

EFFECTIVE PLANNING AND CONTROL OF PRODUCTION/ OPERATIONS  
IN SMALL BUSINESS ORGANISATIONS. A CASE STUDY OF  
THREE SELECTED SMALL BUSINESS (MANUFACTURING)  
ORGANISATIONS IN ENUGU.

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## ABSTRACT

Perhaps the most topical issues in any establishment is the nature of their products. These products basically originate from their production departments. It has been ascertained in most establishment that the production department accounts for almost 80% of the costs incurred by the establishment. However despite this fact most companies have not been able to realise the importance of effectively planning and controlling this production process.

The researcher believes that improved planning and control of the production/operation of these small business organisation will be a benefit not only to the organisation and its customers, but to the economy as a whole. This is important since the small scale organisation occupies a strategic position in the industrial development of Enugu State and Nigeria as a whole. This is why the practice of planning and control of production in these organisations is the focus of this study.

Specific areas that have to do with effective production planning and control have been identified as, planning horizon and its formality, capacity planning, purchasing and inventory management, quality control and inspection procedures, staffing activities of the organisation, rôle of the production manager in the planning and control of production and also effect of inflationary conditions on planning and control. Research hypothesis were formulated to determine the extent to which planning and control measures had been applied by the companies studied. Hypothesis were formulated to determine the satisfaction of staff in the production department. This is because small scale organisations are basically labour intensive organisations and therefore the staff have an important role to play in the planning and control function carried out in the company. The rôle of the production manager was studied closely because the production manager also plays a very strategic rôle in production planning and control, since he is supposed to be head of the production department. To test the hypothesis, percentages method and Chi-square test of 0.05 level of significance was used.

The findings of this study show that while some form of planning and control were being applied they were not very effective. This is because they were not quite formalised and those whom these plans and controls were made for were not adequately aware of their existence. It was also found out that while the staff were not heavily dissatisfied with the selection of new employees, salaries, maintenance, training and promotion there was practically non existence of fringe benefits. In addition, going by current roles that should be played by the production manager in planning and control there was not much difference in the actual roles played by the production managers studied. Some factors that were attributed to poor production planning and control were insufficient supply of raw materials and machine breakdown leading to inability to maintain installed capacity. Another more important and compounding factor is the high rate of inflation in the country.

Based on these findings, it has been recommended that raw materials research centres should draw more attention to helping small scale enterprise to develop proper substitution programmes for their

organisations. This is because they have to intergrate rawmaterials that are more available and affordable to them. it has also been recommended that companies should reduce their planning horizon to the barest minimum of one week. It is also recommended that staff in the production department are effectively trained in planning and control techniques and provided with adequate fringe benefits.

The subject of this study was found rather broad in nature. The researcher has felt the need for more individual, specific and indepth study of the factors that militate against effective production planning and control. For this reason, areas of further research have been suggested.