

How to use participative planning

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Abstract

Explains why participative planning should be adopted, and describes it. Lists, with examples, various steps of planning and provides hints. Details goal establishment, avoiding misunderstandings, participation, constraints and implementation. Concludes by supplying several possible benefits of participative planning.

Planning is an obvious management skill but Jay T. Knippen and Thad B. Green argue that it has to be based on participative approaches. They provide guidelines and steps on how it works in practice.

Participative planning is a type of planning in which the manager actively involves others in the planning process. The simplest reason for using participative planning is that it usually results in a better plan. When more than one person is involved, more ideas are likely to be generated, different views can be introduced, other's views trigger new ideas among participants, and each specialized area can be represented.

Another reason for using participative planning is that it serves as a form of motivation for those involved. Finally, a good plan will result in rewards for the manager, employees, and organization.

Participative planning should be used when there is adequate time, since two heads are better than one.

First steps

The first step in participative planning is to establish the goals which the plan is to accomplish. In some cases, the manager will specify goals which he feels should be included and in some cases the other people involved will specify goals.

To initiate participation, the manager may often have to ask the other individuals several types of questions. Many times an open question will start the participation, such as, "What additional goals can you add?" More directive types of questions may also contribute to increasing participation such as "What goals do we want to accomplish in the contract area of operations?"

Particular attention should be given to actively listening to the other person. This means utilizing restatement and summary, responding to non-verbal cues, and responding to feelings.

Restatement and summary will help one to understand the other person's communication better. It gives him/her the opportunity to see exactly what the message understood. If a message is interpreted incorrectly, then an opportunity exists to correct the message until it is understood.

Responding to non-verbal cues and feelings are perhaps the two active listening techniques which should be most used. Remember, in many instances the other person will be an employee, and employees often hesitate to disagree with or contradict their managers. Be especially sensitive to hesitations, tone of voice changes, facial expression, and bodily movements. Remember that more than half of total communications are non-verbal. Do not miss those messages.

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Saying something like, "You say you agree with that goal I just suggested, but by looking at that startled look on your face, I feel that you do not totally agree with it", will often open many new ideas or constraints which may have been overlooked.

Establishing goals

In establishing the goals, be sure that good goal setting techniques are used:

- explain why the goal-setting session is needed, its purpose and the events leading to the session;
- introduce the goal-setting process by discussing the format, how the goals will be used, and model goals that are specific, measurable, and realistic;
- generate the goals by first allowing each individual separate time and then selecting mutually agreeable goals;
- establish a monitoring system.

For example, the manager might start goal setting by telling the employee that his comments are important to the planning and goal-setting portion of the overall operations plan, because each division should have some input. He may further state that previous plans have often not been as effective as they could have been because only the senior management people were involved in the planning process.

A brief discussion would follow in which the manager clearly explained the format for

how the session should run and what each person's role should be. This prevents any misunderstandings concerning expectations and allows both parties to know exactly how far along they are towards establishing the goals.

A brief explanation would follow which re-emphasized the fact that the goals will be used as targets which the plan hopes to obtain. Samples of good and bad goals would be given next. Each goal should be measurable (such as 50,000 units produced per month), specific (such as being the number one producer in the industry as opposed to being among the best producers in the industry), and realistic (such as 15 per cent growth in profits as opposed to experiencing 150 per cent growth in profits).

After this is done, time should be allowed for people to generate their goals. On reconvening, the people involved should jointly discuss all of the suggested goals. The manager should take special care to be objective about all suggested goals. This helps to encourage participation because it minimizes the threat of failure.

The goals should be selected and agreed on by all parties, and a means for measuring them such as a monthly report of progress should be developed.

Planning constraints

After the goals have been established, the next step is to determine the constraints which affect the design of the plan. Again, both parties should have considerable input. Those constraints which are seen at one level may not come into effect at another level. Conversely, other levels may offer new constraints which did not previously exist.

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Some constraints are available money, time required for the plan, available manpower, reaction of the people affected by the plan, and political consequences. For example, if the plan called for a massive plant expansion but the fact that the expansion would cost ten

million dollars against only two million dollars being available, there would be no way the plan could be implemented.

The same holds true for time. Suppose the money borrowed for office expansion was due to be repaid in ten years. If one did miss projecting the length of time it would take to get that money back, the company might be in serious trouble. For example, the company has to pay back ten million dollars in ten years, but fails to realize that it would take 14 years to raise that amount of money if the current production plan is followed.

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If your plan calls for more manpower than you have available or can afford to have employed, there is no way it can be accomplished. This leads to another constraint. The people affected by the plan may undermine its implementation. If the plan called for a 10 per cent increase in production without hiring more personnel, a long, hard look must be taken as to whether the people who will have to increase production can and will, do so.

Many organizations have failed to consider political consequences in their planning and have suffered in the end. Companies which planned certain types of equipment expenditures have lost their cash outlay when environmental regulations required that the equipment meet certain emission standards or be shut down.

Plan alternatives

The third step in participative planning is to identify the alternatives for achieving the goals. This is done by getting all of the other people's suggestions first. In doing this, others are not to introduce any of their biases into the presenting person's thinking. Instead, this is an opportunity to hear and observe many alternatives objectively. Also, allow time for new thoughts and alternatives to be triggered by the others' comments. When employees have finished identifying their alternatives, the manager can add his alternatives.

The fourth step is to evaluate each alternative that may be part of the plan. Ask the other people to do this first. They should take each alternative and look at it in view of all constraints, and of all goals, in order to provide an opportunity to evaluate each alternative more objectively. Since the manager is in the driver's seat throughout the entire participative planning session, he or she should be sure that no goals or constraints are overlooked.

The fifth step is to select the alternative or combination of several alternatives which best meets the goals and constraints. This selection may be done by the manager, based on everyone's comments up to this point, or it may be done by another person, or most ideally it would be a joint decision between all involved.

Consider the following example. A manager and employee have concluded that two goals should be reached – 10 per cent increase in profits and a zero rate in personnel. The constraints identified are that salaries can only increase 5 per cent, they have one year to get the production up, and no new equipment can be purchased. Alternatives identified include: hire more people, reduce salaries, modify the equipment, reshuffle personnel, evaluate personnel; look into material ordering, provide incentive pay raises, do a motion study, forgo overtime, and develop a new product.

In evaluating the alternatives, they might conclude:

- new people could not be hired because then no raises at all could be afforded;
- these raises may keep personnel turnover to a minimum;
- although reducing salaries might increase profits, the resulting decline in morale would probably bring production down even further;
- machinery could be modified at a minimal cost to increase production;
- personnel could be moved to areas where they might be more productive but a thorough evaluation of their skills would be necessary and it might require several months – with time being lost due to retraining;
- raw materials might be purchased from another source which could reduce cost, thereby increasing profits;

- a motion study may show more efficient ways of performing specific work tasks;
- not allowing overtime would reduce costs but it would also reduce production and it might affect morale negatively;
- a new product would take at least a year and a half to begin production.

Obviously, from this list and the evaluation provided, the alternatives which should be selected are: modify the machinery to increase production, review alternative sources for the supply of raw materials, do a motion study.

The final step is to create an implementation schedule. This should include specifics about what is to be done, how it is to be done, who is to do it, when it is to be done, where it is to be done (if appropriate), and a budgeted list of expenditures. This step can take the form of a timetable or a schedule.

Participative planning is an effective means by which an organization enhances its operation. It involves people, motivates them, and results in better plans for the organization.