

## Planning and Organizational Development: A PPMC Approach

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### ABSTRACT

*The purpose of the study was to examine the relationship between planning and organizational development. A study of First City Monument Bank in Calabar Metropolis. The objectives were; to examine the relationship between long range planning and organizational development, to examine the relationship between intermediate planning and organizational development and to determine the relationship between short range planning and organizational development. Desk survey method was used in gathering relevant information on organizational planning and development. The study adopted Pearson product moment correlation statistical tool to examine the relationship between independent and dependent variables. Based on the analysis, the findings revealed that long range planning had a significant relationship on organizational development. Also shown that, intermediate planning and short range planning had a significant relationship on organizational development. The study recommended that policies should be disseminated down the line of management. There is an urgent need for all corporate management units to develop a policy that will be non-ambiguous, set out clear targets with well-defined objectives.*

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**KEYWORDS:** *Planning, long range planning, intermediate planning, short range planning, organizational development, PPMC-Approach*

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### INTRODUCTION

Planning is the most important management tool for performance and for organizations to perform well, resources must be well utilized and customers well served. To achieve such ends, organization's human and materials resources must be well utilized in the right way and the right time to create high quality products at minimal cost. Organization has been collective in order to achieve group or individual objectives. They serve as the means by which goods and services are provided beyond the boundaries of an individual or small group's capacity of self-sufficiency. Such provisions, also acknowledged, may be made for profit through some controlled framework of commercial or social provision (Dawson 2016).

However, planning on the other hand, is regarded as the most basic of all the management functions. It involves the selecting from among alternative future course of action for the organization as a whole and every department or section within it. Furthermore, it requires selecting organizational objectives and departmental goals, determines and provides a rational approach to pre-selected objectives. It strongly implies managerial innovation and the ability to create something (koontz, 2019).

Schermerhorn (2016) adds that most planning failures arise from their inability of managers to truly understand the planning and to implement it well. Problems have been identified in the planning process. For instance, in setting objectives, organizations find it difficult to

involve employees, shareholders, customers etc. closely related to this is the issue associated with the likely environmental events.

However, the study is to determine the effect of effective planning on organizational development and to also examine whether effective planning brings development in an organization. The specific objectives are;

- (i) To examine the relationship between long range planning and organizational development.
- (ii) To examine the relationship between intermediate planning and organizational development.
- (iii) To determine the relationship between short range planning and organizational development.

## **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **Theoretical framework**

#### Resource-based theory

The study adopted the resource-based theory of the firm. This theory combines concepts from organizational economics and strategic management (Barney, 1991). In this theory, the competitive advantage and superior performance of an organization is explained by the distinctiveness of its capabilities. Traditional sources of competitive advantage such as financial and natural resources, technology and economies of scale can be used to create value. However, the resource-based argument is that these sources are increasingly accessible and easy to imitate.

Barney's resource based view reflects the fact that rival organizations may not perform at a level that could be identified as considerable competition for the organizations that have been well established in the market because they do not possess the required resources to perform at a level that creates a threat and competition. An organization should exploit existing business opportunities using the present resources while generating and developing a new set of resources to sustain its competitiveness in the future market environments; hence, an organization should be engaged in resource management. There is always high uncertainty in the environment and for organizations to survive and stay ahead of competition, new resources become highly necessary.

### **Literature Review**

An important aspect of the managerial revolution of the past four decades has been said to be the tremendous interest in planning by all forms of enterprise such as business, government, educational institutions and others. The importance of planning in areas such as factory operations has been stressed many years earlier. For instance, production managers discovered early that without planning, their mistakes showed up within days, as production line came to a halt because of a misfit part or the absence of a needed component.

The idea of organization planning, has been conceptualized as far back as the 1940's by Goetz(1949), who stressed that planning is fundamentally choosing and 'planning problems arise only when an alternative course of action is discovered.' As such, Goetz saw planning as being inextricable linked with decision-making. But Koontz (2019) conceives planning to be much more than essentially decision-making. According to them, planning presupposed the existence of alternatives, and that there are very few decisions for which some kind of alternative does not exist. They state further that planning is decided in advance what to do,

how to do it, when to do it, and who is to do it. As the most basic of all managerial functions, planning involves selecting from among alternatives, future courses of action for the enterprise as a whole and for every departmental goals and determining ways of achieving them.

The authors argue that planning must involve an open-system approach to managing. This is because planning cannot be taken in a vacuum. Rather, it must consider the nature of the future environment in which planning decisions and actions are intended to operate. Stoner (2012) offers that planning is a process that does not end when a plan is agreed upon rather, it must be implemented.

Also at any time during the implantation and control process, plans may require modification to avoid becoming useless or even damaging Stoners argument therefore, implies that decisions must be made at many points in the planning process. For instance, managers must decide which predictions in such areas as the economy, and the actions of competitions are likely to be most accurate. They must also analyze organizational resources and decide how to allocate them to achieve their goals most effectively. Again, Koontz (2019) introduces an issue known as the nature of planning which can be highlighted by for aspects of planning. These aspects are contributions to purpose and objectives“ primacy of planning, pervasiveness of planning and efficiency of plans.

### **Influence of planning on organizational development**

According to Ballou (2017), planning involves the plan or pattern of act that adds company main goals, policies and action systems are unified into a whole. Sorel and Pennequin (2018) advocates for planning to involve developing objectives or the organizational strategic plans and looking for resources that would best be suited in achieving the organizational goals as outlined in strategic plans. Each goal should have financial and human resource projections associated with its completion so that it becomes successful.

The planning process also creates timelines for when the plans should be achieved. According to Ballou (2017), planning also involves developing the tracking and assessment method that will be used to monitor the project process. Planning is normally where the direction of the business is made through a multiplicity of activities comprising the making of goals. As such, the planning function of management symbolizes numerous points of decision making (Schraeder,2015). Marcic (2016) also identified the third effect of planning on organizational performance as its pervasiveness. The entire managers starting from the superintendent to the utmost officer who is the Chief Executive Officer (CEO) of a business are supposed to engage in planning. At the lower levels it may be termed as operational planning and whilst at the highest levels it is termed as strategic planning.

The time spent in planning in any lever depends on the level type. The CEOs may be involved more in engaging in activities such as organizing and planning, whilst head of departments are more involved in areas leading people, acquiring resources in the respective departments and the control of performance in the departments. According to Awino (2019), positive change is caused by effective planning. The efficiency of plans must be aligned to add to the aims of the business and to promote the analyzing and improvement of strategies.

Employees contribute in planning by giving their suggestion and test-driving the different strategies so as to get the best fit in terms of strategies that an organization can adopt,

resulting in increased performance. Whenever employees participate in crafting the plan development for a business, their motivation and attachment to the project is high thus making them more effective while running the project. Veetil (2018) showed that by applying strategic planning correctly, would be able to contribute to companies achieving better performance. Consequently, creating assignments with timelines considering the ability of individual employees in the completion of the task time horizon is also considered as the key element of strategic planning which is capable to advance the performance of the business.

Wagaki (2013) describes strategic planning as a continuing, never-ending, combined process demanding unceasing review and improvement. Strategic planning is thus considered and developed, vigorous and a collaborating process. To build your company to a performing level within the industry, the business has to strategize and employ the use of strategic planning practices. These are key characteristics which are vital towards founding and positioning the business strategically in the market.

### **Empirical Review**

In a study conducted by Akpan (2020), in Akwa-Ibom State on the extent to which planning has affected the productivity of an organization, a population of 215 employees was studied using the survey method of research and the questionnaire as the major instrument of data collection. The non-parametric chi-square technique was used in the analysis and it was found that strategic planning has affected the productivity of organizations to a large extent.

Khan (2014) conducted a study on the basis of controversial findings on the relationship between planning and firm performance and the differing nature of small and medium enterprises (SMEs) from that of large organizations, for the first time proposed an empirical study which combines planning with that of intellectual capital. This is one of the first studies in which any researcher has combined the literature of strategic planning with that of intellectual capital in any empirical research. Furthermore, this is the first study in the context of strategic planning from the perspective of Pakistan.

Alaka (2011) in a study of planning and company performance, observed that strategy is designed to help an organization gain competitive advantage over its rivals. This however involves and short term priorities through the adoption of various business analytic techniques. Cross sectional survey research method, using so randomly selected respondents. Analysis of variance (ANOVA) was used to test the research hypothesis. Findings show that planning has positive impact on profitability of insurance. Companies, there is a high and positive correlation between strategic and better service delivery in Nigeria. Based on the evidence, the study recommended that Nigerian insurance managers should have a well-conceived strategic. Visions that can prepare their companies for the future, establish long term direction and indicate the company's invest and intent to stake out a particular business position.

Modebelu (2012) examined planning procedure as an imperative for effective management of higher education in Nigeria. 200 respondents were drawn from 5 Federal Universities in the South East geo-political region were utilized for the study. 4 research questions guided the study; 4 point Likert-type rating with 21 item researchers' self-made questionnaire was used

for data collection. Mean computation was used to analyze the research questions while Pearson product movement was used to establish the reliability of the instrument. Findings show that low level management of higher education goals, identification of seven item elements of effective management, identification leads to corporate failure. It was recommended that there should be full adoption vis-à-vis implementation of strategic planning in Nigeria

## METHODOLOGY

An ex post facto research design was necessary for a study of this nature. The study focused on planning and organizational development: A study of First City Monument Bank(FCMB). The study adopted primary source of data. The study employed Pearson Product Moment Correlation analysis to measure the relationship between variables tested in the study.

## DATA ANALYSIS AND FINDINGS

### Test of hypotheses

Hypothesis one:

H<sub>0</sub>: There is no significant relationship between long range planning and development

Independent variable: Long range

Dependent variable: Productivity.

Test statistic: Pearson's product moment correlation coefficient

The analysis showed a correlation coefficient of 0.872 indicating the existence of strong positive relationship between long range and productivity. The test was significant at 0.01 significant level and led to the rejection of the null hypothesis which states that there is no significant relationship between long range planning and productivity. Consequently, the alternative hypothesis was accepted and conclusion reached that there is a significant relationship between long range planning and productivity

TABLE 1

Correlation result of relationship between long range and productivity

	LR	Productivity
LR	Pearson correlation	.872**
	Sig. (2-tailed)	.000
	Sum of squares and cross-products	138.58
	Covariance	.250
Productivity	N	196
	Pearson correlation	.872**
	Sig. (2-tailed)	.000
	Sum of squares and cross-products	176.41
	Covariance	.336

N 196 196

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS analysis

Hypothesis two:

H<sub>0</sub>: There is no significant relationship between intermediate planning and productivity

Independent variable: Intermediate

Dependent variable: Productivity

Test statistic: Pearson's product moment correlation coefficient

The analysis showed a correlation coefficient of 0.845 indicating the existence of strong positive relationship between intermediate planning and productivity. The test was significant at 0.01 significant level, and led to the rejection of the null hypothesis which states that there is no significant relationship between intermediate planning and productivity. The alternative hypothesis was consequently accepted and conclusion reached that there is a significant relationship between intermediate planning and productivity.

TABLE 2

Correlation result of relationship between intermediate and productivity

		INT	Productivity
INT	Pearson correlation	1	.845**
	Sig. (2-tailed)		.000
	Sum of squares and cross-products	301.74	116.94
	Covariance	.421	.305
	N	196	196
Productivity	Pearson correlation	.845**	1
	Sig. (2-tailed)	.000	
	Sum of squares and cross-products	176.94	159.32
	Covariance	.305	.201
	N	196	196

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS analysis by Researcher,2022

Hypothesis three

H<sub>0</sub>: There is no significant relationship between short range planning and productivity.

Independent variable: Short range planning

Dependent variable: Productivity

Test statistic: Pearson's product moment correlation coefficient

The analysis showed a correlation coefficient of 0.809 indicating the existence of strong positive relationship between short range planning and productivity. The test was significant at 0.01 significant level. This led to the rejection of the null hypothesis in favor of the alternative hypothesis which states that there is a significant relationship between short range

and productivity. The conclusion was that short range planning significantly related with productivity.

TABLE 3  
 Correlation result of relationship between short range and productivity

	SR	Productivity
SR	Pearson correlation	1
	Sig. (2-tailed)	.809**
	Sum of squares and cross-products	33.32
	Covariance	.517
Productivity	N	196
	Pearson correlation	.809**
	Sig. (2-tailed)	.000
	Sum of squares and cross-products	127.92
	Covariance	.404
	N	196

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS analysis by Researcher,2023

Based on the analysis of results, the following findings were made thus:

1. Long range planning has a significant relationship with organizational development.
  - 2: Intermediate planning has a significant relationship with organizational development
  - 3: Short range planning has a significant relationship with organizational development.
- relationship between

### Conclusion and Recommendations

The study empirically examined the relationship between organizational planning and organizational development. The study revealed that long range planning, intermediate planning and short range planning have a significant relationship with organizational development. Planning involves the plan or pattern of act that adds company main goals, policies and action systems are unified into a whole. It empowers managers to convert data into valued decisions and appropriate actions.

The planning process also creates timelines for when the plans should be achieved. Planning is normally where the direction of the business is made through a multiplicity of activities comprising the making of goals. As such, the planning function of management symbolizes numerous points of decision making. Employees contribute in planning by giving their suggestion and test-driving the different strategies so as to get the best fit in terms of strategies that an organization can adopt, resulting in increased performance. The following recommendations are made for the study:

1. There is an urgent need for all corporate management units to develop a policy that will be non-ambiguous, set out clear targets with well-defined objectives.
2. Policies formulated should be disseminated down the line of management.
3. External and internal factors tend to affect organizations and also be involved while planning.

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