: "It is foolish and even immoral for organizations to assign employees stretch goals without equipping them with the resources to succeed—and still punish them when they fail to reach those goals. This lack of guidance often leads to stress, burnout, and in some instances, unethical behavior."[26]

> **Learning goals** set targets to create the knowledge and skills required for performance.
>
> **Outcome goals** set targets for actual performance results.

## Goal Alignment

It is one thing to set great goals, make them part of a plan, and then manage and support them well. It is an entirely different thing to make sure goals and plans are well integrated across many people, work units, and levels of an organization as a whole. Goals set everywhere in the organization should ideally help advance its overall mission or purpose. Yet, we sometimes work very hard to accomplish things that simply don't make much of a difference in organizational performance. This is why goal alignment is an important part of managerial planning.

Figure 8.2 shows how a **hierarchy of goals** or **hierarchy of objectives** helps with goal alignment. When such a hierarchy is well defined, the accomplishment of lower-level goals and objectives provides the foundation for the accomplishment of higher-level goals and objectives. The example in the figure is built around quality goals in a manufacturing setting. Strategic goals set by top management cascade down the organization step by step to



become quality management objectives for lower levels. Everything ideally works together in a consistent "means–end" fashion so that the organization consistently performs as "the world's number one supplier of recyclable food containers."

> In a **hierarchy of goals** or **hierarchy of objectives**, lower-level goals and objectives support accomplishment of higher-level goals and objectives.

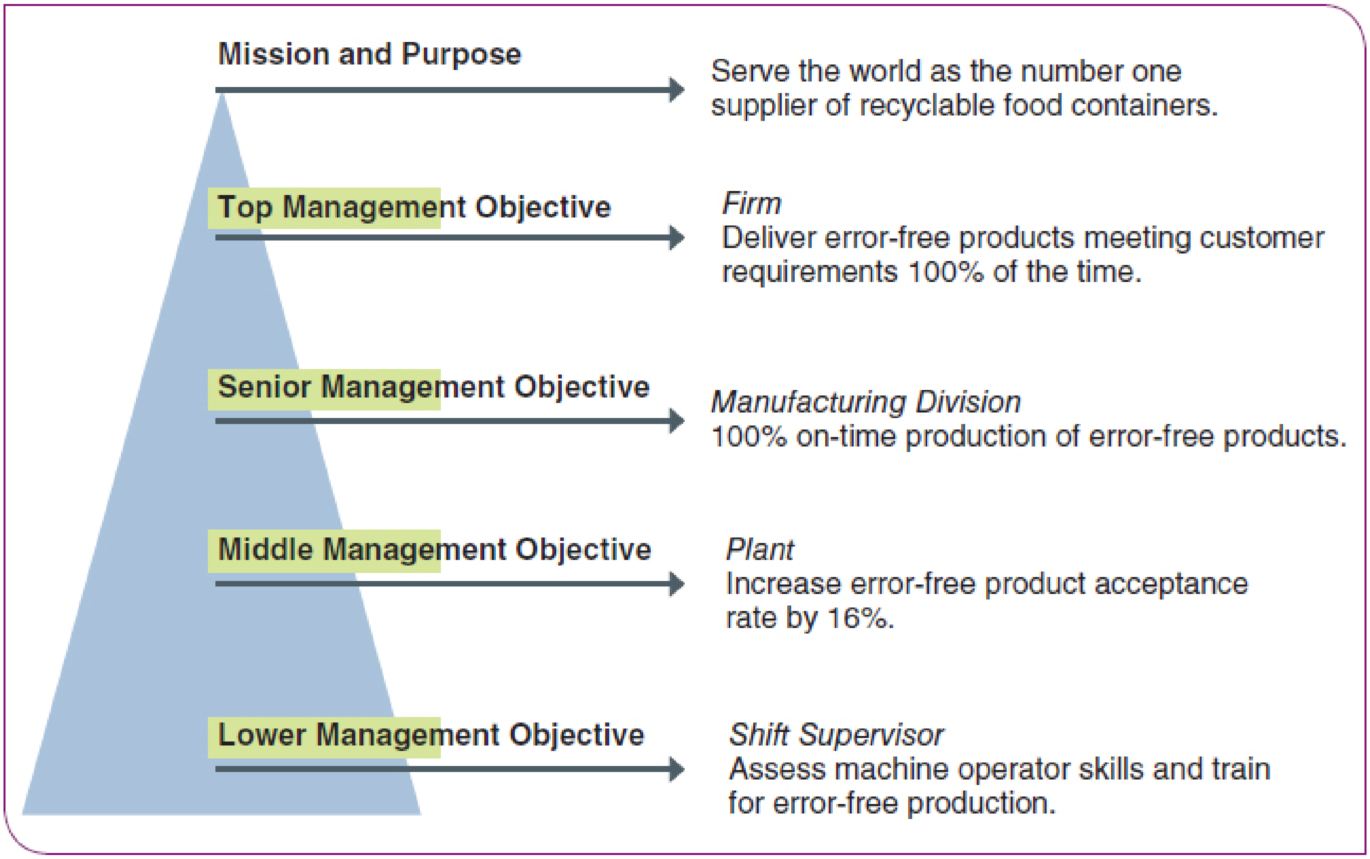
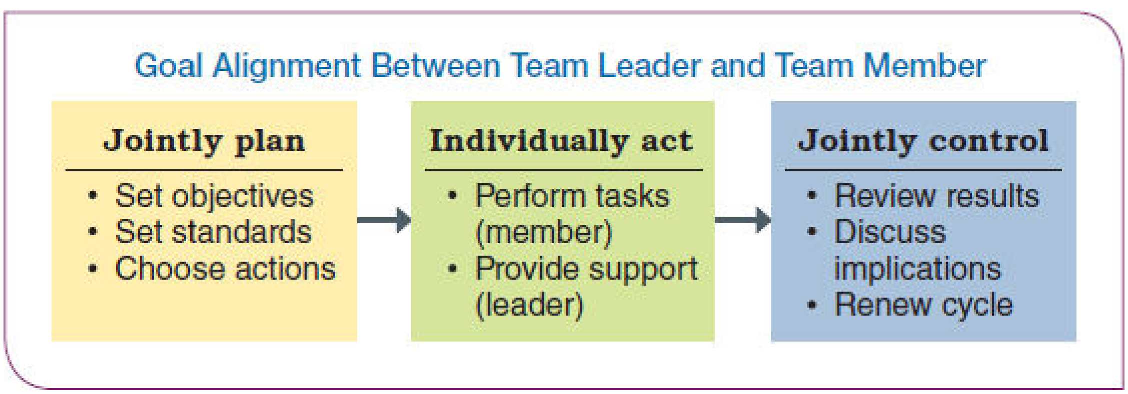



**FIGURE 8.2 Goal alignment in a sample hierarchy of objectives.**

Conversations between team leaders and team members or between supervisors and subordinates at each step in the hierarchy are essential to achieving goal alignment. The conversations should result in agreement on: (1) performance objectives for a given time period, (2) plans through which objectives will be accomplished, (3) standards for measuring whether objectives have been accomplished, and (4) procedures for reviewing performance results. This process is sometimes called *management by objectives* (MBO), but in reality it is just old-fashioned good management.[27]




## Participation and Involvement

Planning is a process and not an event. And “participation” and “involvement” are two of its core components. **Participatory planning** includes in all planning steps the people who will be affected by the plans and asked to help implement them. One of the things that research is most clear about is that when people participate in setting goals, they gain motivation to work hard to accomplish them.[28] This power of participation is unlocked in planning when people who are involved in the process gain commitment to work hard and support the implementation of plans.

> **Participatory planning** includes the persons who will be affected by plans and/or those who will implement them.

Figure 8.3 shows the role of participation and involvement in the planning process. Notice that participation can and should be engaged in all planning steps. Think of it using the metaphor of a big kitchen table. Everyone from family members to guests sits



around the table and enjoys the meal while joining in the conversation. The same can happen with planning, if the manager invites others to the table. When he or she does, the conversation focuses on defining objectives, assessing the present and potential future state of affairs, identifying action alternatives, and discussing implementation successes and failures.

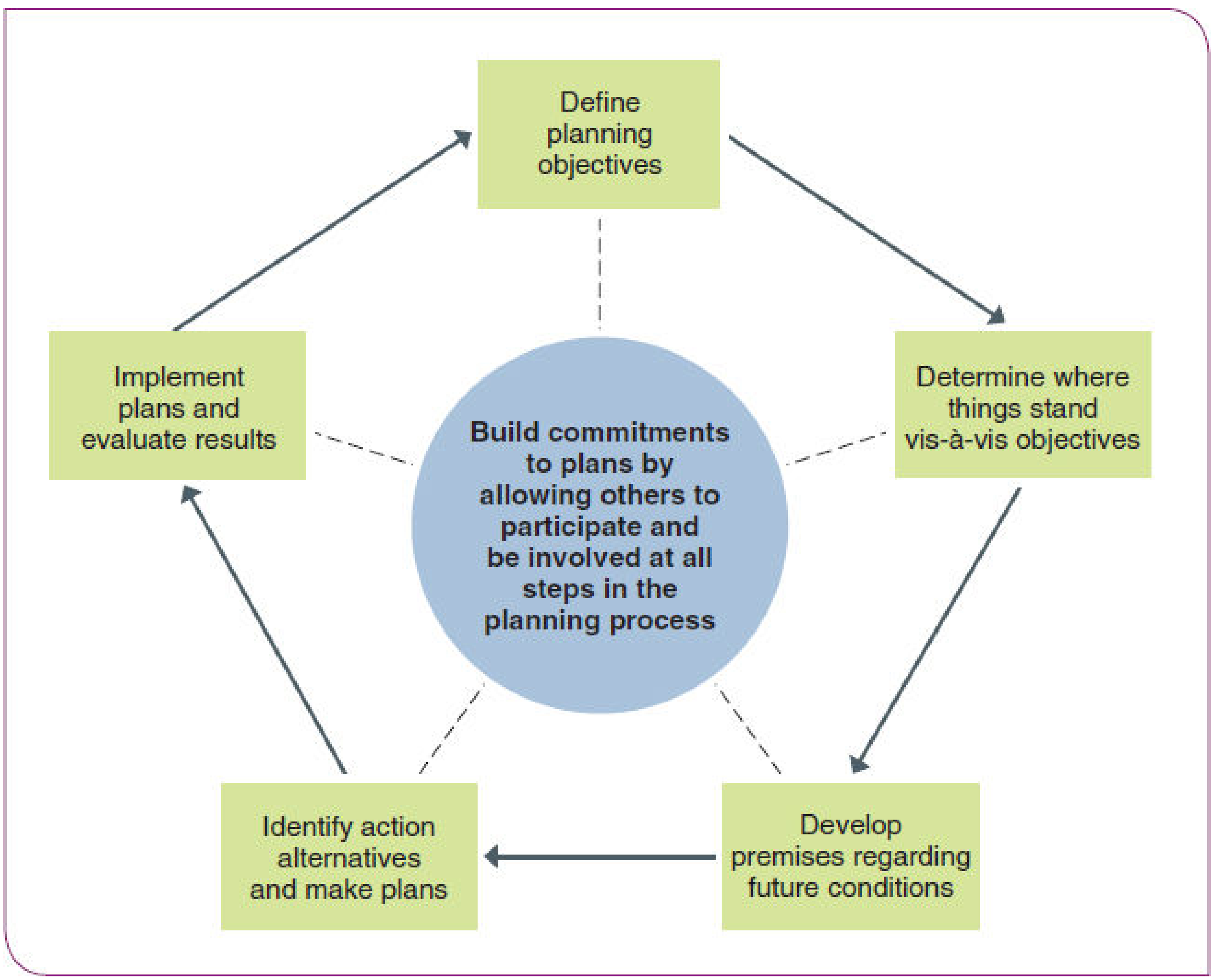



**FIGURE 8.3 How participation and involvement help build commitment to plans.**

There are many benefits when and if this participatory planning approach is followed in practice. Participation can increase the creativity and information available for planning. It can also increase the understanding and acceptance of plans, as well as commitment to their success. Even though participatory planning takes more time, it can improve performance results by improving both the quality of the plans that are made and the effectiveness of their implementation.

Learning Check 4

**TAKEAWAYQUESTION 4 How can plans be well implemented?**

**BE SURE YOU CAN** • list the criteria of great goals • describe the value of a hierarchy of objectives • give examples of improvement and personal development objectives • explain how goal alignment can take place between a team leader and team members



## Management Learning Review

### Get Prepared for Quizzes and Exams

#### Summary

**TAKEAWAYQUESTION 1**

**Why and how do managers plan?**

- Planning is the process of setting performance objectives and determining what should be done to accomplish them.
- A plan is a set of intended actions for accomplishing important goals and objectives.
- Five steps in the planning process are: (1) Define your objectives, (2) determine where you stand vis-à-vis your objectives, (3) develop your premises regarding future conditions, (4) identify and choose among alternative ways of accomplishing objectives, and (5) implement action plans and evaluate results.
- The benefits of planning include better focus and flexibility, action orientation, coordination, control, and time management.

**FOR DISCUSSION Which step in the planning process is likely to cause the most difficulties for managers?**

**TAKEAWAYQUESTION 2**

**What types of plans do managers use?**

- Short-range plans tend to cover a year or less; long-range plans extend up to three years or more.
- Strategic plans set critical long-range directions; operational plans are designed to implement strategic plans.
- Policies, such as a sexual harassment policy, are plans that set guidelines for the behavior of organizational members.

- Procedures and rules are plans that describe actions to be taken in specific situations, such as the steps to be taken when persons believe they have been subjected to sexual harassment.
- Budgets are plans that allocate resources to activities or projects.

**FOR DISCUSSION Is there any real value to long-term planning in today's rapidly changing environment?**

## TAKEAWAYQUESTION 3

**What are some useful planning tools and techniques?**

- Forecasting, which attempts to predict what might happen in the future, is a planning aid but not a planning substitute.
- Contingency planning identifies alternative courses of action that can be implemented if and when circumstances change.
- Scenario planning analyzes the implications of alternative versions of the future.
- Planning through benchmarking utilizes external and internal comparisons to identify best practices for possible adoption.
- Staff planners with special expertise are often used to assist in the planning process, but the risk is a lack of involvement by managers and others who must implement the plans.

**FOR DISCUSSION Shouldn't all plans be supported by contingency plans?**

## TAKEAWAYQUESTION 4

**How can plans be well implemented?**

- Great or SMART goals are specific, measurable, attainable, relevant, and timely.
- Goals can have negative consequences, including unethical or illegal behavior, when they are poorly managed and set unrealistically high.
- A hierarchy of objectives helps to align goals from top to bottom in organizations.
- Goal alignment is facilitated by a participative process that clarifies performance objectives for individuals and teams and identifies support that can and should be provided by managers.
- Participation and involvement open the planning process to valuable inputs from people whose efforts are essential to the effective implementation of plans.

**FOR DISCUSSION Given its potential advantages, why isn't goal alignment a characteristic of all organizations?**

## Self-Test 8



**a.** developing premises about the future, evaluating them

**b.** measuring results, taking corrective action

**c.** measuring past performance, targeting future performance

**d.** setting objectives, deciding how to accomplish them

2. The benefits of planning include ______________.

**a.** improved focus

**b.** lower labor costs

**c.** more accurate forecasts

**d.** higher profits

3. In order to help implement its corporate strategy, a business firm would likely develop a ______________ plan for the marketing department.

**a.** functional

**b.** single-use

**c.** production

**d.** zero-based

4. ______________ planning identifies alternative courses of action that can be taken if and when certain situations arise.

**a.** Zero-based

**b.** Participative

**c.** Strategic

**d.** Contingency

5. The first step in the control process is to ______________.

**a.** measure actual performance

**b.** establish objectives and standards

**c.** compare results with objectives

**d.** take corrective action

6. A sexual harassment policy is an example of ______________ plans used by organizations.

**a.** long-range

**b.** single-use

**c.** standing-use

**d.** operational

7. When a manager is asked to justify a new budget proposal on the basis of projected activities rather than past practices, this is an example of ______________ budgeting.

**a.** zero-based

**b.** variable

**c.** fixed

**d.** contingency

8. One of the benefits of participatory planning is ______________.
   - **a.** reduced time for planning
   - **b.** less need for forecasting
   - **c.** greater attention to contingencies
   - **d.** more commitment to implementation
9. The ideal situation in a hierarchy of objectives is that lower-level plans become the ______________ for accomplishing higher-level plans.
   - **a.** means
   - **b.** ends
   - **c.** scenarios
   - **d.** benchmarks
10. When managers use the benchmarking approach to planning, they ______________.
   - **a.** use flexible budgets
   - **b.** identify best practices used by others
   - **c.** are seeking the most accurate forecasts that are available
   - **d.** focus more on the short term than the long term
11. One of the problems in relying too much on staff planners is ______________.
   - **a.** a communication gap between planners and implementers
   - **b.** lack of expertise in the planning process
   - **c.** short-term rather than long-term focus
   - **d.** neglect of budgets as links between resources and activities
12. The planning process isn't complete until ______________.
   - **a.** future conditions have been identified
   - **b.** stretch goals have been set
   - **c.** plans are implemented and results evaluated
   - **d.** budgets commit resources to plans
13. When a team leader is trying to follow an approach known as management by objectives, who should set a team member's performance objectives?
   - **a.** the team member
   - **b.** the team leader
   - **c.** the team leader and team member
   - **d.** the team member, the team leader, and a lawyer
14. A good performance objective is written in such a way that it ______________.
   - **a.** has no precise timetable
   - **b.** is general and not too specific
   - **c.** is almost impossible to accomplish
   - **d.** can be easily measured

15. Which type of plan is used to guide resource allocations for long-term advancement of the organization's mission or purpose?
    a. tactical
    b. operational
    c. strategic
    d. functional

### **Short-Response** Questions

16. List five steps in the planning process and give examples of each.
17. How might planning through benchmarking be used by the owner of a local bookstore?
18. How does planning help to improve focus?
19. Why does participatory planning facilitate implementation?

### **Essay** Question

20. Put yourself in the position of a management trainer. You have been asked to make a short presentation to the local Small Business Enterprise Association at its biweekly luncheon. The topic you are to speak on is "How Each of You Can Use Objectives to Achieve Better Planning and Control." What will you tell them and why?



## Management **Skills & Competencies** Make yourself **valuable!**

### Evaluate Career Situations

#### What Would You Do?

1. **The Planning Retreat**

   It's been a bit over two years since your promotion to division manager. You're now accountable for delivering about 10% of your firm's total revenues, and oversee more than 100 people working in five different departments. This year you'd like to make the annual planning retreat really valuable to everyone. All managers from team leaders to functional heads will be present. You will have them off site for a full day. What goals will you state for the retreat in the e-mail you send out with the retreat agenda? Knowing the steps in the planning process, what will the retreat agenda look like, and why?

2. **Sexual Harassment**

   One of the persons under your supervision has a "possible" sexual harassment complaint about the behavior of a co-worker. She says that she understands the organization's sexual harassment policy, but the procedures are not clear. You're not clear, either, and take the matter to your boss. She tells you to draft a set of procedures that can be taken to top management for approval. What procedures will you recommend so that sexual harassment complaints like this one can be dealt with in a fair way?

3. **Getting "Buy In"**

   A consulting firm has been hired to help write a strategic plan for your organization. The plan would be helpful, but you are worried about getting buy-in from all members, not just those at the top. What conditions can you set for the consultants so that they not only provide a solid strategic plan, but also create strong commitments to implementing it from members of your organization?

## Reflect on the Self-Assessment

### Time Management Profile

#### Instructions

Complete the following questionnaire by indicating "Y" (yes) or "N" (no) for each item. Be frank and allow your responses to create an accurate picture of how you tend to respond to these kinds of situations.

1. When confronted with several items of urgency and importance, I tend to do the easiest first.
2. I do the most important things during that part of the day when I know I perform best.
3. Most of the time I don't do things someone else can do; I delegate this type of work to others.
4. Even though meetings without a clear and useful purpose upset me, I put up with them.
5. I skim documents before reading and don't finish any that offer little value for my time.
6. I don't worry much if I don't accomplish at least one significant task each day.
7. I save the most trivial tasks for that time of day when my creative energy is lowest.
8. My workspace is neat and organized.
9. My office door is always "open"; I never work in complete privacy.
10. I schedule my time completely from start to finish every workday.
11. I don't like to-do lists, preferring to respond to daily events as they occur.
12. I block out a certain amount of time each day or week that is dedicated to high-priority activities.

#### Scoring

Count the number of "Y" responses to items 2, 3, 5, 7, 8, 12. Enter that score here [ ]. Count the number of "N" responses to items 1, 4, 6, 9, 10, 11. Enter that score here [ ]. Add the two scores together here [ ].

#### Self-Assessment Interpretation

The higher the total score, the more closely your behavior matches recommended time management guidelines. Reread those items where your response did not match the desired response. Why don't they match? Do you have reasons why your behavior in this instance should be different from the recommended time management guideline? Think about what you can do to adjust your behavior to be more consistent with these guidelines.

## Contribute to the Team Exercise

### Personal Career Planning

#### Instructions

Part 1—Complete the following activities as an individual assignment. Part 2—Share your results with your team. Part 3—Prepare a team summary of member's career plans and present it for discussion with the class and instructor.



*Activity 1 Strengths and Weaknesses Inventory* Different occupations require special talents, abilities, and skills. Each of us, you included, has a repertoire of existing strengths and weaknesses that are "raw materials" we presently offer a potential employer. Actions can (and should!) be taken over time to further develop current strengths and to turn weaknesses into strengths. Make a list identifying your most important strengths and weaknesses in relation to the career direction you are likely to pursue after graduation. Place a * next to each item you consider most important to focus on for continued personal development.

*Activity 2 Five-Year Career Objectives* Make a list of three career objectives that you hope to accomplish within five years of graduation. Be sure they are appropriate given your list of personal strengths and weaknesses.

*Activity 3 Five-Year Career Action Plans* Write a specific action plan for accomplishing each objective. State exactly what you will do, and by when, in order to meet these objectives. If you will need special support or assistance, identify it and state how you will obtain it. An outside observer should be able to read your action plan for each objective and end up feeling confident that he or she knows exactly what you are going to do and why.

## Manage a Critical Incident

### Policy on Paternity Leave for New Dads

As the Human Resource Director for a medium-sized business with 800 employees, you've been asked by the CEO to draft a paternity leave policy. At present new moms get up to 8 weeks off with pay and an option for another 4 without pay. New dads are informally allowed to take up to a week off. After doing some research, you find that about 85% of new dads take one or two weeks off with the birth of a new child. But few new dads take more than that, even when it's available, because of a variety of worries about their careers and job security.[29]

#### Questions

What is your plan for drafting this new paternity leave policy? How will you go about getting good information and making sure the new policy is a good fit with your organization and its employees? What is your plan for making sure that new dads take full advantage of the new policy and aren't afraid to use it because of job and career concerns? In short, you need to not only develop the new policy but make sure it is accepted by all of the stakeholders affected by the policy.

## Collaborate on a Team Activity

### The Future Workplace

#### Instructions

Form groups as assigned by the instructor. Brainstorm to develop a master list of the major characteristics you expect to find in the workplace in the year 2020. Use this list as background for completing the following tasks:

1. Write a one-paragraph description of what the typical "Workplace 2020" manager's workday will be like.
2. Draw a "picture" representing what the "Workplace 2020" organization will look like.
3. Summarize in list form what you consider to be the major planning implications of your future workplace scenario for management students today. That is, explain what this means in terms of using academic and extracurricular activities to best prepare for success in this future scenario.
4. Choose a spokesperson to share your results with the class as a whole and explain their implications for the decisions most likely to lead to professional success for the members of the class.

## Analyze THE CaseStudy | WALGREENS
## Staying One Step Ahead

Go to ***Management Cases for Critical Thinking*** at the end of the book to find this case.