Today’s smart supervisor relies on collaboration to get the job done. The more difficult or impossible the job or the time constraints, the more important it is to get your people involved in creating a plan to get it done.

- Edward J. Fellen, former president (retires), First Supply Group

**Planning** = Setting goals and determining how to meet them.

Planning is a management function that:
1) Figure out what tasks need to be completed to reach the goal.
2) Know how and when to perform those tasks.

**Purpose of Planning:**
1) Knowing what the organizations are trying to accomplish helps set priorities.
2) Forces managers to spend focusing on the future.
3) Establish a fair way to measure performance.
4) Assists managers in using resources efficiently minimizing waste.
5) Time spent in planning can reduce the time required to carry it out.
6) Execution of a well planned project could be shorter that one in haste.
7) All functions performed by a manager depend on good planning.
8) Supervisors should understand the process that was used to reach the plan.

**Objectives**
The desired accomplishments of the organization as a whole or of part of the organization.

**Goals**
Objectives, often those with a broad focus.

**Strategic Planning**
The creation of long term goals for the organization as a whole.

**Operational Planning**
The development of objectives that specify how divisions, departments, and work groups will support organizational goals. Page 142 Table 6.1

- Operational objectives should get all employees focused on their role in supporting the company’s strategy.
- Objectives become more specific at lower levels of the organization.
- Planning tends to focus on shorter time spans.
- Personal objective is for the supervisor to apply good planning practices to their individual efforts.
Characteristics of Effective Objectives

1) Putting objectives in writing gives them importance. Subordinates will understand that there was time and thought put into the process.

2) Objectives should be measurable to tell whether people are actually accomplishing them. The words maximize and minimize are tip offs that the objectives are not measurable.

3) Objectives should be clear for employees to understand. Ask employees if they understand the goals.

4) Objectives should be specific indicating who is to do what and by what time to accomplish the goal.

5) Objectives that are challenging are more likely to stimulate employees to do their best than those that are not. Employees must believe they are capable of achieving the objectives.

Policies
Broad guidelines for how to act in particular situations.

Procedures
Written steps that must be completed to achieve a specific purpose.

Rules
Specific statements of what to do or not to do in a given situation.

Action Plans
The supervisor creates an action plan by answering the questions:
- What are actions are needed to be taken?
- Who will take the necessary steps?
- When must each step be completed?
- Where will the work take place?
- How will the work be done?

Contingency Planning
The plan for what should happen if the original plan does not work!
- Murphy’s Law is “whatever can go wrong probably will”.
- The sign of a good supervisor is how you react to things never experienced before.
- Are you prepared with ideas about how to respond?
- Contingency Planning is not always formal.
- It would be difficult to plan for every possibility.
- The supervisor should plan for how to respond when certain aspects of the plan do not go well.
Management by Objectives (MBO)
A formal system for planning in which managers and employees at all levels set objectives for what they are to accomplish. Their performance is then measured against those objectives.

1) All individuals in the organization work with their managers to set objectives, specifying what they are to do in the next operating period (such as year).
2) Each individual’s manager periodically reviews the individual’s performance to see whether he or she is meeting the objectives.
   - Reviews should take place two to four times a year.
   - Reviews help the individual and manager decide what corrective actions are needed.
   - Provide information for setting future objectives.
3) The organization rewards individuals on the basis of how close they come to fulfilling objectives.

Effective use of MBO
- Managers at all levels, especially the top, must be committed to the system.
- Objectives must meet the criteria for effective objectives.
- Managers & employees must be able to cooperate in the objective setting process.
- Some dislike MBO because the monitoring of achievement is time consuming and requires a lot of work.
- Setting goals can lead to greater employee commitment to achieving the goal.
- The employer can benefit from system of rewards that is rational and based on performance rather than personality.

The Supervisor as Planner
- Should be familiar with how to set good objectives.
- Should keep higher level managers informed about the needs, abilities and progress of your department.
- Decide how to allocate resources to the jobs that will need to be done.
- Develop a plan for spending money (budget).
- Setting a precise timetable for the work to be completed (scheduling).
- Gantt Chart, page 151 Figure 6.5.
- Program evaluation and review technique (PERT).
- Involving employees making sure they understand the objectives and consider them achievable.
- Planning with a Team requires coaching skills to get a team to carry out the planning process.
- Updating objectives may be required after monitoring the performance.
**The Supervisor as Controller**
- The management function of ensuring that work goes according to plan.
- The supervisor has the responsibility to correct the problems as soon as possible.
- The supervisor can take steps to ensure quality and manage costs.

**Process of Controlling**
- Establish performance standards and determine measures of what is expected.
- Standards define the quality & quantity of work.
- These standards measure how well the department contributes to meeting the organization’s objectives.
- Standards depend on:
  - The supervisor’s experience.
  - The employer’s expectations.
  - Nature of the work being monitored.
- Standards should measure dimensions of the goods or services that customers care about.
- Standards should support the company’s strategies.
- Employees should understand the rationale for the standards.
- Rules seem less a burden when they serve a purpose we can understand.

**Monitoring Performance & Compare with Standards**
- Record information.
- Must be efficient and accurate.
- Monitoring performance should include assessing whether customers are satisfied.
- Focus on how actual performance compares with the set standards.
- **Variance** refers to the size of the difference between actual performance and the standard met.
- **Exception Principle** is the control factor stating that a supervisor should take action only when a variance is meaningful.
- Under this direction, the supervisor only spends time in areas that use time wisely and motivate people.

**Reinforce Successes & Fix Problems**
- Reinforcement means encouraging employees by associating it with a reward.
- Problems are factors in the organization that is a barrier to improvement.
- Symptom is an indication that there is an underlying problem.

**Fixing Problems (Process & Behavior)**
1. Develop new rewards for good performance.
2. Train employees.
3. Improve communication with employees.
4. Counsel and/or discipline poor performers.
5. Ask employees what barriers are interfering with their performance, and then remove the barriers.
Types of Controls
1) Feedback controls focus on past performances.
2) Concurrent controls occur while the work takes place.
3) Pre-control efforts are aimed at preventing behavior that may lead to undesirable results.

Tools for Control
1) Creating a budget is the plan for spending money and is part of the planning process.
2) Performance reports are the summary of performance and comparison with performance standards.
3) Personal observation of time spent with employees and observing what is going on.

Characteristics of Effective Controls
1) The controls should be timely, enabling the supervisor to correct problems in time to improve results.
2) The controls should be economical. The cost of using the control should be less than the benefit derived from using them.
3) Acceptable to supervisors and employees. Supervisors want information about performance that allows them to understand what is going on in the workplace. Employees want controls that do not unduly infringe on their privacy.
4) Controls should be flexible. The supervisor should be able to ignore variance if doing so is in the best interests of the organization.

Homework
Page 169 Class Exercise
Setting Goals Exercise. Write out your answers in the format provided on page 170. (Separate sheet of paper and not the book)