

WEEK 3

PLANNING AND DECISION MAKING

CHAPTER 5



VIDEO
LINK

Jonah Lehrer on brainstorming:

<https://www.youtube.com/watch?v=RgPIkx2JyQU>

WEEK 2

LEARNING

OUTCOMES

- discuss the benefits and pitfalls of planning
- describe how to make a plan that works
- discuss how companies can use plans at all management levels, from top to bottom
- explain how group decisions and decision-making techniques can improve decision making

PLANNING

- **Choosing a goal and developing a strategy to achieve the goal.**
- **Planning provides direction.**
- **Offers some benefits and some pitfalls.**

PLANNING BENEFITS AND PITFALLS

Works for you by:

- Intensifying effort
- Increasing persistence
- Providing direction
- Creation of task strategies

Works against you by:

- Impeding change
- Creating a false sense of certainty
- Detachment of planners

HOW TO MAKE A PLAN THAT WORKS

Set goals

Develop commitment

Develop effective action plans

Track progress toward goal achievement

Maintain flexibility

SETTING GOALS



DEVELOPING COMMITMENT TO GOALS

The determination to achieve a goal is increased by:

- setting goals participatively
- making goals reasonable
- making goals public
- obtaining top management support.

DEVELOP EFFECTIVE ACTION PLANS

- Specific plans are more effective than vague ideas
- Effective plans answer such questions as:
 - How** are we going to achieve the goal?
 - Who** do we need (identify human resources)?
 - What** other resources do we need?
 - When** (time period) will the goal be deemed accomplished?

TRACKING PROGRESS

Two methods of tracking:

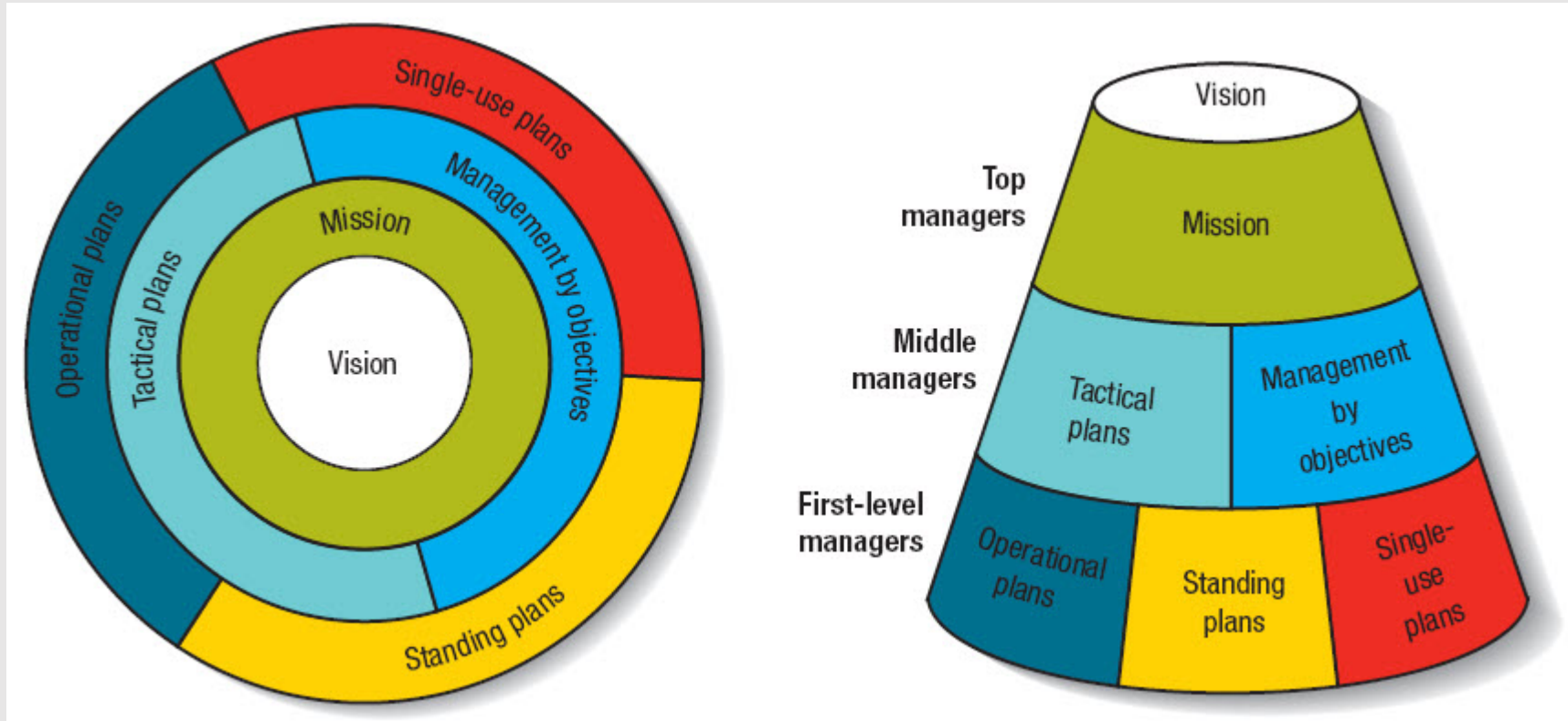
- Set both proximal and distal goals:
 - Proximal goals:** short-term or sub-goals; motivating and rewarding
 - Distal goals:** long-term goals: requires more patience
- Gather, analyse, interpret performance data then make corrective actions as necessary

MAINTAINING FLEXIBILITY

Option-based planning: keep options open by making small, simultaneous investments in many alternative plans:

- Invest more in promising options
- **Maintains slack resources:** a cushion of extra resources that can be used with options-based planning to adapt to unanticipated change, problems or opportunities

PLANNING FROM TOP TO BOTTOM



PLANNING FROM TOP TO BOTTOM (CONT.)

Strategic plans

Overall company plans that clarify how the company will serve customers and position itself against competitors over the next 2–5 years

Vision

A brief (two sentences) statement of a company's purpose or reason for existing

Mission

Statement of a company's overall goal that unifies company-wide efforts toward its vision, stretches and challenges the organisation, and possesses a finish line and time frame

BENDING IN THE MIDDLE

Tactical plans:

- Created and implemented by middle managers
- Specify how the company will use resources, budgets and people over the next 6 months to 2 years to accomplish specific goals within its mission
- A good example is management by objectives (MBO)

MANAGEMENT BY OBJECTIVES

Plan developed by manager with employee input:

1. Discuss possible goals.
2. Select goals that are challenging, attainable and consistent with the company's overall goals.
3. Jointly develop tactical plans that lead to the accomplishment of tactical goals and objectives.
4. Meet regularly to review progress.

FINISHING AT THE BOTTOM

Operational plans :

Operational plans are day-to-day plans, developed and implemented by lower level managers, to direct the behaviour, efforts and priorities of operative employees for period ranging from 30 days to six months.

FINISHING AT THE BOTTOM (CONT.)

Single use plans

Cover unique, one-time-only events

Standing plans

Used repeatedly to handle frequently recurring events

Policy

A standing plan that indicates the general course of action that should be taken response to a particular event or situation

FINISHING AT THE BOTTOM (CONT.)

Procedure

A standing plan that indicates the specific steps that should be taken in response to a particular event.

Rules and regulations

Standing plans that describe how a particular action should be performed, or what must or must not happen in response to a particular event

Budgeting

Quantitative planning through which managers decide how to allocate available money to best accomplish company goals

RATIONAL DECISION MAKING

Decision making is a process of choosing a solution from available alternatives.

Rational decision making is a systematic process of defining problems, evaluating alternatives and choosing optimal solutions.

LIMITS TO RATIONAL DECISION MAKING

- Managers make decisions under constraints : e.g. limited time, finances, information and so on.
- Instead of maximising (choosing best alternative), they satisfice (choose a 'good enough' alternative).

GROUP DECISION MAKING

Advantages:

- Problems can be viewed from multiple perspectives
- More information can be found and accessed
- More alternative solutions generated
- More commitment to making chosen solutions work

GROUP DECISION MAKING

Disadvantages:

- Susceptibility to groupthink and to considering a limited number of solutions
- **Groupthink** is a barrier to good decision making caused by pressure within the group for members to agree with each other
- Takes considerable time
- One or two people can dominate group discussion
- Members don't feel accountable for decisions/actions

STRUCTURED CONFLICT

Conflicts are not necessarily always negative.

C-type or cognitive conflict

Disagreement that focuses on problem- and issue-related differences of opinion

A-type or affective conflict

Disagreement that focuses on individuals or personal issues. Undermines effectiveness of team by preventing teams from engaging in the activities characteristic of c-type conflict that are critical to effectiveness

GROUP DECISION TECHNIQUES

Nominal group technique

Begins and ends by having group members quietly write down and evaluate ideas to be shared with the group

Delphi technique

Members of a panel of experts respond to questions and to each other until reaching agreement on an issue

Electronic brainstorming

Group members use computers to build on each other's ideas and generate many alternative solutions

BRAINSTORMING

Group members build on others' ideas to generate as many alternative solutions as possible.

The four rules of brainstorming:

1. The more ideas, the better.
2. All ideas are acceptable, no matter how wild or crazy they might seem.
3. Other group members' ideas should be used to come up with even more ideas.
4. Criticism or evaluation of ideas is not allowed.

NEXT WEEK – DESIGNING ADAPTIVE ORGANISATIONS



THIS WEEK: CAREERS AND EMPLOYABILITY EVENTS AROUND CAMPUS

Mon 16/03	Check out swin.nu/ask ; swin.nu/careerpulse ; swin.nu/careerstart ; swin.nu/experts ; swin.nu/careerhelp ; swin.nu/aach
Tues 17/03	On Campus: ALL STUDENTS: Ask an Employer - BA302 12.30-1.30pm: – Robert Bosch and students talk about the professional placement program - GS Level 2 Rm 209: 10.15 -11am EY (Ernst & Young) Writing Resumes Webinar: Resumes & Cover letters 2.30 – 3.30pm
Wed 18/03	On Campus: ALL STUDENTS: Ask an employer: - GS Level 2 11.45-12.30pm VPSC - JCSC 1.30-4pm National Security Careers Event Portfolio development: Writing STAR - EN 406 12.30-1.30
Thurs 19/03	On Campus: ALL STUDENTS: Ask an employer: - TD121 10.30-11.30pm: – NAB and students talk about the professional placement program - GS Level 2 11.45-12.30: DXC (INE students)

Find out & register at

<https://www.swinburne.edu.au/events//> and SWINEMPLOY

Mid & Final degree students Do this week:

- Submit your resume to Career Start
- Register for a placement (swin.nu/pp); Internship (swin.nu/intern)

Coming up in Weeks 3 & 4

Placement Information sessions with employers and past students

Get your resume ready now:

Week 5 - Placements positions for S2 2020 open

Week 8 - Internship positions for Winter & S2 2020 open

**Register your interest at
swi.nu/pp**

**Drop-in sessions are also run in
the Library throughout semeste**

Tuesdays 2pm – 3pm

Thursdays 10am – 11am

