**Planning Process**

Planning is the first primary function of management that precedes all other functions. The planning function involves the decision of what to do and how it is to be done? So managers focus a lot of their attention on planning and the planning process. Let us take a look at the eight important steps of the planning process. The planning function of management is one of the most crucial ones. It involves setting the goals of the company and then managing the resources to achieve such goals. As you can imagine it is a systematic process involving eight well thought out steps. Let us take a look at the planning process.

**1] Recognizing Need for Action**

An important part of the planning process is to be aware of the business opportunities in the firm’s external environment as well as within the firm. Once such opportunities get recognized the managers can recognize the actions that need to be taken to realize them. A realistic look must be taken at the prospect of these new opportunities and a SWOT analysis should be done.

Say for example the government plans on promoting cottage industries in semi-urban areas. A firm can look to explore this opportunity.

**2] Setting Objectives**

This is the second and perhaps the most important step of the planning process. Here we establish the objectives for the whole organization and also individual departments. Organizational objectives provide a general direction, objectives of departments will be more planned and detailed.

Objectives can be long term and short term as well. They indicate the end result the company wishes to achieve. So objectives will percolate down from the managers and will also guide and push the employees in the correct direction.

**3] Developing Premises**

Planning is always done keeping the future in mind, however, the future is always uncertain. So in the function of management certain assumptions will have to be made. These assumptions are the premises. Such assumptions are made in form of forecasts, existing plans, past policies etc.

These planning premises are also of two types – internal and external. External assumptions deal with factors such as political environment, social environment, advancement of technology, competition, government policies etc. Internal assumptions deal with policies, availability of resources, quality of management etc.

These assumptions being made should be uniform across the organization. All managers should be aware of these premises and should agree with them.

**4] Identifying Alternatives**

The fourth step of the planning process is to identify the alternatives available to the managers. There is no one way to achieve the objectives of the firm, there is a multitude of choices. All of these alternative courses should be identified. There must be options available to the manager.

Maybe he chooses an innovative alternative hoping for more efficient results. If he does not want to experiment he will stick to the more routine course of action. The problem with this step is not finding the alternatives but narrowing them down to a reasonable amount of choices so all of them can be thoroughly evaluated.

**5] Examining Alternate Course of Action**

The next step of the planning process is to evaluate and closely examine each of the alternative plans. Every option will go through an examination where all there pros and cons will be weighed. The alternative plans need to be evaluated in the light of the organizational objectives.

For example, if it is a financial plan. Then it that case its risk-return evaluation will be done. Detailed calculation and analysis are done to ensure that the plan is capable of achieving the objectives in the best and most efficient manner possible.

**6] Selecting the Alternative**

Finally, we reach the decision making stage of the planning process. Now the best and most feasible plan will be chosen to be implemented. The ideal plan is the most profitable one with the least amount of negative consequences and is also adaptable to dynamic situations.

The choice is obviously based on scientific analysis and mathematical equations. But a managers intuition and experience should also play a big part in this decision. Sometimes a few different aspects of different plans are combined to come up with the one ideal plan.

**7] Formulating Supporting Plan**

Once you have chosen the plan to be implemented, managers will have to come up with one or more supporting plans. These secondary plans help with the implementation of the main plan. For example plans to hire more people, train personnel, expand the office etc are supporting plans for the main plan of launching a new product. So all these secondary plans are in fact part of the main plan.

8**] Implementation of the Plan**

And finally, we come to the last step of the planning process, implementation of the plan. This is when all the other functions of management come into play and the plan is put into action to achieve the objectives of the organization. The tools required for such implementation involve the types of plans- procedures, policies, budgets, rules, standards etc.

**Social Welfare Planning**

Social welfare program, any of a variety of governmental programs designed to protect citizens from the economic risks and insecurities of life. The most common types of programs provide benefits to the elderly or retired, the sick or invalid, dependent survivors, mothers, the unemployed, the work-injured, and families. Methods of financing and administration and the scope of coverage and benefits vary widely among countries.

The earliest modern social welfare laws were enacted in Germany in the 1880s. As similar programs have been adopted in other countries, the trend has been toward more comprehensive coverage in terms of both eligibility requirements and the nature of the risks insured against. A floor of minimum protection has come to be viewed as one of government’s general responsibilities with respect to specific risks, and in many countries the consensus holds that public responsibility extends to all those unable to care for themselves for whatever reason. In this view social welfare is extended and received as a matter of right rather than of need.

The chief characteristics of a welfare or security program are the risks to be protected against, the population covered, eligibility criteria, levels of benefits, manner of financing, and administrative procedures. All these criteria are subject to wide variation in practice. In particular, eligibility criteria often include a “time-lock,” which requires participation in or coverage by a program for a specified time. Financing is generally accomplished by exacting contributions from covered persons, employers, or both, by the government out of general revenues, or by a combination of the two. The most common varieties of programs may be summarized as follows:

Old-age, invalidity, and survivor programs. These provide benefits to those who live beyond their ability or eligibility to engage in gainful employment, to those who become permanently disabled other than through work injuries and who are not covered under some other medical disability program, and to those who are left dependent by a deceased worker. Programs of this type usually provide for universal coverage; they are commonly funded as contributory insurance programs. Time-lock provisions apply to old-age benefits and, less stringently, to invalidity and survivor benefits. Benefits levels are typically 30 to 60 percent of base wages. The plans are administered nationally.

**Medical care programs**

These are the most complex and controversial of welfare and security programs. Benefits may include indemnification for lost wages in addition to medical treatment. Coverage ranges from universal down to only those employed by participating employers. Financing may be contributory or governmental, depending in particular upon the method of providing service in a given country. Medical care may be provided by private practitioners and suppliers or by departments of government organized to provide it; private practitioners may be paid directly by the government or by the patient, who is then reimbursed by the government. With varying degrees of public involvement in the actual provision of health care come degrees of choice by the patient, of permanence in patient–physician relations, of incentive to hold down costs, of regularity in physicians’ incomes, and of ease of administration.

**Unemployment benefit programs**

These are common in industrialized countries, less so in developing countries. They usually provide 50 to 75 percent of base wages to workers who are normally employed and have become unemployed through no fault of their own and who are willing and able to work. Benefits are provided for limited periods and are financed typically from compulsory insurance payments made by employers or employees or both, sometimes supplemented by government funds.

**Family allowance benefits**

These are benefits provided by governments to families with a specified minimum number of children. The benefits may be open to all families, in which case the program is a step in the direction of a guaranteed family income, or they may be provided as supplements to other assistance, especially unemployment benefits.

**Work-injury compensation**

This is the oldest and most widespread social welfare program. Such programs usually cover all employees of firms above a specified size and are financed by employer contributions to some form of insurance plan. Benefits include medical payments, wage restoration (usually from 50 to 75 percent of actual wage), special indemnities for permanent bodily injury, and death benefits. Acceptance of work-injury or worker’s compensation benefits precludes recovery of damages by suits at law.

**Public assistance**

This is a residual program designed to provide assistance to various classes of needy persons not covered by other programs. Typical classes of beneficiaries include the aged not covered by the employment-related programs mentioned above, the blind, the disabled not covered by work-injury or other employment-related programs, and impoverished families with dependent children.