

Strategic Planning and Forecasting: A Panacea for Growth in Ponticelli Nigeria Limited

NNENNA N. CHUKWUMA,
National Open University, Abuja, Nigeria

Abstract. The purpose of this study is to empirically investigate the relationship between planning and forecasting in modern organisations, our focus is on Ponticelli Nig. Ltd. This is paramount as organisations needs to be abreast with the past, today and compare/contrast as well as project what will happen in the future. These activities, inform of forecasting and planning cuts across all paraphernalia of mankind irrespective of class, age, race etc. This simply implies that, in order to manage any system, the role of forecasting and planning must not be treated with levity. Potent Research and hypothetical questions were raised and tested using qualitative forecasting techniques. Relevant literature was reviewed. The convenience sampling method was adopted due to the fact that clients/consumers of Ponticelli Nig. Ltd. products in Port Harcourt are virtually many. The “spearman rank correlation coefficient” was used to test various formulated hypotheses. The rationale for this decision was due to the fact that the researcher seeks to examine the relationship between planning and forecasting as it relates to the growth of Ponticelli Nig. Ltd. The findings revealed that, resources as a variable of planning, plays a weak role in forecasting. In the same vein, control has no relationship with the firms qualitative analysis in the overall products provided in Ponticelli Nig. Ltd. The study recommended that Ponticelli Nig. Ltd. and other organisation in Port-Harcourt Nigeria should devise a more unique and distinct ways of forecasting, since the study pointed an obvious weak relationship

between control and forecasting, same as resources and qualitative analysis.

Keywords: Planning, Forecasting, Change and Growth .

1. Introduction

Today is the age of planning, forecasting and policy decision making. In the past, people entered businesses without plans as well as forecasting the nature of the business. Some are touting sophisticated business plans; others come bearing little more than a blueprint. Yesterday’s business or organization managers had primary goal as to the how’s of running the organization and today’s organization managers must both versed with the how and why of the organization.

Planning and forecasting are two words that cannot be dispensed in the existence of man. In all aspect of life, man need to understand what happened in the previous days, months, years, what is happening today, compare and contrast with what the future will hold in order to achieve good and healthy living, if life must be meaningful. Forecasting and planning cuts across all paraphernalia of mankind irrespective of class, race, grade and category. In other to manage any system efficiently and effectively, planning and forecasting must be employed to achieve the desired goal of any organization.

According to Akanwa (2006), ‘planning implies a process of conscious and deliberate act to fulfil

certain predetermined objectives. Planning is an analytical activity, and is a breaking down a goal or set of intentions into steps, formulating those steps so that they can be implemented almost automatically and articulating the anticipated consequences or results of each step (Henry, 2006).

Planning is the corner stone of effective strategy formulation. It is also essential for successful strategy implementation and strategy evaluation, because organizing, motivating, staffing and controlling activities are dependent upon good planning (Akakem, 2006). Planning is the fundamental and primary managerial function for any specific operation. It can be said to be the foundation for the performance of manager's job. Although managerial functions are not really separate in process, still managers have to plan to be able to carry out operations towards clear objectives which themselves are the outcome of planning (Ozuru, 2006). They have to plan to be able to assign tasks to those with whom and through whom they do things. Every action of mankind involves consciously or unconsciously, some sort of planning (Akanwa, 2006). Planning consists essentially of deciding in advance, what you want to do and how you are going to do it. It is an application of rational and systematic analysis to the process of development with the aim of making it more effective and efficient in responding to the needs and goals of the society (Akakem, 2006). It equally involves deliberate preparation in the present based on empirical and analyzed data of the past, and present state of affairs to ensure that within available resources and those that can be made available, goals are pursued and realized through clearly mapped out actions. Planning and forecasting ensures that stated goal is realized in the most efficient and effective manner within a specified time period. Organizations that use formal planning and forecasting approach are generally more profitable than those that do not.

On the other hand, forecasting is a decision-making tool used by many organizations to help in budgeting, planning, and estimating future growth (Vanguard, 2017). Akrani (2011) defined forecasting as a 'process of predicting or estimating the future based on past and present

data. Forecasting provides information about the potential future events and their consequences for the organization. It may not reduce the complications and uncertainty of the future. However, it increases the confidence of the management to make important decisions. In simplest terms, forecasting is the attempt to predict future outcomes based on past events and management insights. It is the basis of premising as well as uses many statistical techniques. Therefore, it is also called 'statistical Analysis'. According to Harvard (2006), forecasting is an attempt to estimate the future. It is based on available past data, the extrapolation of trends and the application of judgement. There are three basic forecasting methods; times series analysis and projection, qualitative techniques, casual methods (Mintzberg, 2006)

2. Statement of the Problem

The business world is faced with many upheavals which tend to impede the entire organization such as rapid changes such as dynamic and complex environmental technology, political, social, religious and economic changes. The unstable nature of the business environmental and rapid changes in the social dynamics makes planning and forecasting to be problematic and stressful. Economic insecurity, regulation or legislation, scarcity or inadequacy of raw and /other crucial materials, shortage of managerial qualified and technical talented personnel tends to pull down the organization growth in the world.

The study seeks to determine the relation between planning and forecasting in organization growth of Ponticelli Nigeria Limited in Port Harcourt.

3. Objectives of the Study

The main objective of this study is to determine the extent of relationship between planning and forecasting in organizational growth in Ponticelli Nigeria Limited, Port Harcourt. Based on this, the following objectives are derived:

- To investigate the relationship between control and qualitative analysis in the

growth of Ponticelli Nigeria Limited, Port Harcourt.

- To determine the relationship between control and input –output analysis in the growth of Ponticelli Nigeria Limited Port Harcourt.
- To determine the relationship between resources and qualitative analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt.
- To determine the relationship between resources and input-output analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt.

4. Research Questions

- To what extent is there any significant relationship between control and qualitative analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt?
- To what extent is there any significant relationship between control and input-output analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt?
- To what extent is there any significant relationship between resources and qualitative analysis?
- To what extent is there any significant relationship between resources and input-outputs analysis in the growth of Ponticelli Limited, Port Harcourt?

5. Research Hypotheses

The following are the hypotheses formulated based on the research questions above:

H₀₁: There is no significant relationship between control and qualitative analysis in the growth of Ponticelli limited, Port Harcourt.

H₀₂: There is no significant relationship between control and input-output analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt.

H₀₃: There is no significant relationship between resources and qualitative analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt.

H₀₄: There is no significant relationship between resources and input-output analysis in the growth of Ponticelli Nigeria Limited, Port Harcourt.

6. Review of Related Literature

6.1 Planning

Individuals and organizations have operated for hundreds of years by planning and forecasting in an intuitive manner. It was not until 1950 that formal approaches become popular. Since then, such approaches have been used by business, government, and non profit organizations. Advocates of formal approaches (for e.g., Steiner, 1979) claim that an organization can improve its effectiveness if it can forecast its environment, anticipate problems, and develop plans to respond to those problems. Planning can be formal or informal and involve lots of documentation or very little. However, informal planning and forecasting are expensive activities; this raises questions about their superiority over informal planning and forecasting (Nicolas, 2016).

Assar (2012), defines planning as deciding in advance what is to be done, when, where, how and by whom it is to be done. There are several definitions of planning by scholars which we will look at. According to Alford et al (2014), ‘planning is a thinking process, an organized foresight, a vision based on fact and experiences that is required for intelligent action’. Haimann (2015), in his own words, defined planning ‘as deciding in advance what is to be done, projecting a course of action for further attempt to achieving a consistent co-ordinate structure of operations aimed at the desired results’. Kontz et al (1988 accessed May 2017), says that planning is an intellectual process, conscious determination of course of action, the base of decision on purpose, facts and considered estimates’. In my own words, I define planning as ‘taking a proactive measure ahead of time, making accurate decisions on what to do in the near future to avoid mistakes’.

Planning increases the likelihood that desired result will be achieved as well as the corner

stone effective strategy formulation. Planning is also essential for successful strategy implementation and strategy evaluation, because organizing, motivating, staffing and controlling activities are dependent upon good planning (Assar, 2012). Planning is the fundamental and primary managerial function for any specific operation. It is the foundation for the performance of a manager's job (Alfordet al, 2014). Although managerial functions are not really separate in process, still managers have to plan to be able to carry out operations towards clear objectives which themselves are the outcome of planning. Every organization as well as mankind involves consciously or unconsciously some sort of planning (Akakem, 2006). Davies (1986 accessed May 2017), asserts that managers perform five basic activities: planning, organizing, motivating, staffing and controlling. Although planning is often considered to be the foundation of management, it is commonly the most neglected task of a manager's job. The only thing certain about future of an organization is change and planning is the essential bridge between the present and future (Akakem, 2006).

Planning consists essentially of deciding in advance what you want to do and how you are going to do it. It is the application of rational and systematic analysis to the process of development with the aim of making it, more effective and efficient in responding to the needs and goals of the society (Akanwa, 2003). It equally involves making deliberate preparation in the present, based on empirical and analyzed data of the past and present state of affairs, to ensure that within available resources and those that can be made available, goals are pursued and realized through clearly mapped out action (Akrani, 2011). Planning therefore ensures that stated goals are realized in the most effective and efficient manner and within a specified time period. Organizations that use formal planning approaches are generally more profitable than those that do not (Akrani, 2011).

There are some important reasons why planning has a positive impact on organizational and individual performance. First, planning allows an organization to identify and take advantage of

environmental opportunities; it allows an organization to minimize the impact of environmental threats (John et al, 2015). Planning is more than extrapolating from the past and present into the future. It is also determining the likelihood that future events and trends could be harmful or beneficial to an organization (Jamie et al, 2015). Second, an organization can develop synergy through planning; synergy exists when everyone pulls together towards like a team that knows what it wants to achieve. Synergy is the 2+2=5 effect; by establishing and communicating clear objectives and goals, all employees and managers can work together towards desired results. Synergy can result in powerful competitive advantages (Jamie et al, 2015). Third, planning allows an organization to adapt to changing environments, and thus to shape its own destiny. The strategic management process can be viewed as a formal planning process that allows an organization to pursue proactive rather reactive strategies. John (2015) says that successful organizations strive to control their own future, rather than merely reacting to external forces and events as they occur.

6.2 Concept of Planning

The two main constituents of the concept of planning are:

- System of ends to be pursued; and
- Knowledge as to available resources and their optimum allocation to achieve these ends.

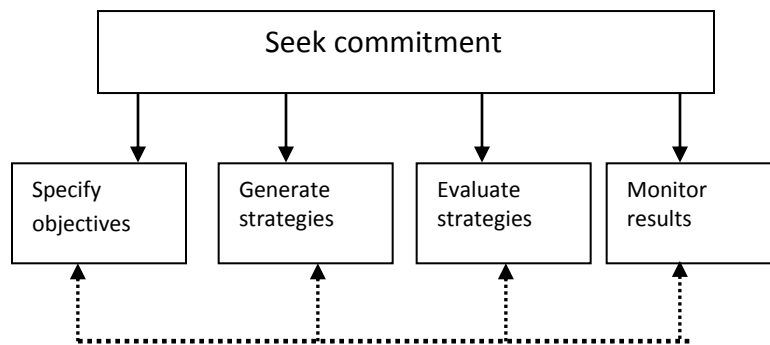
The availability of resources conditions the end to be effectively achieved. The end is the objective that is to be achieved while the second part is putting the scarce resources into optimum use (Akakem, 2006). The important point to stress is that planning is a process of preparing for the commitment of resources in the most economical fashion and by preparing, for allowing the commitment to be made faster and with less disruption, therefore, it is anticipatory decision making (Akakem, 2006). Some authorities in the field argue as to whether planning is a line or staff activity. This may

sound relevant at the on-set but this argument is meaningless.

This is because what should be useful to ask should be; who in the organization should carry which parts of the planning process, in what manner it should be carried out and in what relationship? This is not to recognize that the economic lives of most decisions today are becoming shorter and, at the same time, the complexity of such decisions is becoming greater (Akakem, 2006). The biggest failure in the planning experiences of most organization has been the failure to recognize that it is a process, mechanism for planning, and not the plan that is of greatest importance (Nicolo, 2016). The purpose of planning is not in having plan but developing processes, attitudes and perspectives which make planning possible. Ideally, these attitude and perspectives will aid in creation processes which provides a basis for making continuous reappraisals and decisions reflecting the demands of a changing world (Akakem, 2006).

6.3 Description of the strategic planning process

Formal strategic planning calls for an explicit written process for determining the organization's long-range objectives, the generation of alternative strategies for achieving these objectives, the evaluation of these strategies and systematic procedure for monitoring results. Each of these steps of the planning process should be accompanied by an explicit procedure for the gaining commitment. This process is summarized in fig 2.1 the arrows suggest the best order in which to precede. The need for commitment is relevant for all phases. The specification of objectives should be done before the generation evaluation. The monitoring step is last. The dotted line indicates that, to some extent, the process is iterative. For example, the evaluation may call for on going back to the organisation of new strategies, or monitoring may require a new evaluation of strategies (Baker's, 1957 accessed June 2017)



The various steps of planning process are described below along with some formal techniques that can be used to make each step explicit. Although commitment is the first step, it is easiest to discuss this last). This discussion is perspective, it suggests how planning should be done.

6.4 Specify Objectives

Formal planning should start with the identification of the ultimate objectives of the organisation. Frequently, organisations confuse their objectives (what they want and by when) with their strategies (how they will achieve the objectives). For example, suppose that an

organisation desires to make money for its stock holders. To do this, it decides to build a tunnel through a mountain in order to charge tolls to automobiles. They plan to complete the tunnel in five years. On the way through the mountain, they strike gold. To mine the gold, the activities on the tunnel must be suspended. Does the organization pursue its objectives of making money or does it stay with its strategies of tunnel building? What would your organization do? (Baker, 1957)

The analysis and settings of objectives has long been regarded as a major step in formal strategies planning. Informer planners seldom devote much energy to this step. The difficulties

in setting objectives have led some observers to recommend that formal planners ignore this step (Baker, 1957). The recommendation here is just the opposite, significant time and money should be allocated to the analysis of objectives. This difficult step might be aided by use of an outside consultant to help the group focus only upon the objectives.

The question can also be attacked by asking what results would define successful performance by the company over the next twenty years. At this stage, no concern should be given as to how to achieve the objectives and planners should explicitly recognize all of the important objectives of the system. One way to help ensure that analysis of objectives is comprehensive is to use stake holders approach. This calls for a listing of all groups that contribute resources to the firm. Then a description is provided of the objectives of each of these stakeholders (Baker, 1957). A strength and weakness analysis should be conducted. This calls for an inventory of the organization's resources (such as financial, marketing, production). What do they have now and what do they plan to have? The objectives would then be drawn from what is desired (stakeholders' analysis) and what is feasible (strength and weakness analysis). The written statement of the objectives should start the ultimate objectives. These general objectives would then be translated into more specific objectives should so that each decision maker can see how to contribute to the overall objectives. In addition to being specific, the objectives should be measurable (Lathan and Kinne, 1974).

The objectives would include statements on; what is desired and when. Thus, the marketing department can refer to the planning manual to determine its role in meeting the overall organization objectives.

Advocates of informal planning argue that specific written objectives create political problems within the organization. Vague objectives allow for the greatest flexibility in actions. Political oriented leaders often prefer unstated objectives. But evidence from studies in organizational behaviour suggests that explicit

and specific objectives are of substantial benefits especially when used in conjunction with the other planning steps (Lathan et al 1975). Once the objectives have been specified, the planners can proceed to the generation of strategies. If the objective setting was successful, the remaining steps will be easier.

6.5 Generate Alternative Strategies

A strategy is a statement about the way in which the objectives should be achieved. Strategies should be subordinate to objectives (Rothe, 1978). That is, they are relevant only to the extent that they help to meet the objectives. This advice is obvious to ignore, the generation of alternative strategies helps to avoid this problem. It recognizes explicitly that the objectives may be achieved in many different ways. Strategies should first be stated in general terms. The more promising strategies should be explained in more detail. The planning process is not complete until the organization has at least one (and preferably more than one) operational strategy. An operational strategy describes: what task must be done, who is responsible for each task, when each task must be started and completed, the resources (time and money) available for each task, how the task relates to one another.

This operation strategy becomes the basis for action by various functions in the organization: finance, personnel, production and marketing. Alternative strategies can improve the adaptability of the organization in two ways. First, by explicitly examining alternatives, it is likely that the organization will find some that are superior to their current strategy. Second, the environment might change; if alternative (contingency) plans have been prepared, the organization is in a better position to respond successfully. Alternatively, they can select a strategy that performs well even if the environment changes (Ackoff1970).

Organizations sometimes have difficulty developing alternative strategies to deal with unfavourable environments (threats). One technique that can help organizations with this problem is the use of scenarios. This involves

having decision makers write stories about the future of their company. They can write a scenario describing what will happen to their company if the threat occurs, given their current strategy. Then, they could write about a desired future. What would they want the company to be like? The question then becomes, "What must we do to achieve this type of future?" Consideration can be given to changing the organization's resources or to the use of alternative strategies (Rothe, 1978). The development of scenarios calls for creativity within the organization. According to Armstrong (1978), to bring out this creativity, it is helpful to use brainstorming. Key stakeholders for the organization can be asked to consider alternative strategies, alternative resources, and alternative environments by following these rules for brainstorming:

1. Gain agreement within the group to use brainstorming.
2. Select a facilitator. The facilitator:
 - a. Records ideas as they are mentioned
 - b. Encourages quantity of ideas
 - c. Reminds the group not to evaluate (either favourably or unfavourably)
 - d. Encourages wild ideas
 - e. Does not introduce ideas

It is difficult to say how many alternative strategies should be listed. Certainly more than one! But the number could quickly get out of hand considering the vast number of possible combinations. Try to list strategies to deal with dramatically different yet likely environments. After this larger list has been developed, screen the list to determine which strategies should be developed in more detail. Two guidelines appear to be of particular importance for the development of a strategy. The strategy should be comprehensive and it should provide slack. To ensure that strategies are comprehensive, planners have typically suggested the use of flow charts. These list each of the key tasks that must be accomplished and show how each task relates to the others. Numerous publications have offered advice in this area (for example, Ansoff, 1965; Steiner, 1979). Slack means that resources (time, money, facilities) should not be fully committed to the recommended strategy. Some resources should be held in reserve; these

can be used to relieve stress if parts of the plan break down. Slack is analogous to the use of inventories. The use of slack adds flexibility to the plan.

Evaluate Alternative Strategies

Once sufficient strategies have been proposed, the evaluation of alternatives can begin. This requires a procedure by which each alternative plan is judged for its ability to meet the objectives of the organization. Such a process is not simple, because conflicting objectives usually exist among stakeholders. Furthermore, the presence of uncertainty complicates the choice of a strategy. For example, one should consider not only how well the strategy does for the most likely situation, but also how well it does against other possible situations, especially those that are dramatically different.

One procedure for the evaluation of alternatives is the Delphi technique. Various strategies (for a given environment) are presented to the key stakeholders. Each person works independently to rank these alternatives. A summary of the group rankings is then presented to these same stakeholders, and they are asked to provide a second ranking, still working independently. This procedure can be repeated for a number of "rounds" As a variation, group discussion can be used to exchange information between rounds. The Delphi technique provides a more efficient and less biased way to use the information held by the key decision makers than that provided by informal methods (Linstone, 1975 accessed June 2017).

The use of scenarios is also relevant to evaluation, particularly when dealing with negative evidence from the environment. Much research suggests that organizations avoid unpleasant information. As an example of this tendency to reject negative evidence, Griffith and Wellman (1979 accessed June 2017), in a study of expansion plans in six hospitals, found that forecasts of decreasing demand were ignored. As a result, the hospitals overbuilt. The use of scenarios might have identified the reactions to unfavourable forecasts prior to investing money on these forecasts. The hospitals could then have cancelled the proposed expenditures on forecasting if they could not

decide how the forecasts might affect their decision making.

Other formal procedures for evaluation can also be used. For example, structured rating sheets can be used to evaluate the general strategies against the stakeholders' objectives and to gauge the extent to which negative information was considered. Also, one could rate each operational strategy on the extent to which it succeeded in the following areas: provided adequate resources, allowed adequate slack, set reasonable time deadlines, presented a comprehensive strategy, and presented an operational strategy.

The use of the devil's advocate, when a person argues against a favoured alternative, can help to ensure that both sides of a plan are considered (Cosier, 1978). The major point for evaluation is to use formal procedures and to not use informal ones, such as the traditional group meeting. The latter provides one of the poorest ways to evaluate strategies. Janis (1971) examined a number of major failures in strategy evaluation, such as the Bay of Pigs, and concluded that much of the blame was due to the lack of formal processes for evaluation. He provided a checklist that groups can use to improve their ability to generate and evaluate alternative strategies.

The evaluation step concludes with the selection of an operational strategy. This is the strategy the company will attempt to implement. (This strategy should contain contingency plans also.) But will the strategy really meet the objectives? To assess this, the next step of the planning process, monitoring results, is taken. This step is prepared prior to the implementation of the strategy.

Monitor Results

The value of feedback has been well established in laboratory studies, especially when combined with the setting of objectives (Tolchinsky et al 1979). Field studies have also demonstrated the value of explicit feedback (Becker, 1978). It seems important, then, to provide feedback to the organization on how well they are meeting their objectives. In other words, specific procedures should be developed to "monitor

results." The monitoring system should allow for corrective action. To do this, the following items should be measured in a systematic way:

1. Changes in the environment (sometimes called "environmental scanning")
2. Changes in the organization's capabilities (and in their competitors' capability)
3. Actions that were actually taken by the organization (did they implement the desired strategy?)
4. Actions by major competitors
5. Results

Planning involves a trade-off between consistency and flexibility. Formal planners try to develop a strategy so that a complex organization can operate in a coordinated manner. The members of the organization must sacrifice flexibility in order to follow a consistent strategy. However, changes in any of items 1 to 5 above could suggest a change in strategy. Thus, the monitoring system should signal when a change in strategy should be considered. Fixed review times should be selected in advance. Many firms conduct a review once a year. At these times, decisions should be made whether to continue with the original strategy, revise the strategy, or switch to a contingency plan. For very large changes it is best to view the strategy as being experimental and to schedule more frequent review periods, perhaps quarterly. In addition to fixed review times, the monitoring system should also have control limits. These would be upper and lower bounds for each of the above five areas. When the system goes outside of these limits, a planning review would be conducted whether or not it was time for the fixed review. The monitoring of outcomes should relate back to the objectives for each stakeholder. This should allow for a comparison to be made between results and objectives in order to decide whether the strategy is successful for each stakeholder.

The monitoring system is expected to have a greater impact if it is tied into the organization's incentive system. This helps to ensure that the participants are committed to the objectives described in the plan. Companies sometimes develop comprehensive plans, but then focus solely on the stockholders or the managers. The

monitoring system should focus on the long-range impact of the plan on all of its stakeholders. One way to improve the monitoring of results is to have an evaluation performed each year by an independent auditor. The following questions could be addressed: Is the monitoring system comprehensive? Is the planning process adequate? Is the forecasting process adequate? (Armstrong, 1982).

Seek Commitment

Business plans and forecasts are frequently ignored; at other times they are used to rationalize a course of action previously decided. What can be done to develop commitment to the planning process? What can be done to ensure that the various stakeholders will cooperate and try to implement the chosen strategy? Attention should be given to commitment throughout each of the above steps in planning. Formal planning calls for an explicit procedure for gaining commitment to the plan. A first condition is that key stakeholders should be evolved in the planning process. This would mean, at least, that information should be obtained from these stakeholders. Publicly stated objectives are a requirement if the objectives are expected to have an impact on behaviour. Each stakeholder group and each key decision maker should be aware of the objectives. This can help to achieve consensus. Commitment to objectives is expected to be higher if those who are affected by the strategic decisions participate in the objective-setting process. In other words, self-set objectives are more likely to be attained than objectives set by others. This generalization is based on laboratory studies (Bass, 1977) and on field studies. Participation is not necessary in all situations; however, it generally helps, and seldom does it make things worse. Participation by stakeholders is also helpful in the generation and evaluation of alternative strategies (Van de Ven, 1980). This is most important where the strategy involves large changes, because the threat to the various stakeholders is reduced if they have some control over these changes. Commitment can be maintained more effectively if the monitoring system provides quantitative feedback on success in meeting each objective. Key decision makers can then use this feedback

to make tactical changes. Stakeholders can see how the strategy is meeting their objectives. Rather than seeking commitment to the plan, top management sometimes uses planning as a way to gain control over others. They may use it to reduce the authority of subordinate managers and unilaterally to reduce the ability of these managers to act. This may help to explain why planning is more popular among top management. Ang and Chua (1979) in his survey, 80 percent of top management reported that they were "very favourable" toward long-range planning; 30 percent of the operating managers agreed. If plans are imposed on others, their impact might be detrimental. Operating management could feel less responsible for the success of strategic decisions. They might even feel threatened by the strategic decisions and attempt to reduce their effectiveness.

To avoid having the monitoring system used to control others, it is best to provide managers with information about how their group has performed, not the individuals within their group. Their subordinate managers, in turn, would receive information only about their group. Overall, then, sufficient feedback is received, but it is used to guide one's own actions as a manager. "How can I help my group to perform?" is the issue, not "How can I control the managers under me?"

6.6 Role, Significance, Importance and Advantages of Planning

An organization without planning is like a sailboat minus its rudder. Without planning, organization, are subject to the winds of organizational change. Planning is one of the most important and crucial functions of management. According to Koontz and O'Donnell, "Without planning business becomes random in nature and decisions become meaningless and adhoc choices." According to Geroge R. Terry, "Planning is the foundation of most successful actions of any enterprise." Planning becomes necessary due to the following reasons:

Reduction of Uncertainty

Future is always full of uncertainties. A business organisation has to function in these uncertainties. It can operate successfully if it is able to predict the uncertainties. Some of the uncertainties can be predicted by undertaking systematic. Some of the uncertainties can be predicted by undertaking systematic forecasting. Thus, planning helps in foreseeing uncertainties which may be caused by changes in technology, fashion and taste of people, government rules and regulations, etc.

Better Utilization of Resources

An important advantage of planning is that it makes effective and proper utilization of enterprise resources. It identifies all such available resources and makes optimum use of these resources.

Increases Organizational Effectiveness

Planning ensures organizational effectiveness. Effectiveness ensures that the organization is in a position to achieve its objective due to increased efficiency of the organization.

Reduces the Cost of Performance

Planning assists in reducing the cost of performance. It includes the selection of only one course of action amongst the different courses of action that would yield the best results at minimum cost. It removes hesitancy, avoids crises and chaos, eliminates false steps and protects against improper deviations.

Concentration on Objectives

It is a basic characteristic of planning that it is related to the organizational objectives. All the operations are planned to achieve the organizational objectives. Planning facilitates the achievement of objectives by focusing attention on them. It requires the clear definition of objectives so that most appropriate alternative courses of action are chosen.

Helps in Co-ordination

Good plans unify the interdepartmental activity and clearly lay down the area of freedom in the development of various sub-plans. Various departments work in accordance with the overall plans of the organization. Thus, there is harmony in the organization, and duplication of efforts and conflict of jurisdiction are avoided.

Makes Control Effective

Planning and control are inseparable in the sense that unplanned action cannot be controlled because control involves keeping activities on the predetermined course by rectifying deviations from plans. Planning helps control by furnishing standards of performance.

Encouragement to Innovation

Planning helps innovative and creative thinking among the managers because many new ideas come to the mind of a manager when he is planning. It creates a forward-looking attitude among the managers.

Increase in Competitive Strength

Effective planning gives a competitive edge to the enterprise over other enterprises that do not have planning or have ineffective planning. This is because planning may involve expansion of capacity, changes in work methods, changes in quality, anticipation of tastes and fashions of people and technological changes etc.

Delegation is facilitated

A good plan always facilitates delegation of authority in a better way to subordinates. According to Katyani (2012) the following are the advantages of planning:

Increases efficiency: Planning makes optimum utilization of all available resources. It helps to reduce wastage of valuable resources and avoids their duplication. It aims to give the highest returns at the lowest possible cost. It thus increases the overall efficiency:

Reduces business-related risks: There are many risks involved in any modern business. Planning helps to forecast business-related risks. It also helps to take the necessary precautions to avoid these risks and prepare for future uncertainties in advance. Thus, it reduces business risks.

Facilitates proper coordination: Often, the plans of all departments of an organization are well coordinated with each other. Similarly, the short-term, medium-term and long-term plans of an organization are also coordinated with each other. Such proper coordination is possible only because of efficient planning.

Aids in Organizing: Organizing means to bring together all available resources, organizing is not possible without planning. It is so, since, planning tells us the amount of resources required and when are they needed. It means that planning aids in organizing in an efficient way.

Gives right direction: Direction means to give proper information, accurate instructions and useful guidance to the subordinates. It is impossible without planning. It is because planning tells us what to do, how to do it and when to do it, therefore, planning helps to give a right direction.

Keeps good control: With control, the actual performance of an employee is compared with the plans, and deviations (if any) are found out and corrected. It is impossible to achieve such a control without right planning. Therefore, planning becomes necessary to keep a good control.

Helps to achieve objectives: Every organization has certain objectives or targets. It keeps working hard to fulfill these goals. Planning helps an organization to achieve these aims, but with some ease and promptness. Planning also helps an organization to avoid doing some random (done by chance) activities.

Motivates personnel: A good plan provides various financial and non-financial incentives to both managers and employees. These incentives motivate them to work hard and achieve the objectives of the organization. Thus, planning

through various incentives helps to motivate the personnel of an organization.

Encourages creativity and innovation: Planning helps managers to express their creativity and innovation. It brings satisfaction to the managers and eventually success to the organization.

Helps in decision-making: A manager makes many different plans. Then the manager selects or chooses the best of all available strategies. Making a selection or choosing something means to take a decision. So, decision-making is facilitated by planning. Therefore, planning is necessary for effective and efficient functioning of every organization irrespective of its size, type and objectives.

6.7 Control

In order to grasp this notion, we need to draw on a broad definition of “control”, such as found in the *Oxford English Dictionary*: “to determine the behaviour or supervise the running of, to maintain influence or authority over to regulate”, “to hold sway over, and to dominate, to command. To hold in check or repress one’s passions or emotions; so to control one’s feelings, etc.” Some concrete examples of the use of the word “control” are: to control one’s breathing, air-traffic control, etc. In other words, it encompasses the idea of a deliberate intervention on the part of an agent in order to produce desired effects. Control is the opposite of chance, but is also at odds with an excessive dependence on external factors. It is related to the notions of command and regulation (Olivier, 2011). Taking one of the above examples of control, to say that a person controls his breathing means both that he has an active role (no artificial respiration) and also that he tries to achieve a given effect (calm and steady respiration), while resisting external factors (strong emotions, a lack of oxygen) and taking action to regulate his rate of breathing (for example through regular physical training or relaxation exercises).

Control is a process of ensuring that actual activities conform to planned activities (Stoner, 2011). Control cannot be reduced to a simple

exercise of “verification”, because then we would be operating “after the fact”, once the decisions and action had already been undertaken. In such a case the scope of control would be confined to reactions rather than fully effective action. In seeking to control the attainment of desired outcomes and results, it is essential to prepare the action, to organise it, to perform simulations and to anticipate its consequences, the planning phase is therefore crucial (Stoner, 2011). By analogy, control is an approach that enables an organization to produce desired results (generally expressed in terms of “performance”) by taking action to achieve those results and by dealing with the dangers brought on by external difficulties (particularly those related to the market, competitors and the economic or political context) and the internal difficulties of the organisation. In other words, management control can be defined as the process whereby an organization sets itself performance objectives and strives to achieve them as best it can over time. It is a method for managing the performance of the organization. Management control is an approach that is pursued over time: we situate ourselves both before the action, in the *planning* phase, and after the action in the *monitoring and analysis of results* phase. The approach is therefore progressive, which is why we speak of the *control process* (Olivier, 2011).

Characteristics of an Effective Control System

Effective control system is a control system that is: -

- i) Accurate (Information):** information needed for controlling must be accurate. Inaccurate information will cause the organization to make the wrong decision or to take the wrong action.
- ii) Timely:** information must be collected and evaluated quickly to enable managers to solve problems on time.
- iii) Objectives and Comprehensive:** Standards set must be understandable and measurable. It must not be subjective or ambiguous. A difficult control system will cause mistakes and cause frustration between both manager and employees.

iv) Focused on Strategic Control Points (Strategic & Result Oriented): the control system should be designed to measure what is important now and what will be important in the future and not what was important in the past. However, what was important in the past may be used as guidelines for future measurement.

v) Flexibility: it leaves room for individual judgment and is modified to fit new circumstances as they arise.

vi) Consistent with the Organization's Structure (Organizationally Realistic): controlling must be exercised at all levels of management and must be obtainable by all levels of employees who work within the organization.

vii) Acceptable by Organizational Members: to be effective, the control system designed should be acceptable by all organizational members. The control system be able to motivate workers to recognize the importance of standards and engage themselves in an appropriate behaviour to achieve them. The more committed the employees to the control system the more successful the organization will be.

viii) Utilize All Steps of the Control Process: an effective control system should not ignore any one step of the controlling process. Omitting any of these steps will fracture the overall control system and the future of the organization will be doubtful.

ix) Understandable & Justifiable: all members of the organization must understand standard set in the control system. This means employees who know exactly what is expected of them will exhibit less resistance. At the same time, if the employee are told earlier of the importance of the control system or justified earlier, compliance to the system will be easier to obtain.

x) Corrective Action: an effective control system should be able to suggest what action to be taken to correct deviations and also indicates when a deviation from standard occurs. This means any problems detected should come up with appropriate remedies or solutions.

Types of Control (Control Methods)

There are four types of control:

i) Pre-Action Control (Feed-Forward): controlling is done at the input level of production. It is initiated before the start of production or service activity. The purpose is to anticipate potential problems & prevent them from occurring. This type of control is sometimes called preventive control because its objective is to prevent problems at the input levels before going through the transformation process.

ii) Steering Control (Concurrent Control): focus on what occurs during the work process or the transformation process. The primary goal in steering control is to spot problems as they develop and take corrective action before final results are achieved. An example is the zero inflation campaign by the Malaysian Government to prevent inflation.

iii) Screening Control (Yes or No Control): specify check points that must be successfully passed before an activity proceeds further. Before proceeding to the next sequence, an activity, product or service must be approved or meet specific conditions: Example bank procedure

iv) Post-Action Control: controlling takes place after an action is completed. It is also known as corrective control. It attempts to measure the result of certain actions. If there are problems, corrective action is undertaken and applied to future activities.

Steps in Control Process

According to Robert (2011), the steps in the control process are: -

i) Establish standards & methods for measuring the performance: organizational control process always begins with the establishment of standards of performance against which organizational activities are measured. A standard is a target against which performance is compared. It must be measurable, specific & accepted by all organization members & it must always be in line with the organization's strategic planning. Example, 4.0 point grades A in PAD 160 of the standards of performance.

ii) Measure the performance: This step may be an on-going or repetition process. It is the most difficult step. The measuring period from the first performance to another must not be too

long or too often. But, sometimes it depends on the situation. In short, this step comprise of 3 elements: - (a) What to measure (b) When to measure (c) How frequently to measure.

iii) Determine whether performance matches the standards: this is the easiest of all steps. But sometimes it can be difficult too, depending on the nature of the performance to be measured. If the performances match the standard, no corrective action is required.

iv) Take Corrective action: this step is done only if the performance does not meet the earlier established standards. Corrective action may include the following earlier established standards: - (a) Changing standards (this may be too high or too low). (b) Providing more incentives to enhance performance.

6.8 Resources

For more than a century now, human resource management, as a discipline and practice in the management of people in an organisation, has evolved and developed into different areas. These disciplines and practices have gone through a process of trial and error, theory building and testing of various concepts by practicing managers and academics (Farnham & Pimlott 1979; Storey 1989; Armstrong 1995). The underlying forces behind the evolution and development of human resource management have been (and still are) mainly environmental, and the quest for knowledge of better ways of acquiring and utilising labour. The changing organisational environment in the marketplace pushed managers to improve efficiency in the production and service delivery processes by increasing their ability to use the best practices of people management at the time. That is, employee management techniques or methods that would improve production, reduce service delivery costs, and at the same time ensure sustained availability of competent staff in the organisation. Human resource management principles and techniques for people management in competitive organisations are drawn from theories found in different disciplines. Indeed, it is impractical to present all the disciplines and relevant theoretical aspects that have shaped the understanding of human resource management today. Therefore, it is

believed that it is only important to give the reader a cursory view of some relevant theories underpinning human resource management and whoever may be interested in knowing more about the genesis and developments of a specific theory may do so by taking extra homework.

6.9 Theoretical Framework

Resource dependency theory

One of the challenges faced by managers during the economic recessions in the 1970s is how organisations can best acquire scarce resources and effectively utilise them in order to remain competitive in the market. The ability to utilise one's own resources including (financial, technological and labour), and acquire more from the external environment was one of the areas of concern in many organisations. The more organisations were able to harness resources, the more competitive they became. Therefore, resources were seen as the essence of organisational power (Emerson 1962). However, over dependence on external resources appeared to be risky due to the uncertainties that cannot be controlled by the organisation (Pfeffer & Solansick 1978). Concerning useful labour, the emphasis shifted to seeing employees as scarce resources that should be acquired effectively, utilised, developed and retained.

Organisation life cycle theory

Cameron & Whetton (1981) advanced organisation life cycle theory which characterises organisational development from formation, growth, maturity, decline and death. According to the theory, the driving force in all these stages is the nature of workforce. At the maturity stage the organisation cannot continue to grow or survive if there is no organisational structure that supports human resource creativity, innovation, teamwork and high performance, which will withstand pressure from competitors.

Comparative advantage theory

The main architect of comparative advantage theory is the economist David Ricardo who

talked of the specialisation and division of labour among nations and firms. Ricardo postulated that nations should produce goods in which they have a domestic comparative advantage over others (Ricardo 1891). Since then, organisations and nations have focused on strengthening internal capacity in order to have more advantages relative to competitors and hence to reduce production and distribution costs per unit. Improving internal capacities include having the best human resources who are best utilised to produce cheaper and better quality goods and services (Porter 1980; Grant 1991).

Human capital theory

Human capital theory was initially well developed by Becker (1964) and it has grown in importance worldwide because it focuses on education and training as a source of capital. It is now widely acknowledged that one of the key explanations for the rapid development of Asian countries in the 1970s and 80s is high investment in human capital (Robert 1991; Psacharopolos & Woodhall 1997). Human capital theory changes the equation that training and development are 'costs the organisation should try to minimise' into training and development as 'returnable investments' which should be part of the organisational investment capital. Therefore, human resource training and development decisions and evaluations have to be done based on clearly developed capital investment models.

6.10 Forecasting

Forecasting is an attempt to quantify the future, so a company can better prepare for expected future events (Kapoor, 2015). Depending on the type of business forecasts may be done at different time intervals. In general, quarterly and annual forecasts are common across all industries and businesses. Despite all the technological improvements the quarterly or annual ritual of business forecasts is still an archaic process. Most organizations end up spending weeks developing these forecasts for next fiscal years. Right before the end of fiscal year top management sets the directive for

managers across company to provide their business forecasts.

Forecasting techniques can be categorized in two broad categories: quantitative and qualitative. The techniques in the quantitative category include mathematical models such as moving average, straight-line projection, exponential smoothing, regression, trend-line analysis, simulation, life-cycle analysis, decomposition, Box-Jenkins, expert systems, and neural network. The techniques in the qualitative category include subjective or intuitive models such as jury or executive opinion, sales force composite, and customer expectations (Kress, 1985; Mentzer & Kahn, 1995). Along with qualitative and quantitative, forecasting models can be categorized as time-series, causal, and judgmental. A time-series model uses past data as the basis for estimating future results. The models that fall into this category include decomposition, moving average, exponential smoothing, and Box-Jenkins. The premise of a causal model is that a particular outcome is directly influenced by some other predictable factor. These techniques include regression models. Judgmental techniques are often called subjective because they rely on intuition, opinions, and probability to derive the forecast. These techniques include expert opinion, Delphi, sales force composite, customer expectations (customer surveys), and simulation (Kress, 1985; Wilson & Keating, 1994).

Typically, the two forms of forecasting error measures used to judge forecasting performance are mean absolute deviation (MAD) and mean absolute percentage error (MAPE). For both MAD and MAPE, a lower absolute value is preferred to a higher absolute value. MAD is the difference between the actual sales and the forecast sales, absolute values are calculated over a period of time, and the mean is derived from these absolute differences. MAPE is used with large amounts of data, and forecasters may prefer to measure error in percentage (Wilson & Keating, 1994).

Quantitative and Qualitative Techniques of Forecasting

Quantitative Forecasting Techniques:

- **Regression Analysis:** statically relates sales to one or more explanatory (independent) variables. Explanatory variables may be marketing decisions (price changes, for instance), competitive information, economic data, or any other variable related to sales.
- **Exponential:** smoothing makes an exponentially smoothed weighted average of past sales, trends, and seasonality to derive a forecast.
- **Moving average:** takes an average of a specified number of past observations to make a forecast. As new observations become available, they are used in the forecast and the oldest observations are dropped.
- **Box-Jenkins** uses the auto correlative structure of sales data to develop an autoregressive moving average forecast from past sales and forecast errors.
- **Trend line analysis:** fits a line to the sales data by minimizing the squared error between the line and actual past sales values. This line is then projected into the future as the forecast.
- **Decomposition** breaks the sales data into seasonal, cyclical, trend and noise components and projects each into the future.
- **Straight-line projection** is a visual extrapolation of the past data, which is projected into the future as the forecast.
- **Life-cycle analysis** bases the forecast upon whether the product is judged to be in the introduction, growth, maturity, or decline stage of the life cycle.
- **Simulation:** uses the computer to model the forces, which affect sales: customers, marketing plans, competitors, flow of goods, etc. The simulation model is a mathematical replication of the actual corporation.
- **Expert systems:** use the knowledge of one or more forecasting experts to develop decision rules to arrive at a forecast.
- **Neural networks:** look for patterns in previous history of sales and explanatory data to uncover relationships. These relationships are used to produce the forecast.

Qualitative Forecasting Techniques

- ***Jury of executive:*** opinion consists of combining top executives' views concerning future sales.
- ***Sales force composite:*** combines the individual forecasts of salespeople.
- ***Customer expectations (customer surveys):*** use customers' expectations as the basis for the forecast. The data are typically gathered by a customer survey by the sales force.
- ***Delphi model:*** is similar to jury of executive opinion in taking advantage of the wisdom of experts. However, it has the additional advantage of anonymity among participants.
- ***Naïve model:*** assumes that the next period will be identical to the present. The forecast is based on the most recent observation of data.

Three planning horizons for forecasting exist; the short-term forecast usually covers a period of less than three months. The medium-term forecast usually covers a period of three months to two years. And, the long-term forecast usually covers a period of more than two years. Generally, the short-term forecast is used for the daily operation and plans of a company. The long-term forecast is used more for strategic planning (Kress, 1985; DeLurgio & Bhame, 1991). Finally, the distinction between the forecasting method and forecasting system is important. A forecasting method is a mathematical or subjective technique that forecasts some future value or event. While many statistical forecasting software packages are implementations of forecasting methods, they are not forecasting systems. A forecasting system is a computer-based system that collects and processes demand data for thousands of items, develops forecasts using forecasting methods, has an interactive management user interface, maintains a database of demands, and has report file-writing capabilities. A forecasting system is much more complex than a forecasting method. The method is a part of the system (DeLurgio&Bhame, 1991).

6.11 Forecasting as a Part of the Management Process

6.11.1 Integrating Forecasting into Management Functions

There can certainly be no more important activity in the business organization than the effective development of sales forecasts and application of these forecasts to the organization's various functional needs. Closs, Oaks, & Wisdo (1989) argued that a sales forecast must incorporate (1) the correct use of forecasting techniques, (2) forecasting systems that effectively interact with the corporate management information system, and (3) recognition of the impact of forecasting management philosophy upon ultimate accuracy. A substantial gap still exists between applications and what is both desirable and obtainable. An examination of the forecasting and marketing literature suggests that a structure is needed for handling the issues that the practitioner must address (Makridakis and Wheelwright, 1977). Various functional areas or departments may need on-going information on forecasts and forecasting accuracy, even though they are not allowed to make changes to forecasts. The departments that are most often allowed to review forecasts are marketing, finance, production, sales, and planning. Having access to the sales forecast information as well as the ability to disseminate the information is important (Mentzer and Schroeter, 1994). Behavioral and organizational issues exist when integrating the forecasting system into a company. An important aspect of the behavior issue involves the interface between the preparer of forecasts and the users of forecasts. A need exists for a clear definition of tasks and priorities with regard to forecasting applications as well as a need for respect and understanding of each other's position (Makridakis and Wheelwright, 1977). An important aspect of the organizational issue involves differences among the needs of each department that uses the forecast (Makridakis and Wheelwright, 1977). Because the sales forecast is the bonding tool that draws together the different line and support functions, all of the components of the organization must use the same forecast and

assumptions. A business organization is an integrated group of activities, which requires coordination and common goals to result in profit for the company (Lawless, 1990). Evidence has shown that, if there is not a sufficient degree of acceptance of the forecast and its validity, the different functional areas will in fact develop their own independent forecasts. This has the obvious effect of creating chaos, inefficiency, and substantial additional costs. The conflict and chaos created by the use of different sales forecasts can be detrimental to the organization's efforts and have a variety of undesirable side effects, including high inventory levels, inventory obsolescence, over utilized or underutilized plants, and unnecessary facilities. These are serious consequences potentially costing the business millions of dollars in excess capitalization due to ineffective sales forecasting (Lawless, 1990). In order to enhance the use of a sales forecast, the forecast must have credibility. Communication of the forecast in business terms--not technical terms--also contributes to the acceptance. Both communication and process management call upon the interpersonal skills of the forecaster. Determining forecast requirements provides each department an opportunity to assess its specific objectives and needs as they relate to the forecast and to consider the integration of the forecast into its activities. In order for the forecast to be effective, it must reflect the needs and functional processes of all functional constituents. A complete understanding of the manufacturing, distribution, sales, and marketing processes and constraints is a minimum (Lawless, 1990). Corporate management involvement is essential since the forecast must reflect reasonable management goals and is used by a wide variety of functional areas within the company. Acceptance by management is critical in getting a forecast method accepted and applied consistently within the organization. In order to be effective, the forecaster and forecast process must be sensitive to the corporate culture and to the professional agenda of the managers and users involved. The forecaster must exhibit qualities of leadership and establish a sound working relationship with the forecast users and participants. In communicating the forecast results to management, the forecaster

must be capable of communicating the findings in language functional managers can understand and compatible with the corporate culture (Lawless, 1990).

7. Qualitative Analysis

The core of qualitative analysis lies in these related processes of describing phenomena, classifying it, and seeing how its concepts interconnect. The first step in qualitative analysis is to develop thorough and comprehensive descriptions of the phenomenon under study. This has become known as 'thick' description (Geertz 1973, Denzin 1978). In contrast to 'thin' description which merely states 'facts', Denzin suggests that a 'thick' description includes information about the context of an act, the intentions and meanings that organize action, and its subsequent evolution (Denzin 1978). Thus description encompasses which action is embedded. Qualitative analysis often aims to provide 'thorough' descriptions (to adopt a more apt adjective than 'thick') in each of these areas.

Qualitative Forecasting Techniques

- **Jury of executive:** opinion consists of combining top executives' views concerning future sales.
- **Sales force composite:** combines the individual forecasts of salespeople.
- **Customer expectations (customer surveys):** use customers' expectations as the basis for the forecast. The data are typically gathered by a customer survey by the sales force.
- **Delphi model:** is similar to jury of executive opinion in taking advantage of the wisdom of experts. However, it has the additional advantage of anonymity among participants.
- **Naïve model:** assumes that the next period will be identical to the present. The forecast is based on the most recent observation of data.

7.1 Input-Output Analysis

The main objective of the well known input-output model, developed by Leontief in the late 1930s, is to study the interdependence among the different sectors in any economy (Miller and Blair, 1985). This tool holds upon a very simple, yet essential notion, according to which the

output is obtained through the consumption of production factors (inputs) which can be, in their turn, the output of other industries. Hence, one of the principal tasks of input-output analysis is to identify the indirect demands concerning the intermediate consumptions necessary to generate the outputs. The origins of the basic notion behind the input-output model go back to the 18th century, when Quesnay published the “*Tableau Economique*.” His objective was to describe the economic transactions established between three social classes: landowners, farmers and rural workers (productive class) and the sterile class, composed by artisans and merchants (this classification reflects the physiocrats’ philosophy, according to which agriculture was the only wealth generating sector). Over more than one century, this idea of economic interdependence had a new and important contribution, with the work developed by Walras. This economist introduced the general equilibrium model, aiming to determine prices and quantities of all economic markets. In this model Walras used a set of production coefficients very similar to the ones defined *a posteriori* in the Leontief’s input-output model: they compared the amount of production factors used in production with the total output obtained (Miller and Blair, 1985). The perception and depiction of the interactions among the different economic activities (besides the spatial dimension which is being considered) allows, on the one hand, the access to a very detailed statistical tool about the economy we are focusing on: the input-output table. An input-output table records the “flows of products from each industrial sector considered as a producer to each of the sectors considered as consumers” (Miller and Blair, 1985).

The original applications of the input-output model were made at a nation-wide level.² However, the interest in extending the application of the same framework to spatial units different from the country (usually, sub-national regions) led to some modifications in the national model, originating a set of regional input-output models. According to Miller and Blair (1985), there are two specific characteristics referring to the regional dimension which make evident and necessary

the distinction between national and regional input-output models. First, the productive structure of each region is specific, probably being very different from the national one; second, the smaller the focusing economy, the more it depends on the exterior world (this including the other regions of the same country and other countries), making exports and imports to become more important in determining the region’s demand and supply. Since the 1950’s, different regional input-output models were developed, being distinguished through the following criteria: (1) the number of regions taken into account; (2) the recognition (or not) of interregional linkages; (3) the degree of detail implicit in interregional trade flows (which is related to the degree of detail demanded for the input-output data) and (4) the kind of hypotheses assumed to estimate trade coefficients. The first criterion is used to distinguish the single-region model from the several types of models designed to systems with more than one region. The single-region model seeks to capture intra-regional effects alone. So, its crucial limitation consists of the fact that it ignores the effects caused by the linkages between this region and the others. In reality, when one region increases its production, as a reaction to some exogenous change in its final demand for example, some of the inputs needed to answer the production augment will come from the remaining regions, originating an increase of production in these regions – these are the spill over effects. The remaining regions, in turn, may need to import inputs from other regions (probably including the first region) to use in their own production. These involve the concept of interregional feedback effects: those which are caused by the first region itself, through the interactions it performs with the remaining regions (Miller, 1998). The seminal applications of input-output analysis to systems with more than one region, capturing the effects caused by the interconnections between the different regions (which corresponds to the second criterion previously referred), had the fundamental contributions of Walter Isard (Glasmeier, 2004).

These contributions originated the interregional model also known as Isard’s model. Practical

difficulties in implementing the interregional model, mainly due to its high requirements in terms of interregional trade data, motivated the emergence of multi-regional models (of which the Chenery-Moses model is the most popular).

As we shall see later on in this paper, the different many-region models are distinguishable through the third and fourth criteria mentioned above.

Operational Framework

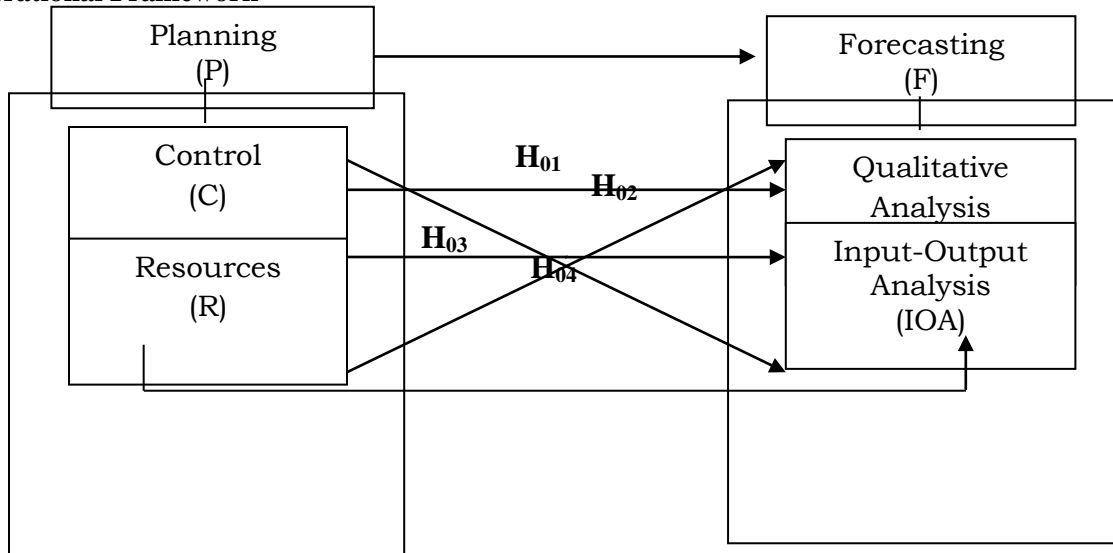


Fig.3 Operational Framework on Planning and Forecasting in the growth of Ponticelli Nigeria
 Source: Researcher’s concept, 2017

7.3 Population of the Study

A population is the summation or totality of elements in a given location of interest. According to Okafor (2002), research population is a complete set of items that is of interest to a researcher or investigator. It may comprise people, firms, households, invoices etc. Basically, the population of this work encompasses stakeholders of Ponticelli, Nigeria Limited in Port Harcourt Metropolis.

8. Methodology

For the purpose of this work, convenient sampling method was adopted, and a total of seventy (70) selected consumers from Eelenwo and Trans-Amadi was administered with questionnaire for the purpose of getting their responses. The problem of bias beset the validity of the result which in turn affects the validity of

the entire work. Observably, the convenience sampling method was adopted due to the fact that consumers of Ponticelli Nigeria in Port Harcourt are virtually many, and also to differentiate and ascertain the actual number of consumers that patronizes this firm (Ponticelli). Fundamentally, this implies that the researcher will at his discretion determine the number of sample (sample size) that will be manageable to work with and the sample elements therein.

Data Analysis

The data obtained from a study may or may not be in numerical or quantitative form, that is, in the form of numbers. If they are not in numerical form, then we can still carry out qualitative analysis based on experience, of the individual experiences of the participants. In this study, “spearman rank correlation coefficient” was used to test various formulated hypothesis. The

rationale for this decision was due to the fact that the researcher seeks to examine the relationship between planning (independent variable) and forecasting (dependent variable) as it relates to the growth of Ponticelli Nigeria Limited in Port Harcourt.

70 copies questionnaire were administered to customers of the organization in Port Harcourt (Ponticelli Nigeria Limited). 60 copies were retrieved, 10 were not returned. The response rates are shown in the tables below.

Table 1 Number of Questionnaire

S/N	DETAILS	FREQ	%
1.	Returned	60	86
2.	Not returned	10	14
	TOTAL	70	100

Source: Survey Data 2019

Demographic Characteristics of the Respondent

Table 2 Gender

S/N	DETAILS	FREQ	%
1.	Female	26	43
2.	Male	34	57
	TOTAL	60	100

Source: Survey Data 2019

Table 2 depicts that 26% are female while 57% are male which shows that there are more males respondents than females.

Table 3: Age Range of Respondents

S/N	AGE	FREQ	%
1.	20-30	30	50
2.	31-40	15	25
3.	41-50	12	20
4.	51and above	3	5
	Total	60	100

Source: Survey Data 2019

Tables 3 Shows that age 20-30 are 50%, age 31-40 are 25%. While age 41-50 and 51 are 20% and 5% respectively.

Table 4: Occupation of Respondents

S/N	OCCUPATION	FREQ	%
1.	Entrepreneur	50	83
2.	Civil Servants	5	8
3.	Student	4	7
4.	Others	1	2
	TOTAL	60	100

Source: Survey Data 2019.

Table 4 Depicts that 83% are entrepreneur, 8% are civil servant, 7% are students, and 2% are others. This clearly shows that student is more in numbers.

Table 5 Marital Status of Respondents

S/N	DETAILS	FREQ	%
1.	Single	49	82
2.	Married	11	18
	Total	60	100

Source: Survey Data 2019

Table 5 Indicates that 82% are single while 18% are married.

Table 6 Customers of fabrication works

S/N	DETAILS	FREQ	%
1.	Yes	50	83
2.	No	10	17
	Total	60	100

Source: Survey Data 2019

Table 6 Indicates that 83% customers are customers coming for fabricated works

Table 7 Response of the number of years respondents have been fabrication customers to the company

S/N	DETAILS	FREQ	%
1.	Less than 3yrs	9	15
2.	4-6yrs	46	77
3.	7-10yrs	5	8
4.	10 and above	-	-
	TOTAL	60	100

Source: Survey Data 2019

Table 7 Depicts that 15% have been customers in less than 3yrs, 77% agreed that they have been customers to the company for about 4-6yrs, 8% said about 7-10yrs.

Table 8 Customers for construction works

S/N	DETAILS	FREQ	%
1.	Yes	60	100
2.	No	-	-
	TOTAL	60	100

Source: Survey Data 2019

Table 8 shows that 100% of customers are for construction works (These are various customers from other construction companies)

Table 9 Response of how often customers demand for construction works

S/N	DETAILS	FREQ	%
1.	Very regular	40	67
2.	Regularly	15	25
3.	Moderately	5	8
4.	Rarely	-	-
5.	Not at all	-	-
	TOTAL	60	100

Source: Survey Data 2019

Table 9 indicates that 67% customers demand for construction works very regularly, 25% regularly, and 8% moderately, while rarely and not at all has any response.

Table 10: Response of the number of years respondents are construction customers to the company

S/N	DETAILS	FREQ	%
1.	Less than 3yrs	5	8.3
2.	4-6yrs	50	83.4
3.	7-10yrs	5	8.3
4.	10 and above	-	-
	TOTAL	60	100

Source: Survey Data 2019

Table 10 Shows that 8.3% have been construction customers in less than 3yrs, 83.4% said for about 4-6yrs, 8.3% said about 7-10yrs.

Response on Research Questions

Table 11: Response of Question B1

To what extent has control affected the smooth running of the organization?

S/N	DETAILS	FREQ	%
1.	To a great extent	10	17
2.	To a considerable extent	28	47
3.	To a moderate extent	10	17
4.	To a slight extent	9	15
5.	Not at all	3	5
	TOTAL	60	100

Source: Survey Data 2019

In table 11 17% said to a great extent. 47% said it is to a considerable extent, 17% said it is to a moderate extent, 15% is to a slight extent and 5% not at all.

9. Conclusion

From the findings of the study, the role in which control and resources as a variable of planning play in the organization and qualitative analysis and input output analysis which are also variables of forecasting. From the findings, resources as a variable of planning, plays a weak role in forecasting.

In the same vein, control has no relationship with the firms qualitative analysis in the overall products provided in Ponticelli Nigeria Limited. The same is applicable control and input-output analysis

10. Recommendations

From the conclusion above the following recommendations were made.

- Despite the responses of respondents, construction and fabrication company in

Port Harcourt should devise a more unique and distinct way of differentiating their products through the help of a market research that will be difficult for their competitors to imitate because, there is a weak relationship between control and forecasting in organizational growth of Ponticelli Nigeria Limited, Port Harcourt.

- As for resources, fabrication and construction firms in Port Harcourt should provide more resources to make production smooth. There is a weak relationship in resources and qualitative analysis. The Conclusion on control and resources shows that they do not really matter to the customers if not properly applied. Fabrication and construction firms in Port Harcourt should not over or under control and deploy resources to their organization.

References

Ackoff, Russell L. (1970) *A Concept of Corporate Planning*, New York: John Wiley

- Ang, James S., and Jess H. Chua (1979) "Long-Range Planning in Large United States Corporations— A Survey," Long-Range Planning, Vol. 12, pp. 99-102.
www.forecastingprinciples.com/method_olgytree.html (accessed May 2017)
- Armstrong, M. (1995), *A Handbook of Personnel Management Practice*. London: Kogan Page
- Bass, Bernard M.(1977) "Utility of Managerial Self-Planning on a Simulated Production Task with Replications in Twelve Countries," *Journal of Applied Psychology*, Vol. 62, pp. 506-509.
- Batten, D. (1982) "The interregional linkages between national and regional input-output models". *International Regional Science Review*, 7: 53-68.
- Batten, D. (1982) "The interregional linkages between national and regional input-output models". *International Regional Science Review*, 7: 53-68.
- Batten, D. and Boyce, D. (1986) "Spatial interaction, transportation and interregional commodity flow models". In: Peter Nijkamp (ed.), *Handbook of Regional and Urban Economics*, 1: 357-406. Free University, Amsterdam
- Becker, Howard and Geer, Blanche (1982) 'Participant Observation: The Analysis of Qualitative Field Data' in Burgess, Robert (ed.) *Field Research: A Sourcebook and Field Manual* London: Allen & Unwin.
- Becker, Lawrence J.: "Joint Effect of Feedback and Goal Setting on Performance: A Field Study of Residential Energy Conservation," *Journal of Applied Psychology*, Vol. 63, 1978, pp. 428-43
- Bogdan, Robert C. and Biklen, Sari Knopp (1982) *Qualitative Research for Education: An Introduction to Theory and Methods*, Boston and London: Allyn& Bacon Inc.
- Chenery, H. (1953) "Regional Analysis". In: Chenery, H., Clark PB (eds). *The Structure and Growth of the Italian Economy*. US Mutual Security Agency.
- Dessler, G. (2010), *Human Resource Management*. New York: Pearson.
- FOSS, N. & K. FOSS (2005), Resources and Transaction Costs: How Property Rights Economics Furthers the Resource-Based View. *Strategic Management Journal* 26(6): 541-553.
- Kimura, S. and Mourdoukoutas, P. (2000), Effective Integration of Management Control Systems for Competing in Global Industries, *European Business Review*, Volume 12 . Number 1, pp. 41-45
- Langfield-Smith, K (1997), Management Control Systems and Strategy: A Critical Review, *Accounting, Organizations and Society*, Vol. 22, No. 2, pp. 207-232.
- Pillay, R. (2009), Work Satisfaction of Professional Nurses in South Africa: A Comparative Analysis of the Public and Private Sectors. *Human Resources for Health* 17(15): 82-94.