

# Planning of growth and long term employment

[Economics](#)



We stand in the beginning of the twenty first century with new groups in positions of great power within our economic. One would think that, with this peak strength, American man would be secure, ready to move forward. An uncertainty, however, seems to be besetting us. We are unsure of ourselves. Internally, we are ill at ease and suspect one another - so much so that sometimes we seem can forget our fundamental belief in the dignity of mankind. People enjoy a standard of living, but often we do not enjoy life. People are mobile in their cars and can see the whole world in television. Yet people are not sure where they want to go or what they want to see. Modern world baffles people, and we do not know how to turn our knowledge into creative expression both as a nation and as individual citizens. Such a situation, if to continue, is in danger of in the end to sap our viability. Unless people try to understand the fundamental nature of our society as interrelated systems of power - economic, business, political, and moral - we can misunderstand our mission in this world. I believe that the mission of every person is to establish a great civilization on this continent and to create peace and security for mankind.

Therefore, the fulfilment of my aspirations for effective and moral living is, and must be forever, a never ending business. My life must be a business. It is the most important business I will ever be responsible forever. I will face challenges and risks with little or no planning. Economics is a kaleidoscope that touches all aspects of the business of living.

According to several reports issued by the Small Business Administration (SBA), the single most dominant reason businesses fail is directly

attributable to a lack of planning. This paper is intended to build my life's economic plan. It will consider issues of wants and needs, supply and demand, long term employment probability, unexpected economic challenges, and what I believe the economic future to be and how I will adapt to it.

## Planning

I can use the terms " plans" and " planning" to many different aspects of my everyday life. One use of the term " plan" I will use to describe a procedure for achieving a particular goal or desired outcome. For example, when somebody asks me " So, what's the plan?" I think of a set of directions to guide my thoughts and actions. That is, I create the directions on what to do and when to do it, and this in turn might tell me those things that are most important and those things to consider. Ideally, my plan should be complete. That is, the contents and ordering satisfactorily accomplishes the goal.

The plan should be efficient and foolproof. The instructions of the plan should be easy to memorize, monitor and execute, with little chance of things going wrong (Morris 99). However, in my daily life, plans may still be useful without offering explicit guidance or instructions. A map of the new city or an architect's diagram detailing the layout of a house may also be correctly referred to as plans. However, these plans provide a representation or overview of a project or problem, rather than a set of directions.

A clear understanding of the current state and what should to be done, together with awareness of the different means and methods at my disposal may greatly facilitate the efficacy of achieving mygoals. Through using <https://assignbuster.com/planning-of-growth-and-long-term-employment/>

planning and strategies, a chosen subset of new alternatives may be found more quickly and more efficiently than would be the case if I used only pure trial or error, or if I regularly investigated each and every possibility in turn.

Many theories of planning propose that the first stage is to form a suitable mental representation of the goals. The representation may include the initial state and the goal state as well as a range of possible actions that could be taken (Morris 123). Planning tips, strategies and tactics are known as heuristics and algorithms. My planning involves intended actions to be taken in the future, motivational control may be needed in order to carry them out appropriately.

My planning is subdivided into four sections: first, a number of key goals are introduced; second, SWOT analysis is introduced; third, short summary descriptions are provided outlining the main themes and issues to emerge from the savings planning; fourth, a view on the nature of man as consumer is presented.

### Goals

I have specific goals that consistently pursue. There are a mixture of goals and success factors which are important to the achievement of my goals. True goals are probably confined to the first three categories.

### Long term employment

### Profitability

### Growth

Of these three the one of primary importance to me is profitability. From my perspective this could be more specifically defined as Return. Growth and Long term employment are pursued to the extent that they yield a long term benefit in terms of Return. After graduating I am going to be a manager employed by a company. How do I as a manager make my decisions? Perhaps these decisions can be better appreciated by setting up a scenario and observing the behavior patterns of a manager of a factory.

Let us suppose that the factory is part of a corporate empire in which top management is ensconced in a big city office and middle management runs the factories located somewhere in the hinterlands, far from the lights, fun, and frolic of the big city. Suppose that I am a middle-level manager of a factory that makes widgets along with an assortment of other products. I have both production and marketing responsibilities and report to a president who is held accountable for the overall operation of the factory by those in the corporate headquarters.

In the game of Musical Chairs, the winner lasts as long as it takes to set up the chairs, turn the record over, and play a new round. And in the game of King of the Hill, one remains king for as long as he can fend off new attacks. There is a transient aspect to positions of power that is true in children's games of fun and in adults' games of life.

Nevertheless, whether a king is attempting to maximize the profits of his company or trying to maximize his longevity in power, somewhere in the king's organization, there are middle-level managers. These aspirants to power have not yet risen in position to dream of toppling the king. They are

still in the Musical Chairs stage of development. While biding their time until they are in a high enough position to try and topple the king, which may never come about for some, they have to think about something else to justify their jobs.

And there is no better justification for a job than thinking about the profitability of the company. What this means is that, while top management and the members of the board may be taking a more tangential view of profitability, there is someone in the organization looking at the price of goods in the marketplace, the cost of making goods on the factory floor, and the inventory of finished goods in the warehouse. That person is making, or recommending, some important decisions:

1. Expanding or contracting production
2. Raising or lowering prices
3. Building a new plant or closing an existing one

These are certainly important decisions if one is a worker employed by this company.

The development and implementation of good system for a business will be a task for a manager. This involves a mixture of techniques and technologies. Related to this development and implementation process is the proper planning and leadership needed to identify and organize modern technology. Also, there is the cultural aspect. This aspect promotes an atmosphere of community and intelligence sharing among company employees.

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In its intention to get the required resources for its future success, the manager creates and then implements management practices that encourage new technology. In order to better understand the mixture of techniques and technologies used in the development and implementation of business system, the following four basic elements are recapped below (Hoctor 78):

1. upgrading current information systems to tie in with smart business system
2. employing data storage to its fullest extent for optimization. The focus is on using appropriate aged data and real-time data
3. utilizing smart business software for optimizing a company's operations today as well as in the future
4. making great use of computer networking in particular on E-commerce

In modern world, the creation of good system for business is leading the way to optimizing a company's operations in quality control for changing times. Not only is computer technological innovations are changing more quickly each day, but also are business demands. Managers are being pressed to respond to customer needs. They also face competitive threats in days and weeks instead of months or years.

Products and services that could wait for 6 to 12 months just a few years ago today need to get out the door in a much shorter period of time. And it is not just multinational companies or global organizations that are being pressed with shortening time frames. Almost any business, from a small firm up to <https://assignbuster.com/planning-of-growth-and-long-term-employment/>

the world's largest corporation, is at risk of being replaced by a more quick-witted, E-business-enabled rival. The success of businesses will be estimated by how well managers have developed E-business applications to distinguish themselves from the competition. Therefore, how well the managers can respond to changing times is important factor for its success. Systems for a business can be the means to meet these fast changing times for a modern company.

### SWOT analysis

SWOT is a widely used thinking framework for identifying Strengths, Weaknesses, Opportunities and Threats. It enables key factors to be visibly recorded as a high level summary of personal (or a business) situation. It is a summary that is simple but powerful. The technique can be used to document the key factors arising from the review of a particular project or business, through looking at the Opportunities and Threats it faces in the wider world. The SWOT summary may be used to consolidate key issues identified through other forms of analysis (Elkin 90).

### The uncertain world of the consumer

Not all the money may be spent. Some may be saved. Savings will be important to me because we live in a world of uncertainty. The uncertainty aspect that worries me most might be death, but a close second is unemployment. Unemployment is a consequence of a free market environment in which employers not only are free to dismiss, lay off, or in other ways terminate employees but also are forced to do so by the workings of the free market itself.

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If a factory makes a product, and if for any number of diverse reasons that product cannot be sold, at some point the factory owner must reduce the factory's output. If he does not dismiss any workers, the factory owner is paying for workers who are producing goods that are not being sold. This is a cash outflow at the same time when he is not selling his product.

Consequently, there is no revenue from sales to generate a cash inflow to counterbalance the cash outflow. What is his choice with regard to laying off his workers? Does he even have a choice? The answer is no. Thus, savings are necessary to provide some sort of cushion, a security blanket, a nest egg for the bad times. Savings are my safety net to protect myself when things turn against me.

Savings have little to do with the running of a communist society. The economic philosophy behind communism is that the state will take on all the burdens of an individual such that he is never exposed to risk of any kind (Dunning 56). Housing, food, medical care, education, you-name-it -these are all the responsibility of the state. The communist system does not expect that an individual has to save, as he would in the free market system, because all aspects of personal security are guaranteed by the state. However, it must be noted that individuals in communist nations do save.

Sometimes it is to accumulate the funds necessary to make a major purchase, such as an automobile. Sometimes the act of saving is a default condition in that there is nothing on the shelves that a consumer wants to buy. Saving then reflects the inability to spend. Perhaps this best illustrates the fundamental difference between the two economic systems. In one, a

consumer saves because of the inability to guarantee a secure income. In the other, a person saves because of the inability to be a consumer.

The philosophic underpinnings of the free market system assume that man is basically an unhappy and dissatisfied individual who abhors work (Dunning 90). People work for one basic reason: if they don't, the alternative is to starve to death in a dark, cold room. Relatively few people find satisfaction in work. Most work is tedious, repetitious, and boring. The primary incentive to man a machine is to earn some money to feed one's family, keep clothes on their backs, provide a roof over their heads, and keep the rooms lighted and warm.

Because the very nature of the free market system hardly inspires confidence in the future, man as consumer saves a portion of his pay for a rainy day. The amount that he saves varies from individual to individual and depends on a number of issues. Among these are the extent of his present savings, his possession of material things, the general direction of prices, the relationship between the interest he receives on his savings and the effect of inflation on the price of goods, and his confidence in holding onto his job. While these are the more important considerations one takes into account in determining how much to save, one consideration overrides all others. That consideration is confidence.

#### Possession of material things

The desire to possess material things influences spending habits. If a person feels that he is behind, so to speak, on the possession of material things with respect to his peers, he will have a general tendency to. When people

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see the unemployment lines getting shorter and the want ads for jobs becoming more common, their attitude toward spending becomes more positive. Good times begin as soon as unemployment rates start decreasing. Even with continued high unemployment, the fact that things are getting better permeates the thinking of consumers.

If unemployment rates are decreasing, and if one has a job, then the chances of being laid off are nil. The worst is over, and it is time to forget the bad times. Declining unemployment means that the security associated with a job is going to be much greater than during times of increasing unemployment. One can afford to be a bit more profligate than during less auspicious times. As the economy falters because sales are collapsing, fear of losing one's own job makes one more cautious in his spending habits. This is in the best interests of me - spend less, save more, and add to the nest egg in case things get even worse.

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