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PLANNING APPROACHES OF COMPANIES
IN THE TURKISH PRIVATE SECTOR

BY

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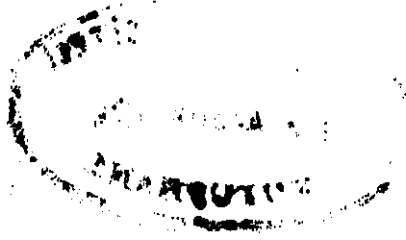
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PLANNING APPROACHES OF COMPANIES IN THE TURKISH
PRIVATE SECTOR



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PLANNING APPROACHES OF COMPANIES IN THE TURKISH
PRIVATE SECTOR

In this thesis, relationships between the size of the firm and the planning approaches and practices in the Turkish private sector will be examined.

The study includes the review of theory and the empirical studies carried out in Turkey about the subject and the field study which is conducted through a questionnaire. The interpretation of the computer analysed data is done and the proposals for future studies are presented.

TÜRK ÖZEL SEKTÖRÜNDEKİ ŞİRKETLERİN PLANLAMA YAKLAŞIMLARI

Bu tezde, Türk özel sektöründeki şirketlerin planlama yaklaşımları ve planlama uygulamaları ile şirketlerin büyüklükleri arasındaki ilişkiler incelenecektir.

Çalışma, bu konudaki teori ve geçmişte Türkiye'de yapılmış araştırmaları ve anket aracılığıyla yapılmış bir saha çalışmasını kapsayacaktır. Kompüter aracılığıyla analiz edilmiş veriler yorumlanacak ve gelecekteki çalışmalarla ilgili öneriler sunulacaktır.

TABLE OF CONTENTS

	<u>Page</u>
ABSTRACT	iii
ÖZET	iv
LIST OF TABLES	vii
I. INTRODUCTION	
II. THEORETHICAL BACKGROUND OF THE STUDY	
2.1 A Review of Theory	4
2.1.1 Nature of Planning and Plans	4
2.1.2 Business Planning Process	9
2.1.2.1 Determining Objectives	9
2.1.2.2 Identifying Environmental Opportunities and Risks	9
2.1.2.3 Evaluating Available Resources	11
2.1.2.4 Developing Strategic Alternatives	11
2.1.2.5 Strategy Formulation	11
2.1.2.6 Implementing Strategy	12
2.1.2.7 Coordinating and Controlling Plans	13
2.1.3 Scientific Techniques Used in Planning	14
2.1.3.1 Quantitative Techniques	14
2.1.3.2 Quantitative Forecasting Techniques	16
2.1.4 Organization of The Planning Function	17
2.2 Review of Empirical Studies Carried Out in Turkey	18
III. A STUDY ON PLANNING APPROACHES OF COMPANIES IN THE TURKISH PRIVATE SECTOR	
3.1 Research Design and Methodology	22
3.1.1 Research Purpose	22
3.1.2 Variables Related To Planning Approaches of Companies and Questions Measuring Them	23
3.1.3 Hypotheses	25
3.1.4 Data Collection Procedure, Instrument and the Characteristics of the Sample	26

	<u>Page</u>
3.1.5 Limitations of the Study	34
3.2 Findings	35
3.2.1 Frequency Distributions of the Variables	35
3.2.2 Cross Tabulations Related to the Hypotheses	55
3.2.2.1 Size and Planning Practices of Companies	55
3.2.2.2 Size and Planning Approaches of Companies	63
3.2.3 Other Findings	66
3.2.3.1 Confidence in Long-Range Planning	67
3.2.3.2 Modern versus Traditional Viewpoint In Planning	74
3.2.3.3 Experience versus Research in Evaluating Environment	76
3.2.3.4 Dependence - Independence	82
IV. CONCLUSION and RECOMMENDATIONS FOR FUTURE STUDIES	89
APPENDIX 1 Questionnaire	93
BIBLIOGRAPHY	103

LIST OF TABLES

	<u>Page</u>
TABLE 3.1 Variables and Questions Measuring Them	24
TABLE 3.2 Classification of Personnel, Paid-Up Capital and Turnover	28
TABLE 3.3 Weights of Personnel, Paid-Up Capital and Turnover In Commercial and Manufacturing Companies	28
TABLE 3.4 Characteristics of Companies	30
TABLE 3.5 Profile of Managers	32
TABLE 3.6 Breakdown of The Companies Making short and/or Long-Term Plans	35
TABLE 3.7 Breakdown of Formal and Informal Short-Term and Long-Term Plans	36
TABLE 3.8 Period and Preparator of Long-Term and Short-Term Plans	36
TABLE 3.9 Planning History	40
TABLE 3.10 Reasons For Making Long-Range Planning	41
TABLE 3.11 Utilization of Scientific Methods In Planning	42
TABLE 3.12 Revision of Plans	43
TABLE 3.13 Evaluation of Planning	45
TABLE 3.14 Coordination of Long-Term and Short-Term Plans	45
TABLE 3.15 Establishment of Objectives	46
TABLE 3.16 Planning Department	48
TABLE 3.17 Sufficiency of Planning	49
TABLE 3.18 The Reasons for Neglect of Long-Range Planning	50
TABLE 3.19 Managers' Attitudes Towards Planning	51
TABLE 3.20 Companies' Approach Towards Planning	53
TABLE 3.21 Relationship Between Size and Planning Practices of Companies	56
TABLE 3.22 Relationship Between Size and Planning Approaches of Companies	64

	<u>Page</u>
TABLE 3.23 Confidence in Long-Range Planning	67
TABLE 3.24 Modern Versus Traditional Viewpoint In Planning	74
TABLE 3.25 Experience Versus Research In Evaluating Environment	76
TABLE 3.26 Dependence - Independence	83

CHAPTER ONE

I. INTRODUCTION

Planning first of all is an intellectual process which each of us follows in getting any job done. For example, the housewife studies her family's household needs, determines the alternative ways in which these needs can be fulfilled within her limited resources, decides which way is best, allocates time and money for getting her jobs done and makes up detailed plans such as her shopping list and meal schedules. In the same way, every business manager should grasp the requirements of his job, the opportunities open to him and his available resources and then plan his course of action.

Planning is the most basic of management functions. It helps managers set the stage for further decisions on how to organize, lead and control. When we plan, we decide in advance what must be done to fulfill these functions. The alternative to planning could only be something like random behavior with frequent shifts in direction and inconsistent activity. A lack of planning on the part of management would be seen in the requirement for excessive attention to immediate problems and inconclusive decisions. Most organizations would exercise difficulty under these conditions.

The need for planning arises from the fact that the enterprises operate in a changing environment. In a traditional society, planning was relatively unimportant because the economic, social and political environment remained relatively constant.

According to the results of the surveys about planning conducted in Turkey before 1980 (1), the companies did not need to establish a comprehensive planning system. When the conditions of those days were taken into consideration, the case could be justified. However, Turkey has continued its development and has already started to break the resistance resulting from centuries of tradition. The country chose-with the 24 January 1980 program-to burst its shell, reject a closed economy and open up to the world at large. It will face increasing challenges from even more complex technologies, greater environmental uncertainties from now on. To succeed among such forces, companies, especially large-sized companies which have the greater ability to compete, should plan well. Moreover, with the growing complexity of the world and with the increased size of business firms, the need for planning and the development of a corporate strategy has become more important in the business firms. From such a starting point based on the previous explanations, it's believed that the planning practices of the large-sized companies should be more systematic and comprehensive than that of the medium-sized companies and the planning approaches of these companies should be based on modern viewpoints and open to research techniques.

(1) Dilber, Mustafa, Türk Özel Kesim Endüstrisinde Yönetmel Davranı

İstanbul: B.U İdari Bilimler Fakültesi, 1981

Eren, Erol, İşletmelerde Stratejik Planlama. İstanbul: İ.U, İşletme Fak., 1979.

This study differs from the previous studies in that it seeks a relationship between the size and the planning approaches of companies as well as planning practices of companies^(*), and in that it is carried out at recent times.

In the first part of the study, a review of theory and empirical studies carried out in Turkey and in the second part, a field study which is conducted through a questionnaire will be presented. The field study aims at finding out if there is a relationship between size and planning practices and approaches of companies towards planning.

For this reason, the data will be analysed by the cross-tabulation technique. The interpretations will be done in such a way to provide recommendations for future studies.

The organization of the chapters is as follows ;

- Chapter II, will introduce a review of theory on planning and the previous empirical studies about planning in Turkey
- Chapter III, will present research design, findings and related interpretations
- Chapter IV, will discuss conclusion and recommendations about future studies.

(*) Among Eren's findings, a relationship between the size and planning practices of companies catches the eye. However, the content of the planning practices of companies in this survey is rather limited and concentrates especially on the planning department.

CHAPTER TWO

II. THEORETICAL BACKGROUND OF THE STUDY

This chapter of the study will be introduced under two main topics : a review of theory and the review of the empirical studies carried out in Turkey.

2.1. A Review of Theory

2.1.1. Nature of Planning and Plans

Business planning theory provides the scientific basis for all types of planning in business, for it defines what planning is and outlines the processes followed in planning at all management levels and in all types of business.⁽²⁾ However, theory is only a beginning for planning. Being able to put theory into practice is the key to success in planning, for business planning is an applied science.

Successful and effective planning requires more than simply the decision to plan. Planning in today's competitive business world requires management personnel adapted to long-range thinking, the skill to develop viable organization, the persistence to maintain performance standards, the ability to communicate well within the organization, to put aside operational problems and find time for planning and the courage to live with reduced short-term profits.

There are a lot of definitions concentrating on different characteristics of planning. Chamberlain defines planning as "the systematic management of assets", thinking of goal setting, data collecting, influencing and controlling as parts of planning⁽³⁾.

(2) Dennis, Cooper Jones, Business Planning and Forecasting. London: Business Books Ltd., 1970. pp.5

(3) Neil W. Chamberlain, Private and Public Planning. New York: MC Graw-Hill Book Co., 1965. pp.4

Peter Drucker defines planning as the continuous process of making present entrepreneurial decisions systematically and with the best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions, and measuring the results of these decisions against the expectation through organized, systematic feedback ⁽⁴⁾. Drucker's definition concentrates on the process involved in carrying out plans and assuring their effectiveness.

Some other authorities focus on what planning is rather than on how it is done, in their definitions. According to Steward Thompson, for example, "a business plan states what results are to be achieved and states things that people can and should do to achieve them ⁽⁵⁾". And Kirby Warren describes planning as a "process directed toward making today's decisions with tomorrow in mind and as a means of preparing for future decisions so that they may be made rapidly, economically and with as little disruption of the business as possible ⁽⁶⁾".

In this thesis, the following definition will be used throughout: Business planning is an intellectual process which requires analyzing anticipated future circumstances, both external (environmental) and internal (company), and developing within the accepted future period a company objective, guidelines for action (policies), implementation plans, an organization, and controls designed to achieve the objective. The purpose of the business planning is to determine the most profitable way to allocated limited company resources among competing alternative profit opportunities. It is always done within the framework of a business' long-term future,

(4) Peter F. Drucker, "Long-Range Planning", Management Science. pp.239. April 1969.

(5) Steward, Thompson, "How Companies Plan," AMA Research Study, No.54, New York: American Management Association, 1962. pp.14.

(6) E. Kirby Warren, Long Range Planning: The Executive Viewpoint. New Jersey: Englewood Cliffs, Prentice-Hall Inc. 1966. pp.18

although the plan itself may be either long-term or short-term, may be either for a company as a whole or for only one of its operations, or by a corporate planning department for an entire company ⁽⁷⁾. This definition is preferred over others because it combines both the planning concept and the planning process.

Business plans can be classified according to the time, scope, use and level. Plans can be differentiated according to the time horizons such as short, intermediate or long term. In theory, short-term plans cover one year or less, intermediate-range plans cover one to 5 years and long-range plans cover five years or more. However, in practice, it's difficult to make such precise distinctions. Time horizon can vary from industry to industry or from company to company according to the needs of business. In this thesis plans covering one year or less will be considered short-term plans and the plans covering more than one year will be treated as long-term plans.

Scope is related to the breadth of activities that the plans represent. Plans can be classified into 2 groups in terms of scope: strategic plans and operational plans. Strategic plans are comprehensive in scope. They cover the general strategic directions for all company operations (including the company's objective, philosophy, strategy and major policies), the overall profitability projections and the highlights of the company's operating plans ⁽⁸⁾. Strategic plan is the masterplan for a business' operations and covers as many years into the future as management feels are required by the business. They are usually formulated by top management and put into action by middle level managers. Planning of this scope involves analyzing the environment, defining the nature of the organization, formulating basic goals and identifying, evaluating and selecting

(7) Mockler, J.Robert, Business Planning and Policy Formulation.
New York: Meredith Co., 1972. pp2

(8) Ibid., pp.3

the fundamental courses of action for the organization.

Operational plans, by contrast, are more limited in scope and related to the shorter term needs. They generally focus on the detailed means of implementing the broader goals and strategies that have already been determined, the means of improving and coordinating current operations and the allocation of resources to established functions, especially through the annual budgeting process.⁽⁹⁾ They are at the operating and staff management levels. Basic operational plans for a typical business firm include :

Production Plans ; Deal with the methods and tools, quality and quantity of production.

Financial plans ; Deal with the obtaining of funds which the business needs to achieve its objectives and the effective allocation of financial resources

Marketing plans ; Deal with the sales, distribution and promotion of an organization's products or services.

Personnel Plans ; Deal with the recruitment, selection and placement of personnel appropriate to the various jobs and tasks within the organization

Inventory Plans ; Deal with the raw material, work-in process and finished goods inventory levels.

Despite their different focuses, strategic and operational planning must be tied together to have a well-designed planning system. Because, each type of planning provides the basis for the other. Plans can also be classified according to the frequency or repetitiveness of use as single-use plans and standing plans. Single-use plans are prepared to meet the needs of a specific situation or specific time period and will not be used again in their exact form. Budgets, schedules and projects designed for a specific purpose are among typical single-use plans. After the project is completed, they become obsolete.

(9) Schermerhorn R. John, Management for Productivity.
New York: John Wiley and Sons. Inc., 1984. pp.111.

Budget is a kind of operational plan which allocates the resources of an enterprise for a specific time period. Schedules are single-use plans that tie activities to specific time frames or targets. Generally, they commit time and labor to an organizational project or activity especially with assignment of priorities. (10)

Although standing plans are also subject to modification over time, they have greater continuity than single-use plans. Policies, procedures and rules are considered among standing plans.

A policy is a plan in that it establishes, in advance, some rules to assist in making decisions. Policies are essential to organizations in that they ensure that day-to-day decisions are consistent with the strategies and the objectives as a whole. (11)

A procedure is a step-by-step process involving a chronological sequence or pattern of action. It implements policy and results in the attainment of the overall objective. (12)

A rule designates specific action that should either be taken or not be taken under specific circumstances. Although, a rule like a policy, is a guideline for action, it is more specific and permits no discretion. A rule differs from a procedure in that it does not specify a time sequence or specific steps to be taken. (13)

Plans vary, furthermore, by the level of management at which they originate. In general, top level managers are responsible for long-range and strategic planning that results in the establishment of standing plans applicable to the organization as a whole.

Lower-level managers and middle-level managers are concerned with specific and short-range plans that are operational in nature. They try to link their sub-units with the planning objectives of the company.

(10) *Ibid.*, pp.116

(11) *Ibid.*, pp.113

(12) Mockler, J.Robert. Business Planning and Policy Formulation.
New York: Meredith Co., 1972. pp.180.

(13) *Ibid.*, pp.180.

2.1.2 Business Planning Process

The steps which constitute the business planning process are as follows : Determining objectives, identifying environmental opportunities and risks, evaluating available resources, developing strategic alternatives, establishing basic strategy, implementing strategy and coordinating and controlling plans.

The above seven steps should be considered a continuous process not a once-and-for-all process of planning. The whole procedure is a dynamic feedback process, that has neither a beginning nor an end.

2.1.2.1. Determining Objectives

Objectives are organization's mission statement, a broadly defined but enduring statement of purpose that distinguishes a business from other firms of its type and identifies the scope of its operations in product and market terms ⁽¹⁴⁾. They are determined by a coalition responsible for the top level management of the corporation, the board of directors.

Some objectives relate to measurable values such as earnings per share, total sales, market share, return on investment, rate of growth in sales, rate of profit growth, and so forth. Other goals represent management aspirations which are more difficult to measure: for example, a desire to be the most advanced technology using firm in the country, a desire to be ecologically responsible, etc.

2.1.2.2. Identifying Environmental Opportunities and Risks

Identifying environment is concerned with determining the risks and threats that the organization faces or will face and identifying areas in which profitable opportunities exist.

Analyzing the environment involves looking at a wide range of activities including changes in market demands, domestic competition, both with regard to the number and size of competitors and to

(14) Longenecker G. Justin and Pringle D. Charles, Management .
6th ed. Ohio: Bell and Howell Company, 1984. pp.93

their strategy and tactics of competition, foreign competition, including imports as well as export markets, technical knowledge and knowledge about individual and social behavior, managerial techniques, the availability of human and material inputs, governmental policies and regulations and labor union structure and bargaining power.

Managers today face market conditions and competitive situations that are continuously changing. In struggling for progress and even survival in such a fast changing world, managers should try to assess the future and make provisions for it.

It is difficult to predict future environmental conditions especially in a rapidly changing environment. However, this does not mean that planning is impossible under these circumstances. Difficulty in predicting future environmental conditions has led some companies to a practice known as contingency planning.

In contingency planning, planners develop multiple scenarios as they formulate a series of assumptions about the future. One scenario, for example, may specify the economic conditions thought most likely to occur. Alternative scenarios may use a more optimistic assumption and a more pessimistic assumption. The use of multiple scenarios is not limited to assumptions about economic conditions, however. They may express different assumptions about weather, political elections, laws and regulations of government, provision of raw material, strikes and so on.

Plans must be prepared to cover the various conditions specified in the multiple scenarios. In this regard, computers would be extremely helpful in developing contingency plans.

One benefit of contingency planning is the broader outlook it provides for manager. They become more sensitive to various external forces. Probably the greatest drawback to contingency planning is the heavy administrative burden put on managers who have to prepare multiple sets of plans. If the firm's environment is extremely unpredict-

table, however, the benefits may justify the cost. Because of the greater administrative load, it may be preferred to develop contingency plans in less detail.

2.1.2.3. Evaluating Available Resources

In evaluating available resources, the managers is concerned with strenghts, weaknesses and the extent to which resources are committed on a long-term basis. The evaluation mostly concentrates on a long-term basis. The evaluation mostly concentrates on the following key areas of the firm: Financial capacity, product/market position, human resources (manpower), plant and equipment, technology, research and development programs, production system and marketing and distribution systems.

The organizations will consider the areas that they have strenghts as the areas of strategic importance. In the areas that the company may be weak, the firm will reduce its possible strategic alternatives.

2.1.2.4. Developing Strategic Alternatives

Development of strategic alternatives involves an integration of data concerning environmental risks and opportunities with data concerning available resources.

The development of strategic alternatives is a creative process that requires a vision of the various possibilities for meeting the needs of the industry. Courage is required to propose a drastic change because of the great uncertainty involved. Also, proposed changes in strategy generally tend to conflict with existing strategy, the accepted way of doing things. Changes bring difficulties, even in thoughts, because of traditional patterns of thinking and operation.

2.1.2.5. Strategy Formulation

In strategy establishment, the following points should be considered:

- 1- The strategy must be related to the environment

2- The strategy must also be related to the company's objectives. However, the decision which strategy to adapt is difficult and requires much subjective judgement. The difficulty in making this choice stems from the nature of the problem, the existence of unknowns that will become known in the future and the insufficiency of the information. The subjective judgement is related to the manager's personal values which inevitably affect strategy determination. After strategy is determined, it is important that it should be understood by other members of the organization. Otherwise, the company's direction is unclear and the management tends to move in various directions.

2.1.2.6. Implementing Strategy

Strategy is implemented by developing specific plans to carry out the overall strategy. Strategies may be operationalized on the basis of the following : departments, time, product/services, regions or functions such as finance or personnel.

Middle and lower management put strategy into practice. In order to implement any specific strategy successfully, it is necessary to obtain cooperation from executives at middle or lower levels of the corporation. One way of achieving acceptance of the strategic plan by lower-level executives is to have these executives actively participate in the planning process.

It is critical as part of the implementation process to examine the formal organizational structure. There must be a harmony of the structure with the requirements for decision-making, coordination and control originating from the plan. Generally, changes in organizational structure are made along with the centralization-decentralization dimension. The strategic plan should be analyzed to determine whether the organizational structure should be shifted in either direction. For example, if the firm acquires a new product that has little relationship to the current product mix, it may be desirable to decentralize decisions relating to the new product. The main factors affecting the

degree of decentralization of an organization are its size, diversity of products in the product line, the environment, subunit interdependency and technology. As an organization grows larger, the cost of maintaining centralized control increases. If the environment is hostile (in the sense that mistakes will be easily exploited by competitors), there will be an increased tendency toward centralization. Similarly, if there is a high degree of interdependency among subunits, more centralization is often necessary. If the technological changes associated with the firm's activities require large investments in order to exploit them, the tendency to centralize is increased. Technological changes that reduce the costs of communications provide an impetus toward decentralization. In order to relate the strategic plan effectively to the organizational structure, management should determine whether there will be any significant changes in size, environment, subunit interdependency and technology resulting from the plan. If so, modifications of the organizational structure should then be made as part of the implementation process ⁽¹⁵⁾.

2.1.2.7. Coordinating and Controlling Plans

Various operating plans should put together for an overall corporate plan for a particular time period. After functional or divisional operating plans are formulated, management must integrate them. This step produces a comprehensive plan in which each plan is compatible with others and established objectives. For example, various forms of short-term plans and budgets should be consistent with the strategic plan. Such interaction can be maintained through defining plans and budgets for the coming year as the first-year components in the quantitative projections developed as part of the strategic plan.

Planning is incomplete if it fails to include control mechanisms for comparing results with plans. Management control, especially through the budgetary process, provides tools for controlling and measuring the effectiveness of the planning effort. Management control is a systematic effort to set performance standards consistent with

(15) Cohen J. Kalman and Cyert M. Richard, "Strategy: Formulation, Implementation and Monitoring." The Journal of Business, pp.362

planning objectives, to design information feed back systems, to compare actual performance with these predetermined standards, and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives ⁽¹⁶⁾.

Management control is basically an extension of the planning process, for control standards must be consistent with the plan and aim at enabling the manager to see whether performance is in line with plans. The budget is probably the best known control standard. It also links planning and control, for the budget is both a plan (translated into numbers) and a control standard (a yardstick against which performance is measured).

2.1.3. Scientific Techniques Used in Planning

For more effective business planning, scientific methods are used. It's important for a planner to know about these methods and to benefit from them. However, it should always be kept in mind that scientific methods alone may not lead us to the realities. Scientific methods should be used together with discretion and experience to reach a better conclusion. Among these are quantitative techniques such as simulation, linear programming, dynamic programming, probability and decision theory, queuing, game theory, PER/CPM and quantitative forecasting techniques such as time series, econometric modelling, statistical surveys.

2.1.3.1. Quantitative Techniques

Simulation is a method of approaching a problem first by constructing a model which abstracts elements of the real situation that are pertinent to the problem, and second by manipulating this model in such a way as to draw some conclusions about the real situation which will aid in planning ⁽¹⁷⁾. Managers use simulation to

(16) Mockler, J. Rober. The Management Control Process. New York: Appleton-Century-Crofts Co., 1971. pp.5

(17) Dearden, John and McFarlan, Warren. Management Information Systems: Text and Cases. Homewood, Illinois: Richard D. Irwin Inc. 1966. pp.92

visualize the situation, so in order to plan an effective solution to the problem. In business world, simulation involves the use of a computer.

Linear programming is a mathematical technique employed in business for finding the best uses of the firm's limited resources, including money, raw materials, machines, space, transportation equipment, time and personnel, to accomplish specific goals.

Dynamic programming is one of the best known techniques for solving business problems in which resources are allocated in a sequence of interdependent decisions over a period of time and objective is to obtain the maximum return on the entire sequence of decisions. In such instances, dynamic programming can show management how some gain from one decision can be sacrificed to make possible a greater gain from another decision (18).

Decision theory and probability theory is a method used to select the best course of action from several alternatives to achieve a desired objective in a given situation under conditions of uncertainty. It enables the decision maker to analyze a set of complex situations with many alternatives and many different possible consequences.

Decision theory makes use of probability theory. Probability theory is a technique used for drawing inferences from statistical data. Through the use of probability theory, the decision maker can judge which events are more probable than others when faced with a decision under uncertainty. Decision theory has been used effectively in a wide range of business situations, such as capital budgeting, product pricing as well as how much inventory to carry, whether or not to buy a new machine or introduction a new product (19).

Queuing theory is related to the common problems in business such as bottlenecks and idle capacity. Each of these arises from a variable rate of arrival of some kind of unit requiring some kind of

(18) Mockler, J.Rober. Business Planning and Policy Formulation.
New York: Appleton-century-crofts Co., 1972, pp.219

(19) Ibid., pp.221

service, and by a variable rate of completing the service required. Queuing theory is a mathematical technique used in planning how to schedule and handle the arrival and service of these units, for through it, the manager can determine the most economical balance between the cost of waiting for service and the cost of providing additional facilities⁽²⁰⁾.

Game theory is a mathematical technique helpful in planning in situations of conflict, where the success of one party tends to be at the expense of others and where the individual decision maker is not in complete control of the factors influencing the outcome⁽²¹⁾.

PERT and CPM are two other model building techniques that can aid in the planning and scheduling of projects. PERT and CPM both use graphic network techniques to develop the maximum utilization of manpower, machines and time in the accomplishment of a project. Through the use of flowchart, PERT and CPM help the manager visualize the interrelationships of all aspects of a project. Both methods can be used to decide whether to undertake a project, to develop a reasonable plan for carrying out a project, and to control the progress of the project. These techniques can be applied to almost any type of project planning problem in business⁽²²⁾.

2.1.3.2. Quantitative Forecasting Techniques

They use statistical analyses and mathematics to predict future events. Among the more popular ones are time-series analysis, econometric modeling and statistical surveys.

Time-series analysis makes predictions by projecting trends of the past and present into the future. Through regression analysis, historical comparisons are made and trends are extrapolated into the future.

Econometric modeling builds complex computer models to simulate future events based on probabilities and assumptions. Predictions

(20) Ibid., pp.225

(21) Ibid., pp.226

(22) Ibid., pp.228

are statistically made based on the relationships discovered to exist among variables included in the model (23).

Statistical surveys are generally used to predict consumer tastes and political choices for the future. The forecast is based on statistical analysis of the answers respondents provide to survey questions. Such surveys vary greatly in their confidence factors according to the rigor underlying the survey and research designs as well as the strength of the statistics used to analyze results. (24)

2.1.4. Organization of The Planning Function

Planning is one of the management functions. So, all management personnel whether top management or middle management must assume some planning responsibility. However, planning responsibility changes according to the level of management. Top management is responsible for strategic planning and its responsibilities center on establishing overall organizational objectives and strategies. Top management leadership is essential if effective comprehensive planning is to be achieved. Implementation of strategic plans is among middle management's responsibilities. Middle management uses resources to implement strategy. As can be understood from the above explanations, each level of management needs the other to do its job well.

An important dilemma in organization of planning relates to the choice of where the process should begin. Top-down planning is where top management sets the broad objectives and then allows lower management levels to make plans within these constraints. Top-down planning is common in organizations experiencing centralized decision making. Bottom-up planning begins with plans that are developed at lower levels without such constraints. They are then sequentially passed up to the top management levels. Bottom-up planning is common in organizations experiencing decentralized decision making.

(23) Schermerhorn R. John. Management for Productivity. New York: John Wiley and Sons, Inc., 1984. pp.124

(24) Ibid., pp.124

Both bottom-up and top-down planning approaches have disadvantages. When followed to the extreme, bottom-up planning may fail to result in an integrated overall direction for the organization as a whole. This occurs when multiple plans from various subsystems reflect uncoordinated or even conflicting action directions. But, a major advantage of this approach is a strong sense of commitment among those involved in the planning at lower levels. Pure top-down planning, on the other hand, sometimes fails on just this latter point. It may not satisfy the needs of lower levels and therefore negatively influence the planning process.

Combination of the best elements of both the top-down and bottom-up planning is a process where the planning begins at the top and then proceeds in a way that allows consultations from all levels. This type of objective determination will be called "centralized with consultation" type of objective determination in this thesis.

As the companies grow, coordination of plans made by different departments becomes increasingly difficult and; so planning departments should be established. The major role of the planning department is the overall coordination of the total planning effort. Managers continue to plan their parts or help planners make plans for their departments and planning department coordinates all the plans made by different departments. Work of the planning staff supplements, rather than replaces, planning by other managers. Planning department also gives line managers various types of assistance such as providing economic forecasts, projections of market demand and market research. It also reviews plans and provides feedback for the managers through the evaluation of plans (variance analysis).

2.2. Review of Empirical Studies Carried Out in Turkey

There are a lot of researches on planning especially in the international literature. However, this thesis specifically aims at investigating planning approaches of Turkish companies. So, in this part of the second chapter, findings of the researches about the plan-

ning approaches and applications of Turkish firms carried out in the past by Prof.Dr.Mustafa Dilber and Prof.Dr.Erol Eren will be summarized.

According to Prof. Dilber ⁽²⁵⁾, although planning process took place in the Turkish private sector, the extent and type of systematic and scientific ways of planning were far from being optimized. Programmed planning seemed to be lacking. Objectives were not determined formally in the firms. The common way to determine objectives was through common sense or experience. Some entrepreneurs even said that they did not know how the objectives had been established.

Types of plans used were very limited and generally made when a need occurred. Production plans were generally prepared in the form of production programs based on the historical data. It was a fact that marketing plans were prepared without considering the other marketing components such as product, price, distribution channels and advertising. On the other hand, manpower planning was almost non-existent. Financial budgets seemed to be the most prominent and pervasive form of planning. When and if they existed, such special plans were exact and detailed, but they were rarely drawn in accordance with the total operations of the firm.

Planning period usually comprised 12 months and long-term strategic plans were difficult to meet. Plans were prepared on the basis of the bottleneck area such as sales volume, financial situation, materials or labor supply. And then all other areas were attempted to harmonize accordingly. Such a planning was passive and suitable for short periods, but it was not directed toward influencing and controlling the actions which had to take place in order to reach a planned goal.

He ⁽²⁶⁾ explained that the most popular excuse of Turkish entrepreneurs for their inadequacy of planning was the argument that the instability of the political regime, the scope of government

(25) Dilber, Mustafa, Türk Özel Kesim Endüstrisinde Yönetmel Davranış.
İstanbul: B.U İdari Bilimler Fakültesi, 1981

(26) Ibid

regulations and the price level in conjunction with the rapidly changing structure and size of the markets, render long-range planning very difficult. He continued his findings about the participation to the planning process and concluded that the participation to the planning process was limited to data collection from the subordinates. In planning process, subordinates' opinions were not generally considered which could be explained through the authoritarian attitude of top managers and entrepreneurs. In addition, managers complained about the lack of time and couldn't manage to make even short-term plans, since their time was mostly devoted to daily jobs.

Dilber concluded that with such a starting point, a comprehensive planning system could not be expected. Instead, a "roll-with-the punch" approach prevailed, with a few detailed plans, infrequent appraisals of the enterprise as a whole and a tendency to make a virtue of aimless flexibility.

In the research of Prof.Eren⁽²⁷⁾, planning activities of Turkish and European firms were compared. His findings can be summarized as follows :

Both in European firms and in Turkish firms generally the efforts to establish planning departments have accelerated in the past 10 years. The main difference is that, in the European firms, the trend for periods of 3 to 5 years or more; while in Turkish enterprises, this is done for the periods of one year or less; in other words, it doesn't go further than the budget period. Consequently, the tendency to perform strategic planning activities is more wide spread in European firms. A positive relation between the tendency to perform planning activities and the tendency to have a planning department, and also a positive relation between the sales volume and the number of the personnel catches the eye. In other words, in the firms having a relatively higher sales volume and having relatively larger personnel,

(27) Eren, Erol, İşletmelerde Stratejik Planlama. İstanbul: I.U.İşletme Fak., 1979

the need and importance to establish a planning department increase. In the firms having planning department, the custom to make separate budgets for different departments is not pronounced. In the planning departments, the tendency to make the personnel work full-time is stronger. In Turkish firms' planning departments, the specialized personnel number is higher than the European firms'. In the European firms, Business Administration or Economics graduates are employed as specialized personnel; while in the Turkish firms Engineering graduates occupy the first rank.

In the European firms, activities which are related to the financial and long-term strategic planning are more common; while in the Turkish firms, activities related to short-term production planning are the most common. The main reason for the non-existence of the planning department is that each department makes its own plans in European countries, while in the Turkish firms, this activity is said to be performed by the board of directors or general manager.

Both in Turkish and European firms, the aim of growth and expanding market opportunities is primary. The secondary aim in European firms is net profit, while in Turkish firms this is productivity. The third aim is cash flow in both of these firms.

In European firms, the external factors causing most of the difficulties to long-term strategic planning activities of the firms are mainly government activities (laws, taxes, price controls, regional investments, credits, incentive purchases, etc.) followed by inflation, and competition for foreign markets. For Turkish firms, these external factors are respectively; labor agreements, government activities, and inflation. Problem generating internal factors to planning in Turkish firms are information flow and communication system, delegation of authority and responsibility in the organization, and the skills of the personnel (technical skills and expertise); while they are information flow and communication system, relations between the departments in an organization and linkage between the short-term and long-term plans for foreign firms respectively.

CHAPTER THREE

III. A STUDY ON PLANNING APPROACHES OF COMPANIES IN THE TURKISH PRIVATE SECTOR

In the first part of this chapter, the field study of which results are analysed in the following sections, and in the second part related findings will be described.

3.1. Research Design and Methodology

3.1.1. Research Purpose

Planning is the first and the most basic of all the managerial functions. It's the foundation of the management process. Planning helps managers set the stage for further decisions on how to organize, lead and control ⁽²⁸⁾. Parallel to its importance, it's also one of the most popular topics in business publications, conferences and management development seminars and all the thoughtful executives have become increasingly aware of the need for developing a more systematic and effective approach to planning as a means of dealing with the ever accelerating rate, magnitude and complexity of change which affects the corporation ⁽²⁹⁾. The above explanations are related to the case in U.S. However, the case in Turkey was almost opposite of that in U.S. according to the findings of the previously mentioned surveys (Dilber's and Eren's surveys) conducted in Turkey before 1970. Although planning in Turkey was not very much developed before 1970, the country has continued its development since then, rejected the closed type of economy and chose-with the 24 January 1980 program-to open up to the world. Therefore, it's believed that together with the development as well as the new economical choice, the planning approaches of Turkish companies, at least those of the large-sized companies, have changed in the positive way.

On the other hand, Kimberly asserted that there was a relationship between the size of the companies and the execution of the ma-

(28) Schermerhorn R. John. Management for Productivity. New York: John Wiley and Sons, Inc., 1984. pp.108

(29) Warren E. Kirby, Long-Range Planning: The Executive Viewpoint. New Jersey: Prentice-Hall, Inc., 1966. pp.2

nagement functions⁽³⁰⁾.

The purpose of this study is to explore the existence of such a relationship between size and planning approaches and planning practices of Turkish companies. The study also analyses the level of planning approaches and planning practices of the companies in the private sector of Turkey in 1980's.

The above discussed research purpose was explored with the help of a field study which was carried out by interviewing top and middle level Turkish managers from the private sector.

3.1.2. Variables Related To Planning Approaches of Companies and Questions Measuring Them

In this section, variables related to the planning approaches and the questions measuring them will be presented with the help of a table. Questions aiming at measuring the variables related to the planning practices are not mentioned since they can be easily understood from the variables themselves.

(30) Kemberly, J.R, "Organizational size and the structuralist Perspective : A Review, Critique and Proposal,"
ASQ, Vol.21 (Dec.1976), pp.571-597

TABLE :3.1 VARIABLES and QUESTIONS MEASURING THEM

VARIABLES	QUESTIONS MEASURING VARIABLES
<u>1) Approach Towards L-R Planning</u>	
Confidence in L-R Planning	It's to leave things to chance not to have long-term plans even in the most uncertain conditions.
Lack of confidence in L-R Planning	It's just a kind of self-deception to get into long-term planning in an environment which is even difficult to foresee one year interval.
<u>2) Modern versus Traditional Viewpoints</u>	
Modern Viewpoint	It's been time for Turkey to apply scientific planning techniques.
Traditional Viewpoint	Turkey's conditions do not seem like those of the developed countries. So, we should continue to use our own techniques.
<u>3) Research versus Experience</u>	
Research	Changes in market conditions should be evaluated through a scientific and healthy research.
Experience	Changes in market conditions should be evaluated through the experience and commonsense.
<u>4) Profit Objective</u>	
Long-Term Normal Profit	The most important company profit objective should be to get a normal but continuous profit.
Short-Term Maximum Profit	The most important company profit objective should be to get the maximum profit in the short-run.

TABLE 3.1 CONTINUED

VARIABLES	QUESTIONS MEASURING VARIABLES
<u>5) Result Versus System</u>	
Result	The more important thing is the effectiveness of the plan on the results.
System	The more important thing is to establish a planning system, even it has not been useful for that period.
<u>6) Fixed versus Variable Budget</u>	
Fixed Budget	The budget prevents the company from benefitting from the opportunities which will emerge during the budget period.
Variable Budget	The targets of the budget should be interpreted as the targets which can be surpassed during the budget period.

3.1.3. Hypotheses

The scope of the research can be understood by the following hypotheses : first group of hypotheses is related to the planning practices of the companies and the other group is related to the planning approaches of the companies.

The hypotheses related to the planning practices of the companies are as follows ;

H₁ : Large-sized companies tend to make formal long-term plans as well as formal short-term plans more than the medium-sized companies do.

H₂ : Large-sized companies use scientific techniques more than the medium-sized companies do.

- H₃ : Large-sized companies make revision of their plans while the medium-sized companies do not.
- H₄ : Large-sized companies make evaluation of their plans while the medium-sized companies do not.
- H₅ : While long-term plans of the large-sized companies are prepared in line with their short-term plans, the long-term plans of the medium-sized companies are prepared independent from their short-term plans.
- H₆ : Although the way of establishing objectives is centralized with consultation in the large-sized companies, it's centralized without consultation in the medium-sized companies.
- H₇ : Large-sized companies have a planning department for coordinating their plans, medium-sized companies do not have. The hypotheses below are related to the planning approaches of companies :
- H₁ : Large-sized companies confide in planning more than the medium-sized companies do.
- H₂ : Large-sized companies prefer scientific and universal techniques in planning more than the medium-sized companies do.
- H₃ : Large-sized companies use research in evaluating the environment while the medium-sized companies use experience and commonsense.
- H₄ : The profit objective of the large-sized companies is a normal but a continuous profit while the profit objective of the medium-sized companies is maximum but a hit-and-run profit.

3.1.4. Data Collection Procedure, Instrument and the Characteristics of the Sample

A questionnaire was devised as the main data collection instrument. The questionnaire consisted of four parts-Part A-Part B-Part C and Part D. The questions in Part A are related to the

characteristics of the companies and the profile of the managers. In part B, descriptive questions which intended to evaluate the planning practices of the companies are presented. Questions in part C aim at finding out the planning approaches of companies. Part D differs from part C in that it aims at finding out the attitudes of managers towards planning. The questions in Part C and Part D are of forced-choice type.

A pilot test was made to test the understandability of the questions. It was made on 2 companies and 2 managers.

The policy followed in the administration of the questionnaires was to find an acquaintance in each organization and through his mediation visit each member of the sample. Therefore, the sample is a "convenient sample and members of the sample consist of both top and middle level managers of the companies. Before the interview, each interviewee was informed about the purpose of the study and its confidential nature.

Interviews evoked comments that would have been impossible through the mailed questionnaires. In a mailed questionnaire, If the subject misinterprets a question or records his responses in a baffling manner, there is usually nothing to be done to remedy the situation. In face to face interview, there is the possibility of repeating or rephrasing questions to make sure that they are understood or of asking further questions in order to clarify the meaning of a response. Therefore, face to face interview method is preferred in this study to collect data.

Turkish companies are viewed as being composed of local-private enterprises, foreign-private enterprises and state enterprises. In this research, only local-private enterprises are taken into consideration. Non-profit firms are excluded from the study. Both commercial and manufacturing enterprises of medium and large size were included in the "local-private" category; small firms were excluded.

To be able to classify commercial and manufacturing companies according to the size, a transformation formula was developed. In this research, size is assumed to be a function of personnel, paid-up capital and turnover. In the transformation formula personnel, paid-up capital and turnover (gross income) have been classified into 3 ranges, which are ranked from small(1) to large(3), from left to right (see Table 3.1)

TABLE 3.2 CLASSIFICATION OF PERSONNEL, PAID-UP CAPITAL and TURNOVER

Number of Personnel (P)	$P < 500$ 1	$500 \leq P < 1000$ 2	$P \geq 1000$ 3
Paid-up Capital (C) (million TL)	$C < 500$ 1	$500 \leq C < 1000$ 2	$C \geq 1000$ 3
Turnover in 1984 (T) (million TL)	$T < 5000$ 1	$5000 \leq T < 25000$ 2	$T \geq 25000$ 3

Relative weights of personnel, capital and turnover in commercial and manufacturing companies determined subjectively according to the expert opinion* are as follows :

TABLE 3.3 WEIGHTS OF PERSONNEL, PAID-UP CAPITAL and TURNOVER IN COMMERCIAL and MANUFACTURING COMPANIES

	<u>Commercial Co.</u>	<u>Manufacturing Co.</u>
Personnel	.10	.20
Paid-up Capital	.20	.35
Turnover	.70	.45
	<hr/> 1.00	<hr/> 1.00

Transformation formula will be explained by an example. If a commercial company's personnel number is less than 500, it falls on

* Opinions of two professors from Bosphorus University.

the 1st range. Since the company is of commercial type, and the weight of personnel for a commercial type is .10, 1 will be multiplied by .10 to find out the weight of personnel in the total value. The weight of capital and turnover will be calculated in the same way and the calculated value of each will be added to another. Thus, a value is calculated for each company which results in a classification as medium and large.

Based on the preceding explanations, the breakdown of this final sample is as follows :

Medium-sized companies	:	14
Commercial	:	6
Manufacturing	:	8
Large-sized companies	:	13
Commercial	:	3
Manufacturin	:	10
TOTAL		<hr/> 27

Managers are classified as top managers and middle-level managers. Titles such as "Koordinatör, Genel Müdür, Genel Müdür Yardımcısı, Fabrika Müdürü*" are considered to be top, "Pazarlama Müdürü, Üretim Müdürü, Finansman Müdürü, Planlama Müdürü" are considered to be middle-level managers. Sample size of the managers is 27 and equal to the number of companies.

The characteristics of the companies and the profile of the managers in the survey will be presented in the following tables.

* "Fabrika Müdürü" is considered to be top since it's ranked in a higher position in the organizational hierarchy in the sample interviewed.

TABLE 3.4 CHARACTERISTICS OF COMPANIES

Characteristics	Number	Percent
<u>Independent-Dependent</u>		
Independent (not having a parent company)	12	44.4
Dependent (having a parent company)	15	55.6
	27	100.0
<u>Type of Company</u>		
Commercial	9	33.3
Manufacturing	18	66.7
	27	100.0
<u>Sector</u>		
Automotive	7	25.9
Commercial : 3		
Manufacturing : 4		
Construction	3	11.1
Commercial : 1		
Manufacturing : 2		
Textile	5	18.5
Commercial : 1		
Manufacturing : 4		
Other	12	44.4
Commercial : 4		
Manufacturing : 8		
	27	100.0

TABLE 3.4 CONTINUED

<u>Product line (P.L)</u>		
P.L < 100	11	40.7
100 ≤ P.L < 1000	11	40.7
P.L ≥ 1000	5	18.5
	<u>27</u>	<u>100.0</u>
<u>Establishment Year (E.Y)</u>		
E.Y ≤ 1970	13	48.1
E.Y > 1970	14	51.9
	<u>27</u>	<u>100.0</u>
<u>Personnel (P)</u>		
P < 500	11	40.7
500 ≤ P < 1000	8	29.6
P ≥ 1000	8	29.6
	<u>27</u>	<u>100.0</u>
<u>Paid-up Capital (C)</u>		
C < 500 million	14	51.9
500 million ≤ C < 1 billion	4	14.8
C ≥ 1 billion	9	33.3
	<u>27</u>	<u>100.0</u>
<u>Turnover in 1984 (T)</u>		
T < 5 billion	7	25.9
5 billion ≤ T < 25 billion	10	37.0
T ≥ 25 billion	10	37.0
	<u>27</u>	<u>100.0</u>

TABLE 3.4 CONTINUED

<u>Computer</u>		
Existent	25	92.6
Non-existent (but using service co.)	2	7.4
	<u>27</u>	<u>100.0</u>
<u>Computer Areas</u>		
Few Areas	10	37.0
Most of Areas	10	37.0
All of them	7	25.9
	<u>27</u>	<u>100.0</u>

Source: Questions about the company in Part A. See Questionnaire in Appendix 1.

TABLE 3.5 PROFILE OF MANAGERS

<u>Characteristics</u>	<u>Number</u>	<u>Percent</u>
<u>Managers' status</u>		
Top Managers	16	59.3
Middle Managers	11	40.7
	<u>27</u>	<u>100.0</u>

TABLE 3.5 CONTINUED

<u>Background of Managers</u>		
Engineering	10	37.0
Business Administration	13	48.1
Economics	4	14.8
	27	100.0
<u>Age of Managers (M.A)</u>		
27 M.A 40	16	59.3
M.A 40	11	40.7
	27	100.0
<u>Knowledge of Foreign Language</u>		
1) Managers who can not speak any foreign languages	4	14.8
2) Managers who can speak one foreign language	17	63.0
3) Managers who can speak two foreign languages	6	22.2
	27	100.0

Source: Questions about the manager in Part A. See Questionnaire in Appendix 1.

After all the questionnaires were coded, SPSS (Statistical Package Program for Social Sciences) have been employed and sub-programs like one-way Frequency and Cross-Tabulation Analysis were utilized. After the first run was taken, "recoding process" has been performed due to the unsatisfactory distribution of the data.

3.1.5 Limitations of The Study

This study has some limitations caused either by the sample or by the administration of the field study. These limitations will be discussed in this section.

Random sampling couldn't be managed due to the difficulties of contacting as well as time and cost considerations. Thus, the sample consisted of the organizations whose managers were conveniently reachable and available. As a result, the consistency of the level of the managers couldn't be managed. Moreover, the field study had to be limited to the Istanbul area.

Foreign private enterprises are excluded from the study because they are forced to adopt the management style of the parent company. Due to the difficulty in establishing contacts, state enterprises couldn't be examined, either. All these limit the scope of the generalization of our findings.

As previously mentioned, face to face interview method is chosen as a means of collecting data from the questionnaires. Although it ensured to gather information at a level which the researcher wished, it limited the size of the sample since it took more time than expected for reasons beyond the control of the researcher. Therefore, although the initial sampling frame included 30 commercial firms (15 medium-sized, 15 large-sized) and 30 manufacturing firms (15 medium-sized, 15 large-sized) selected on a convenience basis, only 27 interviews could be realized. This is too small for valid generalization.

3.2. Findings

In this second part of the chapter, the results of the study will be reviewed in the following order: 1) Frequency distributions of the variables 2) cross tabulations related to the hypotheses 3) other findings.

3.2.1. Frequency Distributions of The Variables

In this section, the results of the frequency analyses applied on the data will be given in the form of tables. An interpretation related to each table will be given after the table.

TABLE 3.6: BREAKDOWN OF THE COMPANIES MAKING SHORT and/or LONG TERM PLANS

	<u>Number</u>	<u>Percent</u>
Short-term Plans only	14	51.9
Both Short-term and Long-term plans	13	48.1
	<u>27</u>	<u>100.0</u>

Source : Question 1 in Part B.

51.9 % of the respondents asserted that they were making only short-term plans. The ratio of respondents making both short-term and long-term plans was, on the other hand, 48.1%. However, the above ratios will not be accepted as an indicator of short-term and long-term plans since they include informal plans as well as formal plans. Informal plans are the plans without being written down, made in mind. In this thesis, only formal plans will be taken into consideration since it's believed that planning without formal plans is a waste of time. The breakdown of the formal and informal short-term and long-term plans will be presented in the following table.

TABLE 3.7 BREAKDOWN OF FORMAL and INFORMAL SHORT-TERM and LONG-TERM PLANS

	<u>Number</u>	<u>Percent</u>
Formal short-term plans only	11	40.7
Both Formal Short-term and Formal Long-term Plans	10	37.0
Formal Short-term and Informal long-term Plans	5	18.5
Informal short-term and informal long-term Plans	1	3.8
	<u>27</u>	<u>100.0</u>

As seen from the above table, the number of the companies making both formal short-term and long-term plans was 10. However, in the table 3.6, the number of companies making both formal and informal short-term and long-term plans was 13. In addition, 6 companies out of 27 companies stated that they were making informal long-term plans. These indicate the existence of companies without a planning concept.

TABLE 3.8 PERIOD and PREPARATOR OF LONG-TERM and SHORT-TERM PLANS

	<u>Number</u>	<u>Percent</u>
<u>LONG-TERM PLANS</u>		
<u>Period of strategic Plans</u>		
Less and equal to 5 years	9	90.0
More than 5 years	1	10.0
	<u>10</u>	<u>100.0</u>

TABLE 3.8 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>Preparator of Strategic Plans</u>		
President, Department Managers	9	90.0
President, Executive Board	1	10.0
	<u>10</u>	<u>100.0</u>
 <u>OPERATING PLANS</u>		
<u>Period of Production Plan</u>		
One month-three months	9	50.0
Weekly	6	33.3
Daily	3	16.7
	<u>18</u>	<u>100.0</u>
 <u>Preparator of Production Plan</u>		
Production Planning Department	17	94.4
Other	1	5.6
	<u>18</u>	<u>100.0</u>
 <u>Period of Finance Plan</u>		
Monthly	12	46.2
Weekly	10	38.5
When needed	4	15.3
	<u>26</u>	<u>100.0</u>

TABLE 3.8 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>Preparator of Finance Plan</u>		
Finance Department	24	92.3
President	2	7.7
	<u>26</u>	<u>100.0</u>
<u>Period of Marketing Plan</u>		
One month-three months	16	88.8
Weekly and daily	1	5.6
When needed	1	5.6
	<u>18</u>	<u>100.0</u>
<u>Preparator of Marketing Plan</u>		
Marketing Company	5	21.7
Marketing Department	17	73.9
President	1	4.4
	<u>23</u>	<u>100.0</u>
<u>Period of Personnel Plan</u>		
Yearly	17	100.0
	<u>17</u>	<u>100.0</u>
<u>Preparator of Personnel Plan</u>		
Personnel Department	13	76.5
Departments	4	23.5
	<u>17</u>	<u>100.0</u>

TABLE 3.8 CONTINUED

<u>Period of Inventory Plan</u>	<u>Number</u>	<u>Percent</u>
One month-Three months	8	50.0
Weekly	5	31.3
Yearly	3	18.7
	<hr/>	<hr/>
	16	100.0

<u>Preparator of Inventory Plan</u>		
Production Planning Department	7	46.7
Inventory Control Department	4	26.7
Other	4	26.7
	<hr/>	<hr/>
	15	100.0

Source: Question 6 in Part B.

As seen from the table 3.8, strategic plans were generally prepared for less than 5 years in the companies included in the study. Of 10 companies which made long-term plans, only one company prepared a strategic plan of more than 5 years. Strategic plans of these companies were mostly prepared by a committee which consisted of the president and the department managers. The coordination of the strategic plans was provided by the planning group in the companies which had a planning department.

The period of the operating plans was limited to one year. Operating plans which are short-term plans according to the time horizon, are classified under 5 headings such as production plan, finance plan, marketing plan, personnel plan and inventory plan in this thesis. The period and the preparator of the operating plans can be seen in detail from the preceding table. Only the summary findings will be explained here.

The number of the companies which prepared their short-term plans at more frequent intervals in a certain planning period was very little when compared to the other categories. The interval of the operating plans changes from company to company seemingly depending on the sector, frequency of computer employment as well as the management's approach.

Plans were mostly prepared by the related departments. However, in the companies which had a planning department, operating plans were prepared by the planning departments. In these companies, line managers participated the planning process with their proposals.

Production plans were prepared by all of the production companies. of 27 companies, 26 companies prepared finance plan, 23 companies prepared marketing plans, 17 companies prepared personnel plans and 15 companies prepared inventory plans. However, 26 companies mentioned had asserted that they were making formal short-term plans ⁽³¹⁾.

TABLE 3.9 PLANNING HISTORY

	<u>Number</u>	<u>Percent</u>
<u>Short-term Planning</u>		
1-5 years	7	70.0
6-10 years	2	20.0
Morethan 10 years	1	10.0
	<u>10</u>	<u>100.0</u>

(31) : See Table 3.6

TABLE 3.9 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>Long-term Planning</u>		
1-5 years	11	42.3
6-10 years	7	26.9
More than 10 years	8	30.8
	<u>26</u>	<u>100.0</u>

Source: Questions 3 and 5 in Part B.

According to the table, short-term planning had a past of longer than the long-term planning. It seems that long-term planning efforts accelerated during last 5 years.

TABLE 3.10 REASONS FOR MAKING LONG-RANGE PLANNING

	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Increase in Product Lines	5	50.0	5	50.0	10	100.0
Increase in Competition	5	50.0	5	50.0	10	100.0
Decrease in profit	1	10.0	9	90.0	10	100.0
New Investments	5	50.0	5	50.0	10	100.0
Increase in cash Problem	4	40.0	6	60.0	10	100.0
To increase Efficiency	2	20.0	8	80.0	10	100.0
To Increase Market Share	2	20.0	8	80.0	10	100.0
Attitude of Management	8	80.0	2	20.0	10	100.0

Source: Question 4 in Part B. (Multiple answers were permitted)

The table 3.10 indicates that the most important reason for the companies to engage in long-term planning is the management's attitude, which is the personal willingness of the chief executives responsible for the overall management of the company. Among other reasons are increase in product lines and competition, new investments, increase in cash problem, to increase efficiency, to increase market share and decrease in profit in that order. Although these are not as important as the management's attitude, they have impact on companies for engaging in long-range planning.

TABLE 3.11 UTILIZATION OF SCIENTIFIC METHODS IN PLANNING

	<u>Number</u>	<u>Percent</u>
<u>Scientific Method Usage</u>		
Companies Using Scientific Methods	10	37.0
Companies Not Using Scientific Methods	17	63.0
	<u>27</u>	<u>100.0</u>
<u>Types of Scientific Methods Used</u>		
Quantitative Techniques	7	70.0
Forecasting Techniques	2	20.0
Quantitative and Forecasting Techniques	1	10.0
	<u>10</u>	<u>100.0</u>
<u>The Reasons for Not Using</u>		
<u>Scientific Methods</u>		
Management's Attitude	13	76.4
Lack of Data	4	23.6
	<u>17</u>	<u>100.0</u>

Source: Question 7 in Part B.

As seen from the preceding table, 10 companies out of 27 companies stated that they were using scientific methods, that is, utilization of scientific methods in planning was not widespread among the companies interviewed. Quantitative techniques related to especially short-term operating plans were in the first place among the companies using scientific methods.

The major reason for not using scientific techniques was the management's attitude against the scientific techniques. By management attitudes, it's meant that the management does not believe in the advantages of the scientific methods because of a variety of reasons such as lack of an established planning system and being uninformed of the benefits. Other reason is the lack of data. Some companies complained of the difficulties in obtaining data from external sources as well as internal sources.

TABLE 3.12 REVISION OF PLANS

	<u>Number</u>	<u>Percent</u>
Companies making revision of both short-term and long-term plans	8	29.6
Companies not making revision of both short-term and long-term plans	9	33.3
Companies making revision of short-term plans and not making revision of long-term plans	10	37.0
	<u>27</u>	<u>100.0</u>

TABLE 3.12 CONTINUED

Revision Interval of Short
and Long-Term Plans

	<u>SHORT-TERM</u>			<u>LONG-TERM</u>	
	<u>Number</u>	<u>Percent</u>		<u>Number</u>	<u>Percent</u>
Monthly or once in 3 months	10	55.6	One in a year	7	87.5
Continuously [*]	2	11.1	Continuously	1	12.5
When needed ^{**}	6	33.3			
	<u>18</u>	<u>100.0</u>		<u>8</u>	<u>100.0</u>

Source: Question 8 in Part B.

According to table 3.12, 9 firms out of 27 firms made no revision of their plans although they made plans. 18 companies out of 26 companies making short-term plans and 8 companies out of 10 companies making long-term plans declared that they were revising their plans. Table 3.13 also indicates that the minority which revised its both short-term and long-term plans continuously. The rest generally preferred to revise their plans at an interval set earlier.

The success of planning depends on the adjustment of plans and without revision, a plan does not have much meaning.

* Plans are revised continuously as parallel to change in the market conditions.

** Plans are only revised when it necessitates a revision.

TABLE 3.13 EVALUATION OF PLANNING

	<u>Number</u>	<u>Percent</u>
Companies which measure the effectiveness of planning	18	66.7
Companies which do not measure the effectiveness of planning	9	33.3
	<u>27</u>	<u>100.0</u>

Source : Question 9 in Part B.

Planning is incomplete if it fails to include follow-up mechanisms for comparing results with plans⁽³²⁾. However, as it can be seen from table 3.13, 9 companies out of 27 did not compare their results with their plans, therefore, did not know whether they had an effective planning system or not.

TABLE 3.14 COORDINATION OF LONG-TERM and SHORT-TERM PLANS

	<u>Number</u>	<u>Percent</u>
Existence of coordination	6	60.0
Lack of coordination	4	40.0
	<u>10</u>	<u>100.0</u>

(32) Sokolik L. Stanley, "A Strategy for Planning", MSU Business Topics, pp.59, Spring 1978, Volume: 26.

TABLE 3.14 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>The Reasons for Lack of Coordination</u>		
Neglect of Revision of Long-Term Plans	3	75.0
Different Functions	1	25.0
	<u>4</u>	<u>100.0</u>

Source: Question 10 in Part B.

The preceding table shows that 6 companies out of 10 companies preparing both formal short-term and long-term plans prepared their long-term plans in line with their short-term plans. 4 companies, on the other hand, asserted that they were preparing their long-term plans independent from their short-term plans. The basic reason for the lack of coordination seemed to be the neglect of revision of the long-term plans. Only one company asserted that the functions of short-term and long-term plans were different, therefore, their plans were not coordinated.

TABLE 3.15 ESTABLISHMENT OF OBJECTIVES

	<u>Number</u>	<u>Percent</u>
Centralized	13	48.1
Centralized with consultation	14	51.9
Decentralized	0	0.0
	<u>27</u>	<u>100.0</u>

Source: Question 11 in Part B.

There was no company in the sample which had the decentralized type of management in terms of objective establishment. However, decentralization through M.B.O is one of the most commonly used means in developed countries for integrating the strategic planning process, operational planning process and day-to-day decision-making into a unified one⁽³³⁾. This is an important limitation for the Turkish companies in establishing an effective planning system. The closest to the decentralized type of objective determination in the sample is centralized with consultation type of objective determination. This means that top management consults to the middle management while determining company objectives, although the final decision is top management's decision. As seen from the table 3.15, Centralized with participation and centralized without participation ways of objective determination were almost equally distributed among the sample.

TABLE 3.16 PLANNING DEPARTMENT

	<u>Number</u>	<u>Percent</u>
<u>Existence of Planning Department</u>		
Yes	9	33.3
No	18	66.7
	<hr/>	<hr/>
	27	100.0
 <u>Establishment year</u>		
Before 1970	-	0.0
Between 1970-1980	4	44.4
After 1980	5	55.6
	<hr/>	<hr/>
	9	100.0

(33) Giegold, W. Strategic planning and the MBO Process. New York: Mc Graw-Hill Co., 1978

TABLE 3.16 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>Background of Personnel</u>		
Business Administration	6	66.7
Engineering	1	11.1
Business Admin. and Engineering	2	22.2
	<u>9</u>	<u>100.0</u>
 <u>The reasons for establishing a planning department</u>		
Coordination of plans	5	55.6
Attitude of Management	4	44.4
	<u>9</u>	<u>100.0</u>

Source: Questions 12,13,14,15 in Part B.

As seen from the above table, 9 companies out of 26 companies making formal plans established a planning department with the aim of coordinating sub-plans into a unified one as a result of growth of the company and decentralization of management as well as the attitude of management towards planning department. By attitude of management, it is meant that management believes that planning department provides leadership in planning. For, such a department, planning is not an activity that must be squeezed into an already busy operating schedule. As a result, it can make more thorough investigations and analyses in devising, analyzing and coordinating plans ⁽³⁴⁾.

(34) Knisely, Gary and Matling, Stuart, "Profile of a Corporate Planner". Planning Review. pp.21, January 1980.

The table also indicates that planning departments emerged during last 15 years parallel to increasing emphasis on planning and the planning staff of these departments had mostly business administration background.

TABLE 3.17 SUFFICIENCY OF PLANNING

	<u>Number</u>	<u>Percent</u>
Sufficient	15	55.6
Insufficient	12	44.4
	<u>27</u>	<u>100.0</u>

Source: Question 16 in Part B.

55.6 % of the respondents asserted that they were pleased with the level of planning they were doing. They were pleased, because they thought that enough profit was gained and/or their company was able to survive in the market according to the observations of the researcher. In other words, their thoughts were based on the adequacy of planning in the short-term.

44.4 % of the respondents stated that their planning was insufficient. The reasons of insufficiency can be explained as the lack of infrastructure which includes non-existence of a planning department, lack of coordination and lack of broad management participation, as well as the need for a more computerized planning according to the subjective opinion of the researcher.

TABLE 3.18 THE REASONS FOR NEGLECT OF LONG-RANGE PLANNING

	<u>Important</u>		<u>Unimportant</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Economic Instability	8	47.1	9	52.9	17	100.0
Legal/Political Instability	8	47.1	9	52.9	17	100.0
Sector's characteristics	5	29.4	12	70.6	17	100.0
Management's attitude	13	76.5	4	23.5	17	100.0

Source: Question 17 in Part B.(Multiple answers were permitted).

The most important reason for the neglect of long-range planning is seen from table 3.18, as the negative attitude of management towards long-range planning. This can be due to the fact that the effects of long-term planning is not always apparent in the short-run.

It seems that top management's preoccupation with current problems as well as the lack of infrastructure have negative impacts on long-term planning, either.

The effect of inflation and unstable laws and regulations did not seem as important as it used to be. However, it should always be kept in mind that the effect of inflation and unstable laws and regulations can be seen behind the management's preoccupation with current problems. The more the inflation increases and the laws and regulations change, the more the management is preoccupied with current problems.

TABLE 3.19 MANAGERS' ATTITUDES TOWARDS PLANNING

	<u>Number</u>	<u>Percent</u>
<u>Modern versus Traditional Viewpoint</u>		
Modern	24	88.9
Traditional	3	11.1
	<u>27</u>	<u>100.0</u>
<u>Attitude Towards Long-Term Planning</u>		
Confidence in Long-Term Planning	25	92.6
Lack of Confidence in Long-Term Planning	2	7.4
	<u>27</u>	<u>100.0</u>
<u>Result versus System</u>		
Result	12	44.4
System	14	51.9
Result + System	1	3.7
	<u>27</u>	<u>100.0</u>
<u>Profit Objective</u>		
Long-Term Normal Profit	25	92.6
Short-Term Maximum Profit	2	7.4
	<u>27</u>	<u>100.0</u>
<u>Commonsense versus Research</u>		
Common Sense	4	14.8
Research	17	63.0
50% Common sense+50% Research	6	22.2
	<u>27</u>	<u>100.0</u>

The preceding table summarizes managers' personal attitudes towards planning, independent from their practices in the company they're working for. According to the table derived from the managers' responses, majority of the sample had a modern point of view. 24 managers out of 27 managers stated that it had been time for Turkey to start applying scientific planning techniques. Only 3 managers asserted that Turkey's conditions did not seem like those of the developed countries, so it should be continued to apply our own techniques.

Managers' attitudes toward long-range planning showed their confidence in long-range planning. Only 2 respondents out of 27 respondents agreed with the idea that it was just a kind of self-deception to get into long-range planning in an environment which was even difficult to foresee one year interval.

The supporters of result and system were almost equally distributed. While 14 managers said that the more important think was to establish a planning system even it had not been useful for that period, 12 managers said that the more important thing was the effectiveness of plans on the results. Only one manager said that both was equally important.

As seen from table 3.19, most of the managers supported long-term normal profit objective which was an indicator of going-on concern.

Parallel to the modern point of view, 17 managers had the idea of research in evaluating the changes in the environment while 6 managers argued that research and common rease ought to be used in conjunction. Four managers asserted that commonsense was more important than research in evaluating the changes in the environment.

Only one out of 27 managers interpreted the targets of the budget as restrictive. The other 26 managers interpreted the targets of the budget as targets that should be surpassed.

TABLE 3.20 COMPANIES' APPROACH TOWARDS PLANNING

	<u>Number</u>	<u>Percent</u>
<u>Modern versus Traditional Viewpoint</u>		
Modern	12	44.4
Traditional	15	55.6
	<u>27</u>	<u>100.0</u>
 <u>Approach Towards Long-Term Planning</u>		
Confidence in Long-Term Planning	9	33.3
Lack of Confidence in Long-Term Planning	18	66.7
	<u>27</u>	<u>100.0</u>
 <u>Result Versus System</u>		
Result	13	48.1
System	14	51.9
	<u>27</u>	<u>100.0</u>
 <u>Profit Objective</u>		
Long-Term Normal Profit	17	63.0
Short-Term Maximum Profit	10	37.0
	<u>27</u>	<u>100.0</u>

TABLE 3.20 CONTINUED

	<u>Number</u>	<u>Percent</u>
<u>Common Sense versus Research</u>		
Common Sense	19	70.4
Research	6	22.2
50% Common sense+50% Research	2	7.4
	<u>27</u>	<u>100.0</u>
 <u>Fixed versus Variable Budget</u>		
Fixed Budget	2	7.4
Variable Budget	25	92.6
	<u>27</u>	<u>100.0</u>

Source: Questions 3,1,2,6,5,4 respectively in part D

The findings which will be explained below are related to the planning practices of the companies. While a few of these applications are parallel to the managers' views, most of them are not.

In contrast to the managers' views, most of the companies had the traditional viewpoint.

Companies' approach toward long-term planning showed lack of confidence. 18 companies revealed that they had to continue to apply their traditional techniques such as common sense and experience since the Turkey's conditions were different from those of the developed countries.

Companies' approach toward result and system seemed to be parallel to that of the managers'.

17 companies out of 27 companies revealed that they had a long-term normal profit objective. 10 companies, on the other hand, stated that they had a short-term maximum profit objective.

As parallel to the traditional approaches of companies in the utilization of the planning techniques, they preferred to use common sense in evaluating the changes in the environment.

All the firms except 2 firms in the sample interpreted the targets of the budget as targets that should be surpassed.

3.2.2. Cross Tabulations Related to the Hypotheses

In this section, findings of the cross tabulation analysis will be presented in an order parallel to the hypotheses of the study. The statistical values of the variables can be seen from the tables. Significance level (α) of the crosstabulation will be accepted as insignificant above ".1".

Everycell should have a number over 5 in order to interpret the findings of the cross tabulation. In the following tables, the existence of the cells having a number less than 5 may catch the eye: It should be kept in mind that the meanings of those findings are statictically rather limited. However, the following findings can be inferred.

3.2.2.1. Size and Planning Practices of Companies

In this part, the findings of the cross tabulation related to the size and planning practices of companies will be presented. These findings reveal wheather the hypotheses are accepted or not.

TABLE: 3.21 RELATIONSHIP BETWEEN SIZE and PLANNING PRACTICES OF COMPANIES

VARIABLES	S I Z E		STATISTICAL VALUES RELATED TO VARIABLES (35)			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Type of Plans</u>						
Short-term Plans	8	6	.2217	1	.6378	.2283
Short-term and Long-term Plans	6	7				
	<u>14</u>	<u>13</u>				
<u>Formal and Informal Plans</u>			.1196	1	.7292	.1834
Formal short-term Plans	6	5				
Formal short-term and Long-term Plans	4	6				
Formal Short-term, Informal Long-term Plans	3	2				
Informal short-term and Long-term Plans	1	0				
	<u>14</u>	<u>13</u>				

(35) d.f is degrees of freedom, α is significance level, cv/cc is cramer's v or contingency coefficient.

TABLE: 3.21 CONTINUED

VARIABLES	SIZE		STATISTICAL VALUES RELATED TO VARIABLES (35)			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Time Span of Strategic Plans</u>			3.0783	2	.3797	.3377
Companies preparing a S.P for less than 5 years	4	6				
Companies preparing a S.P for more than 5 years	-	1				
Companies not preparing a S.P	10	6				
	<u>14</u>	<u>13</u>				
<u>Production Plan</u>			2.4958	1	.2871	.2909
Companies preparing a production plan	8	10				
Companies not preparing a production plan	6	3				
	<u>14</u>	<u>13</u>				

TABLE: 3.21 CONTINUED

VARIABLES	SIZE		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Finance Plan</u>			.4646	1	.4959	.2052
Companies preparing a finance plan	13	13				
Companies not preparing a finance plan	1	0				
	<u>14</u>	<u>13</u>				
<u>Marketing Plan</u>			0.0000	1	1.0000	.0523
Companies preparing a marketing plan	12	12				
Companies not preparing a marketing plan	2	1				
	<u>14</u>	<u>13</u>				

TABLE: 3.21 CONTINUED

VARIABLES	S I Z E		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Personnel Plan</u>			.0631	1	.8017	.1241
Companies preparing a personnel plan	8	9				
Companies not preparing a personnel plan	6	4				
	<u>14</u>	<u>13</u>				
 <u>Inventory Plan</u>			 .3896	 1	 .5325	 .1919
Companies preparing an inventory plan	7	9				
Companies not preparing an inventory plan	7	4				
	<u>14</u>	<u>13</u>				

TABLE: 3.21 CONTINUED

VARIABLES	SIZE		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Scientific Methods</u>			.2987	1	.5847	.1790
Companies using scientific methods	4	6				
Companies not using scientific methods	10	7				
	<u>14</u>	<u>13</u>				
<u>Revision of Plans</u>			2.2438	1	.1341	.3446
Companies making revision	7	11				
Companies not making revision	7	2				
	<u>14</u>	<u>13</u>				

TABLE: 3.21 CONTINUED

	S I Z E		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE-SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Evaluation of Plans</u>			.4636	1	.4959	.2052
Companies makin evaluation of their plans	8	10				
Companies not making evaluation of their plans	6	3				
	<u>14</u>	<u>13</u>				
 <u>Coordination of Plans</u>			 .2279	 1	 .1355	 .3523
Coordinated short-term and long-term plans	1	5				
No coordination between short-term and long-term plans	13	8				
	<u>14</u>	<u>13</u>				

TABLE: 3.21 CONTINUED

VARIABLES	S I Z E		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE SIZED COMPANIES	χ^2 calculated	df	α	cv/cc
<u>Objective Determination</u>			1.8391	1	.1751	.3178
Centralized with consultation	5	9				
Centralized without consultation	9	4				
	<u>14</u>	<u>13</u>				
<u>Planning Department</u>			1.8066	1	.1789	.3180
Companies having a planning department	3	7				
Companies not having a planning department	11	6				
	<u>14</u>	<u>13</u>				

According to the table 3.21, all the hypotheses which explore a relationship between size and planning applications of companies were rejected according to the cross-tabulation analysis since the significance values of all the variables were over .1. This means that the planning practices of the companies in the sample differentiate independent of their size.

3.2.2.2. Size and Planning Approaches of Companies

This part tabulates and explains the findings of the cross tabulation related to the size and planning approaches of companies. These findings indicate whether the hypotheses are accepted or not.

TABLE: 3.22 RELATIONSHIP BETWEEN SIZE and PLANNING APPROACHES OF COMPANIES

VARIABLES	S I Z E		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE SIZED COMPANIES	χ^2 calculated	df	α	cv/cc
<u>Confidence in Long-Range Planning</u>			.9087	1	.3405	.2531
Companies Having confidence in Long-Range Planning	3	6				
Companies having lack of confidence in Long-Range Planning	11	7				
	14	13				
<u>Modern versus Traditional Viewpoint</u>			.0000	1	1.0000	.0331
Modern	6	6				
Traditional	8	7				
	14	13				

TABLE: 3.22 CONTINUED

VARIABLES	SIZE		STATISTICAL VALUES RELATED TO VARIABLES			
	MEDIUM-SIZED COMPANIES	LARGE SIZED COMPANIES	χ^2 calculated	dif	α	cv/cc
<u>Common Sense versus Research</u>			3.9508	2	.1387	.3825
Common Sense	12	7				
Research	2	4				
Common Sense and Research	-	2				
	<u>14</u>	<u>13</u>				
<u>Profit Objective</u>			1.0998	1	.2943	.2684
Long-Term Normal Profit	7	10				
Short-Term Max.Profit	7	3				
	<u>14</u>	<u>13</u>				

As seen from the table 3.25, all the hypotheses which explore a relationship between size and planning approaches of companies were rejected according to the cross-tabulation analysis since the significance values of all the variables were over .1. This means that the planning approaches of the companies in the sample differentiate independent of their size.

3.2.3 Other Findings

In this part of this chapter, findings which may have some statistical and explanatory value will be discussed despite the fact that hypotheses were not formulated in those directions. These findings will be related to the planning approaches of companies, and examined under the sub-headings of confidence in long-range planning, modern versus traditional viewpoint in planning and experience versus research in evaluating the environment. The tables related to each sub-heading will be followed by an explanation.

TABLE 3.23 CONFIDENCE IN LONG-RANGE PLANNING

VARIABLES (Independent)	LACK OF CONFIDENCE IN L-R PLANNING	CONFIDENCE IN L-R PLANNING	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Independent-Dependent Co.</u>			4.2188	1	.0400	.4743
Independent Companies	11	1				
Dependent Companies	7	8				
	<u>18</u>	<u>9</u>				
<u>Computer Usage</u>			7.7991	1	.0180	.4789
In Few Areas	10	0				
In Most of the Areas	8	9				
	<u>18</u>	<u>9</u>				

TABLE: 3.23 CONTINUED

VARIABLES (Independent)	LACK OF CONFIDENCE IN L-R PLANNING	CONFIDENCE IN L-R PLANNING	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	df	α	cv/cc
<u>Establishment of Objectives</u>			5.3592	1	.0206	.4642
Centralized with consul- tation	6	8				
Centralized without consultation	12	1				
	<u>18</u>	<u>9</u>				
<u>Scientific Techniques</u>			3.3551	1	.0670	.3980
Companies using scien- tific Techniques	4	6				
Companies not using scientific Techniques	14	3				
	<u>18</u>	<u>9</u>				

TABLE: 3.23 CONTINUED

VARIABLES (Independent)	LACK OF CONFIDENCE IN L-R PLANNING	CONFIDENCE IN L-R PLANNING	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Revision of Plans</u>			15.8625	1	.0004	.6083
Companies making revision	9	9				
Companies not making revision	9	0				
	<u>18</u>	<u>9</u>				
<u>Evaluation of Planning</u>			7.0615	1	.0293	.4553
Companies making evaluation of planning	9	9				
Companies not making evaluation of planning	9	0				
	<u>18</u>	<u>9</u>				

TABLE: 3.23 CONTINUED

VARIABLES (Independent)	LACK OF CONFIDENCE IN L-R PLANNING	CONFIDENCE IN L-R PLANNING	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Coordination of Plans</u>			11.8125	1	.0006	.60302
Coordinated short-term and long-term plans	0	6				
No coordination between short-term and long-term plans	18	3				
	<u>18</u>	<u>9</u>				
<u>Common Sense-Research</u>			9.6322	2	.0081	.5973
Common Sense	16	3				
Research	1	5				
50%CommonSense and 50% Research	1	1				
	<u>18</u>	<u>9</u>				

TABLE: 3.23 CONTINUED

VARIABLES (Independent)	LACK OF CONFIDENCE IN L-R PLANNING	CONFIDENCE IN L-R PLANNING	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Profit Objective</u>			5.7375	1	.0166	.4767
Long-Term Normal Profit	8	9				
Short-Term Max. Profit	10	0				
	<u>18</u>	<u>9</u>				

Table 3.23 indicates that of 27 companies, 9 companies had confidence in long-range planning whereas: 18 companies did not confide in planning. This means that the confidence in long-range planning has not become prevalent in Turkey yet.

The preceding table also reveals that the companies which believed in the requirement of long-range planning have some common characteristics. These can be summarized as follows;

1- 8 companies out of 10 companies preparing long-range plans were dependent companies which were connected to a holding company.

2- All of the companies having confidence in long-range planning used computer in most of their managerial activities.

3- Of 9 companies which asserted long-range planning as a requirement, 8 companies determined their objectives with consultation.

4- 6 companies out of 9 companies having confidence in long-range planning used scientific techniques in planning and so believed in application of science to management.

5- All of the companies which believed that long-term planning was a must even in the most unstable conditions made revision of their plans and measured the effectiveness of their plans.

6- Most of the companies having confidence in long-range planning prepared their long-term plans in line with their short-term plans.

7- In evaluating the opportunities and threats in the environment, 5 of these companies asserted that they were using research as well as 3 companies using experience and common sense. Only one of them stated that it was using both research and common sense.

8- Profit objective of these companies was normal but continuous profit.

All of the characteristics of the companies which did not have confidence in long-range planning, except revision of plans and evaluation of planning were just opposite of those having confidence in long-

range planning. In revision of plans and evaluation of planning, companies which lacked confidence in long-range planning were evenly distributed between the companies making revision and evaluation and the companies not making revision and evaluation.

3.2.3.2 Modern versus Traditional Viewpoint In Planning

TABLE 3.24 MODERN versus TRADITIONAL VIEWPOINT IN PLANNING

VARIABLES (Independent)	MODERN VIEWPOINT	TRADITIONAL VIEWPOINT	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Computer Usage</u>			7.3286	1	.0256	.4620
In Few Areas	2	8				
In Most of Areas	10	7				
	<u>12</u>	<u>15</u>				
<u>Establishment Year (E.Y)</u>			6.4552	1	.0111	.4910
E.Y \leq 1970	2	11				
E.Y $>$ 1970	10	4				
	<u>12</u>	<u>15</u>				

Modern viewpoint in planning expresses the utilization of scientific planning techniques such as simulation, PERT/CPM, etc. as well as quantitative forecasting techniques such as time-series analysis and statistical surveys. According to table 3.24, companies having a modern point of view and supporting the application of the abovementioned techniques in planning used computer in most of their activities. Companies having a traditional point of view and using their own techniques such as experience and commonsense in planning, on the other hand, used computer in few areas.

Another finding revealed a relationship between the establishment year of the companies and their viewpoint. As seen from the preceding table, companies having a modern viewpoint are mostly those established after the year 1970, whereas, majority of the companies having a traditional viewpoint are those established before the year 1970.

3.2.3.3 Experience versus Research In Evaluating Environment

TABLE 3.25 EXPERIENCE VERSUS RESEARCH^(*) IN EVALUATING ENVIRONMENT

VARIABLES (Independent)	COMMONSENSE	RESEARCH	STATISTICAL VALUES RELATED TO VARIABLES			
			X ² calculated	dif	α	cv/cc
<u>Independent-Dependent</u>			4.8671	2	.0877	.4246
Independent Companies	11	1				
Dependent Companies	8	5				
	<u>19</u>	<u>6</u>				
<u>Computer Usage</u>			6.0873	2	.353	.4977
In Few Areas	10	0				
In Most of Areas	9	6				
	<u>19</u>	<u>6</u>				

(*) There is another alternative which appeared during interviews. This is the combination of research and experience with an equal weight of 50%. The number of the companies agreeing with this alternative is 2.

TABLE 3.25 CONTINUED

VARIABLES (Independent)	COMMONSENSE	RESEARCH	STATISTICAL VALUES RELATED TO VARIABLES			
			X ² calculated	dif	α	cv/cc
<u>Establishment of Objectives</u>			7.2888	2	.0261	.5196
Centralized with partici- pation	7	6				
Centralized without par- ticipation	12	0				
	<u>19</u>	<u>6</u>				
<u>Scientific Techniques</u>			19.3263	2	.0001	.8460
Companies using scien- tific techniques	2	6				
Companies not using scientific techniques	17	0				
	<u>19</u>	<u>6</u>				

TABLE 3.25 CONTINUED

VARIABLES (Independent)	COMMONSENSE	RESEARCH	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Revision of Plans</u>			5.6842	2	.0583	.4588
Companies making revision	10	6				
Companies not making revision	9	0				
	<u>19</u>	<u>6</u>				
<u>Evaluation of Planning</u>			5.6842	2	.0583	.4588
Companies making evaluation of planning	10	6				
Companies not making evaluation of planning	9	0				
	<u>19</u>	<u>6</u>				

TABLE 3.25 CONTINUED

VARIABLES (Independent)	COMMONSENSE	RESEARCH	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Coordination of Plans</u>			10.9112	2	.0043	.6357
Coordinated short-term and long-term plans	1	4				
No coordination between short-term and long- term plans	18	2				
	<u>19</u>	<u>6</u>				
<u>Confidence in L-R Planning</u>			9.6316	2	.0081	.5973
Companies having confi- dence in L-R Planning	3	5				
Companies having lack of confidence in L-R planning	16	1				
	<u>19</u>	<u>6</u>				

TABLE 3.25 CONTINUED

VARIABLES (Independent)	COMMONSENSE	RESEARCH	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Profit Objective</u>			4.5432	2	.1031	.4102
Long-Term Normal Profit	10	6				
Short-Term Max.Profit	9	0				
	<u>19</u>	<u>6</u>				

As seen from the preceding table, majority of the companies (19 out of 27) tended to use experience and commonsense instead of research, as independent of their characteristics in evaluating the opportunities and threats in the environment. This stems from a variety of factors which can be summarized as economic structure of Turkey in the past and characteristics of managerial class.

Turkey, during the Ottoman Period was a nation of civil servants and farmers under a policy that discouraged the enterpreneurarship. With Atatürk came a program of commercialization followed by industrialization. After moving to a planned economy, with the 24 January 1980 stabilization program, the country rejected closed type of economy for the first time. In the closed economy, there was no competition and the markets were either monopolistic or oligopolistic. In such kind of a market, there was no need for adopting and applying modern management planning tools since the only concern of the companies was production.

The characteristics of the managerial class will be better understood by taking a look at the development of the managerial class in Turkey. Prior to 1923, all private industry was owned and operated by minority groups—Jews, Greeks, Armenians and various European nationals. After the year 1923, with the Atatürk's efforts, native entrepreneurs started to be encouraged. As a result, a new native managerial class comprised of entrepreneurs and executives emerged. Almost all of the top managerial positions were occupied by those who also have ownership interests; besides most of the occupants of the top managerial positions were related through kinship. Except very few corporations, family-ownership was the common pattern in the private industry. Families who did not have adequate background in business administration dominated in the decision-making process and so delayed the adoption of modern management and planning techniques. Westernization and modernization efforts remained in form rather than in spirit since these reforms were adopted without concurrent changes in the value orientations and in the education ⁽³⁶⁾.

(36) Explanations are based on the doctorate thesis of Prof.Dr.Mustafa Dilber, on "Management in the Turkish Private Sector Industry",1967.

The above table also indicated that although most of the companies in the sample did not adopt and apply scientific research techniques, there were few companies (6 companies out of 27 companies) which evaluated environment through research. These companies showed some common characteristics. They were connected to a holding company and forced to adopt the management techniques of the parent company. In addition to employing computer in most of their activities, they had an objective establishment method with consultation. They used scientific techniques in planning, made revision of their plans, measured the success of the planning activity and had coordinated short-term and long-term plans. Their attitude toward long-range planning showed confidence and so they prepared long-term plans even under the most unstable conditions. Moreover, their profit objective was based on a normal but continuous profit.

3.2.3.4 Dependence-Independence

Based on the findings of tables 3.23 and 3.25, a new relationship between the "dependency and independency" of companies and planning practices and approaches was explored. The statistically significant findings are presented in the following table.

TABLE: 3.26 Dependence-Independence

VARIABLES (Dependent):	DEPENDENT COMPANIES	INDEPENDENT COMPANIES	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>FORMAL and INFORMAL PLANS</u>			8.2309	3	.0835	.5521
Formal short-term plans	4	7				
Formal short-term and long-term plans	8	1				
Formal short-term, Informal long-term plans	2	3				
Informal short-term and long-term plans	1	1				
	<u>15</u>	<u>12</u>				
<u>Computer Usage</u>			6.7228	1	.0347	.4694
In Few Areas	6	9				
In Most of the Areas	9	3				
	<u>15</u>	<u>12</u>				

TABLE: 3.26 CONTINUED

VARIABLES (Dependent)	DEPENDENT COMPANIES	INDEPENDENT COMPANIES	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Establishment of Objectives</u>			4.4524	1	.0349	.4332
Centralized with con- sultation	11	3				
Centralized without consultation	4	9				
	<u>15</u>	<u>12</u>				
<u>Scientific Techniques</u>			5.5767	1	.0182	.4694
Companies using Scien- tific Techniques	9	1				
Companies not using scientific techniques	6	11				
	<u>15</u>	<u>12</u>				

TABLE: 3.26 CONTINUED

VARIABLES (Dependent)	DEPENDENT COMPANIES	INDEPENDENT COMPANIES	STATISTICAL VALUES RELATED TO VARIABLES			
			χ^2 calculated	dif	α	cv/cc
<u>Revision of Plans</u>			11.3512	1	.0034	.5440
Companies making revision	14	4				
Companies not making revision	1	8				
	<u>15</u>	<u>12</u>				
<u>Evaluation of Planning</u>			6.2446	1	.0441	.4334
Companies making evaluation of planning	13	5				
Companies not making evaluation of planning	2	7				
	<u>15</u>	<u>12</u>				

TABLE: 3.26 CONTINUED

VARIABLES (Dependent)	DEPENDENT COMPANIES	INDEPENDENT COMPANIES	<u>STATISTICAL VALUES RELATED TO VARIABLES</u>			
			χ^2 calculated	dif	α	cv/cc
<u>Coordination of Plans</u>			4.0741	1	.0435	.4313
Coordinated short-term and long-term Plans	6	0				
No coordination between short-term and long-term Plans	9	12				
	<u>15</u>	<u>12</u>				
<u>Confidence in L-T Planning</u>			4.2188	1	.0400	.4743
Companies having confidence in L-T Planning	8	1				
Companies not having confidence in L-T planning	7	11				
	<u>15</u>	<u>12</u>				

TABLE: 3.26 CONTINUED

VARIABLES (Dependent)	DEPENDENT COMPANIES	INDEPENDENT COMPANIES	<u>STATISTICAL VALUES RELATED TO VARIABLES</u>			
			χ^2 calculated	dif	α	cv/cc
<u>Common Sense versus Research</u>			4.8671	2	.0877	.4246
Common Sense	8	11				
Research	5	1				
Both Commonsense and research	2	-				
	<u>15</u>	<u>12</u>				

Table 3.26 indicates a relationship between the dependent-independent companies and their planning practices since all the variables are statistically significant according to the cross-tabulation analysis. In addition, the same relationship is valid for the planning approaches of companies such as confidence in long-range planning and commonsense versus research.

CHAPTER FOUR

IV. CONCLUSION and RECOMMENDATIONS FOR FUTURE STUDIES

It was only in the last decade that a general trend towards developing formal and comprehensive plans became noticeable. While this trend has been accompanied by wide verbal acceptance among managers, there has been for less meaningful acceptance in practice. During 1980's, especially short-term plans have been prepared in the private sector of Turkey. Long-term plans, on the other hand, have only recently started to come into being and therefore there are only few companies preparing long-range plans. Moreover, short-term and long-term plans are not prepared in relation with the size of the companies but prepared in relation with the dependency-independency of companies. This relationship is on the positive direction, and indicates that the dependent companies have more formal and comprehensive planning system.

Most of the companies do not use scientific tools for more rational planning, and instead prefer their own techniques. Among the scientific techniques used, quantitative techniques come first. Utilization of scientific techniques in companies is not related to the size of the companies but related to the dependency-independency of companies. This conclusion indicates that dependent companies use scientific techniques more than the independent companies do.

Plans are revised periodically, or when necessary and evaluation of plans are made at the end of the planning period in most of the companies. Both of the abovementioned activities which are necessary for an effective planning system are not generally executed in a formal way because of the lack of an established comprehensive planning system⁽³⁷⁾.

(37) This view is based on the impression of the researcher during the interviews.

Besides, It can not be mentioned from a relationship between the size of the company and revision and evaluation of plans but can be mentioned from a relationship between the dependency-independency of companies and revision and evaluation of plans. This means that dependent companies which are connected to a holding company make revision and evaluation of their plans more frequent than the independent companies which are not connected to a holding company do.

Although almost one-third of the companies in the sample asserted that they were making both formal short-term and long-term plans, only few of them had short-term and long-term plans coordinated with eachother. It can not be mentioned from a relationship between the size and the linkage of plans but, can be mentioned from a relationship between the dependency-independency of companies and linkage of plans. This relationship indicates that dependent companies mostly have linked short-term and long-term plans whereas independent companies do not.

Planning department is an important step for planning because most of the managers complain about the lack of time for doing planning. With such a department, planning function of the executives can be delegated to the planning staff. However, the number of companies having a planning department in this survey is rather limited in relation with the few companies having established comprehensive planning system. Moreover, there is no relationship between the size and the planning department of companies.

Planning approaches of companies, such as confidence in long-range planning, modern versus traditional viewpoints, commonsense versus research and provit objective, are not related to the size of the companies, that is, there is no relationship between the size and the planning approaches of companies. However, there is a relationship between the dependency-independency of companies and planning approaches such as confidence in long-range planning and common sense versus research.

Moreover, it's believed that the diffusion of computers in planning will help companies adopt the systematic planning concept and apply the formal comprehensive planning.

Besides the above conclusions, the study proposes some recommendations for future studies :

First of all, the same type of a research can be conducted with a larger sample size. Thus, an important limitation of the study related to the insufficiency of the sample size will overcome. Moreover, it would help to understand the attitudes of managers about planning at different levels of organizations to conduct this research by interviewing top managers versus middle managers. Furthermore, it would help to eliminate the misleading answers to analyse the planning procedures and the plans themselves as well as the interviews during the field study.

A P P E N D I X I

PART A

INFORMATION ABOUT THE COMPANY

- 1- The name of the company :
- 2- The name of the parent company :
- 3- The place of the head quarter :
- 4- The sector which the company is in :
- 5- Product line :
- 6- Establishment year :
- 7- Workers employed (personnel included) :
- 8- Paid-up capital :
- 9- Turnover in 1984 :
- 10- Hase a computer system?
- 11- The activities in which computer is used :

INFORMATION ABOUT THE MANAGER

- 1- Title :
- 2- Background and experience :
- 3- Age
- 4- Foreign Languages :

PART B

QUESTIONS ABOUT THE PLANNING ACTIVITIES OF THE COMPANY

1- Plans

() less and equal to one year

() more than one year. years

2-

	Less and equal to one year	More than one year
Numerical		
Non numerical (in mind)		
Other		

- 3- How long have you been making long-term planning?
- 4- Check the factors which cause your company to engage in long-term planning ?
- () Increase in product line
 - () Competition
 - () Decrease in profit
 - () New investments
 - () Cash Problem
 - () Other
- 5- How long have you been making short-term planning?
- 6- The period and the preparator of the short-term and long-term plans :

<u>Plans</u>	<u>Period</u>	<u>Preparator</u>
<u>Long-Term Plans</u>		
Strategic Plan		
<u>Short-Term (operating) plans</u>		
Production Plan		
Finance Plan		
Marketing Plan		
Personnel Plan		
Inventory Plan		

- 7- Are there any kinds of scientific methods used in planning?
The names (If Yes)
Why : (If No)
- 8- Are you making revisions on your plans?
If Yes, for what period :
Short-term :
Long- term :
- 9- Is the performance of the plans which your company make measured?
- 10- Are your company's short-term plans prepared in line with the long-term plan or independent from the long-term plan?
If No, Why?

- 11- The way of objective determination in your company :
- () Centralized with consultation
 - () Centralized without consultation
 - () Decentralized
 - () Other
- 12- Is there a separate planning department in your company?
- 13- Establishment date of planning department :
- 14- Background of personnel working in the planning department
- 15- The factors which cause your company to establish a planning department :
- 16- Do you believe that the planning in your company is sufficient for your needs?
- 17- What are the reasons for the lack of long-range planning in your company?

PART C

QUESTIONS RELATED TO THE PLANNING ATTITUDES OF MANAGERS

Check only the one in each question which commensurates with your opinion.

- 1) A- It's been time for Turkey to apply scientific planning techniques.
B- Turkey's conditions do not seem like those of the developed countries. So, we should continue to use our own techniques.
- 2) A- It's just a kind of self-deception to get into long-term planning in an environment which is even difficult to foresee one year interval.
B- It's to leave things to chance not to have long-term plans even in the most uncertain conditions.
- 3) A- The more important thing is the effectiveness of the plan on the results.
B- The more important thing is to establish a planning system, even it has not been usefull for that period.
- 4) A- The most important profit objective of our company should be to get a normal but ongoing profit.
B- The most important profit objective of our company should be to get the maximum profit in the short-run.
- 5) A- Changes in market conditions should be evaluated through the experience and commonsense.
B- Changes in market conditions should be evaluated through a scientific research.
- 6) A- The budget prevents the company from benefitting from the opportunities which will emerge during the budget period.
B- The targets of the budgets should be interpreted as the targets which can be surpassed.

PART D

QUESTIONS RELATED TO THE PLANNING APPROACHES OF COMPANIES

Check only the one in each question which is related to your company's approach in practice.

- 1) A- We don't favor to do long-range planning in an environment which is even difficult to foresee one year interval.
B- We do long-range planning even in the most uncertain conditions.
- 2) A- Planning is practiced in our company so that it has positive impacts on the results.
B- The existence of a planning system is more important in our company than the impacts of plans on the results during planning periods.
- 3) A- It's been time for our company to apply scientific techniques.
B- Turkey's conditions are more suitable for us to apply our own techniques.
- 4) A- The budget prevents the company from benefitting from the opportunities which will emerge during the budget period.
B- We interpret the targets of the budget as the targets which can be surpassed.
- 5) A- We evaluate the changes in market conditions through the experience and commonsense.
B- We evaluate the changes in market conditions through a scientific research.
- 6) A- The most important profit objective of our company is to get a normal but ongoing profit.
B- The most important profit objective of our company is to get the maximum profit in the short-run.

-A-

İŞLETME HAKKINDA GENEL BİLGİLER

- a) İşletmenin adı :
b) Bağlı bulunduğu işletme varsa adı :
c) Merkezinin yeri :
d) Ürettiği ürünler :
(Sektör)
e) Kuruluş yılı :
f) Çalışan miktarı (işçiler dahil) :
g) Sermayesi :
h) 1984 cirosu :
i) Computer'i
c) var b) yok c) Diğer
j) Hangi faaliyetlerinde computer kullanıyor :

-B-

FORMU DOLDURAN YÖNETİCİ HAKKINDA BİLGİLER

- a) Adı-soyadı :
b) Ünvanı ve departmanı :
c) Tecrübe ve eğitim durumu :
d) Yaş
e) Bildiği yabancı diller :

PLANLAMA KONUSUNDAKİ SORULAR

- 1) Yapılan planlar :
() 1 yıldan az sürelik ve 1 yıllık
() 1 yıldan uzun sürelik yıllık
- 2)

	1 yıldan az ve 1 yıllık	1 yıldan uzun sürelik
kağıda dökülü ve rakamlandırılmış		
kağıda dökülü ve yazılı (rakamsız)		
kağıda dökülü değil (kafalarda)		
Diğer		

- 3) Kaç yıldan beri uzun dönemli planlama yapmaktasınız :
- 4) Sizi uzun dönemli plan yapmaya iten faktörler
- () Sayısı artan ürün çeşitlerini takip ve kontrol edebilmek
 - () Piyasada rekabetin artması
 - () Kârlılığın düşmesi
 - () Fırsatları daha iyi değerlendirebilmek (yeni yatırımlara girebilmek)
 - () Nakit problemini çözebilmek
 - () Diğer
- 5) Kaç yıldan beri kısa dönemli planlama yapıyorsunuz :
- 6) Şirketinizde ne gibi planlama faaliyetleri; ne süreler için ve kim tarafından yapılmaktadır :

<u>PLANLAR</u>	<u>SÜRESİ</u>	<u>HAZIRLAYAN</u>
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Stratejik Planlama

Kısa Dönemli Planlar

Üretim Planı

Finansman Planı

Planlama Planı

Personel Planı

Stok Planı

- 7) Planlamada kullandığınız bilimsel yöntemler var mı?

Hangileri :

Hayırsa (yoksa) neden:

- 8) Planlarınızı revize ediyor musunuz ? Ne süreyle

kısa dönemli :

uzun dönemli :

- 9) Planlarınız performans değerlemede kullanılıyor mu ?
- 10) Kısa dönemli planlar, uzun dönemli planlardan bağımsız mı hazırlanır ? Evet ise Neden ?
- 11) Şirketinizde amaçlar :
- () Tek merkezden ve katılımlı
- () Tek merkezden ve katılımsız
- () Her bölümün kendisi tarafından belirlenmektedir.
- () Diğer
- 12) Şirketinizde ayrı bir planlama departmanı var mı ?
- () Evet ise () Hayır () Kurulma aşamasında ise
13-14 15
- () Kurulması planlanıyor.
- 13) Planlama departmanının kuruluş tarihi
- 14) Planlama departmanında çalışan personelin eğitim ve tecrübesi (background)
- 15) Planlama departmanına neden gerek duyuldu.
- 16) Yaptığınız planlamanın ihtiyaca yeterli olduğunu düşünüyor musunuz ?
- 17) Şirketinizde kısa dönemli/uzun dönemli planlama yapılmamasının nedenleri :
- () personel yetersizliği () enflasyon
- () planlamanın yükleyeceği maliyet () Sürekli değişen kanun, kararname ve yönetmelikler
- () ihtiyaç olmaması () Belirsiz bir politik ortam
- () Diğer () Diğer

-C-

Aşağıdaki sorulardaki alternatiflerden sadece kendi düşüncenize uygun olanını işaretleyiniz.

- 1) A- Artık Türkiye'de bilimsel ve evrensel planlama yöntemlerinin kullanılması zamanı gelmiştir.
B- Türkiye'nin şartları gelişmiş ülkelerinkine benzemez.
Kendi yöntemlerimizi kullanmaya devam etmeliyiz.
- 2) A- Bir yıl sonrasını tahmin etmenin güç olduğu bir ortamda uzun dönemli planlara girişmek, kendini aldatmaktır.
B- En belirsiz şartlarda bile uzun dönemli planların olmaması işi şansa bırakmak demektir.
- 3) A- Önemli olan, planın sonuca etkili olmasıdır.
B- Plan, o dönemde yarar sağlamasa bile önemli olan sistemi oturtmaktır.
- 4) A- Firmamızın, en önemli amacı uzun dönemde, sürekli ve normal bir kârlılık elde etmek olmalıdır.
B- Firmamızın, en önemli amacı, kısa dönemde maximum kârlılığa ulaşmak olmalıdır.
- 5) A- Piyasadaki değişiklikleri farketmek ve değerlendirmek tecrübe ve sağduyunun katkısıyla gerçekleşebilir.
B- Ancak, sağlıklı ve bilimsel bir araştırma ile piyasayı değerlendirebiliriz.
- 6) A- Bütçe, daha sonra ortaya çıkabilecek elverişli durumların ve fırsatların kullanılmasını engeller.
B- Bütçedeki hedefler, her fırsatta aşılabilecek hedefler diye yorumlanmalıdır.

-D-

(ŞİRKET AÇISINDAN)
PLANLAMA YAKLAŞIMLARI

- 1) A- Bir yıl sonrasını tahmin etmenin güç olduğu bir ortamda, uzun vadeli planlama yapmayı uygun görmüyoruz.
B- En belirsiz şartlarda bile uzun vadeli planlama yapıyoruz.
- 2) A- Şirketimizde planlama, sonuca etkili olduğu için kullanılır.
B- Şirketimizde planlama sisteminin varlığı, planların her dönem sonuca etkili olmasından daha önemlidir.
- 3) A- Şirketimizde bilimsel ve evrensel planlama yöntemlerinin kullanılması zamanı gelmiştir.
B- Türkiye şartları, kendi yöntemlerimizi kullanmamız için daha uygundur.
- 4) A- Bütçe daha sonra ortaya çıkabilecek fırsatlardan yararlanılmasını engeller.
B- Bütçedeki hedefleri, her fırsatta aşılacak hedefler diye yorumlarız.
- 5) A- Piyasadaki değişiklikleri tecrübe ve sağduyunun katkısıyla farkedip, değerlendirmekteyiz.
B- Piyasayı, sağlıklı ve bilimsel bir araştırma ile değerlendirmekteyiz.
- 6) A- Firmamızın en önemli kâr amacı uzun dönemde, sürekli ve normal bir kârlılık elde etmektir.
B- Firmamızın en önemli kâr amacı kısa dönemde maximum kârlılığa ulaşmaktır.

B I B L I O G R A P H Y

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