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ROLE OF PLANNING AND FORECASTING IN ACHIEVING MANAGERIAL EFFECTIVENESS IN ADAMAWA STATE UNIVERSITY, MUBI

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ABSTRACT

This study discusses "Role of Planning and Forecasting in achieving Managerial Effectiveness in Adamawa State University, Mubi". The problem of the study looks at how budget and forecast results may not focus on accurate or timely information, thus offering little predictive value which limits the organisations ability to respond confidently to changing market conditions and increases the possibility of poor strategic decision making. The research design used for this study is non-experimental design method with specification in descriptive research design. The total population of the study is eight hundred and twenty four (824) which comprises of two hundred and thirty two Academic Staff (232) and five hundred and ninety two (592) non academic Staff of different carders, the sample size was determine at 269 using Yaro Yemani formula. The study was analyzed using descriptive statistics. The finding revealed that strategy roles of planning includes focus on improving forecast accuracy, it enables organisation to react quickly to conditions and alter long range plan. Also the finding revealed that planning and forecasting enhances the value of financial planning information used for strategic decision-making. The study therefore, recommends that there is need for management of ADSU to embrace the use of strategy planning in order to be able to forecast accuracy, to enable the institution to react quickly to conditions and alter long range plan, which can enhance the value of financial planning information to attain go strategic decision-making.

KEYWORDS: ***Effectiveness, forecasting, managerial, planning and role***

INTRODUCTION

One of the key challenges facing companies today is the ability to plan for the future and to predict operating performance. An effective, timeous and accurate budgeting, forecasting and financial planning process offers organisations an opportunity to prepare for and be in a position to succeed in a rapidly changing business environment. Companies that can update plans and forecasts quickly are in a better position to take advantage of opportunities and respond to threats (Stretch, 2009). Budgeting, forecasting and variance analysis are management accounting tools that can help organisations gain a more in depth understanding of the industry in which they operate. Over time, the understanding is refined and these tools can ultimately add value to the organisations' strategic decision making process.

Achieving true value through the financial planning process is dependent on a number of factors, namely: understanding of the industry-specific challenges and opportunities, corporate culture of the organisation regarding planning and budgeting, the organisations ability to quickly change the scope of its assumptions as the business environment changes, time and costs involved in the process and integration of all the functional areas of the organisation in the planning process. Organisations need to carefully consider the economic environment as well as take cognisance of the various internal and external factors which may have an impact on its operations. According to Botten (2008), organisations should maintain a weather-eye on its environment, watching out for emerging opportunities and threats. Each industry has its own set of challenges and opportunities that organisations have to take into account in their strategic planning. Therefore, budgeting and forecasting have to consider these general and industry-specific opportunities and threats.

An organisations attitude toward planning is important, buy-in from the whole organisation must be obtained in order for the process to add value and to be effective. Stretch (2009), argues that many managers are burdened with planning systems developed years ago in a relatively static, easy to understand, industrial age. This kind of

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organisational scenario at a managerial level could lead to negativity and a lack of buy-in to the planning process. Other reasons for criticism and lack of buy-in are highlighted by Collier & Agyei-Ampomah (2007) as follows, budgets; are time-consuming and expensive, provide poor value to users, are too rigid and prevent fast response and can lead to unethical behaviour

Moreover, the individual perspective focuses on the individual rather than the organisation for managerial effectiveness because individuals can learn, practice and develop management skills and behaviour, which can be applied across the situations and contexts (Page et al. 2003). Managerial effectiveness has also been articulated as the ability of a manager to carry out the activities required for his position while achieving the results both current and in terms of developing further potential (Gupta, 2000).

In an environment where timely and accurate information is invaluable to making strategic decisions, an organisations ability to change or update the original plan quickly is crucial. The use of flexible budgets or rolling forecasts has given organisations this opportunity. A flexible budget or forecast is a much better basis for investigating variances, especially when key drivers such as planned volumes differ from the original plan (Collier & AgyeiAmpomah, 2007).

This process gives organisation's an opportunity to learn from the inaccuracies in their assumptions and take cognisance of any anomalies affecting the business that are outside the general scope of its assumptions. Many organisations do not evaluate actual results versus planning / forecast, this hinders the quality of the assumptions and forecasting going forward.

For many years, organisations have viewed planning and forecasting as mandatory and time consuming. The traditional planning and forecasting processes are still the cornerstones of the corporate financial planning process. In South Africa today, companies still budget once a year, and use this budget as the benchmark for judging monthly performance (Stretch, 2009).

Each year, the various operational areas within the company provide input to finance in order to compile a budget. These inputs are used together with certain assumptions and the financial impact thereof presented as the finance department's evaluation. Once all parties agree, a formal budget is approved and filed away. Even if the organisation moves toward the flexible or rolling forecast approach, there are still a number of factors that hinder the quality of the budgeting and forecasting processes. As a result, planned data is not being used to its full potential. This information should add value to an organisations strategic decision-making process.

Considering the limitations of the traditional budgeting and forecasting processes and also the various factors that influence the quality of these processes, organisations need to have a strong focus on budget and forecast accuracy. Forecasts are not always accurate – they are essentially about predicting the future with incomplete information (Department of Treasury, 2008). According to Ernst & Young (2011), budget and forecast results may not focus on accurate or timely information, thus offering little predictive value which limits the organisations ability to respond confidently to changing market conditions and increases the possibility of poor strategic decision making. With adequate understanding of the basic features and limitation of the techniques, the decision maker can help the forecaster formulate the forecasting problem properly and can therefore have more confidence in forecasts provided and use them more effectively. The forecaster, in turn must bring together the technique with the knowledge and experience of the manager (Chambers, 2017).

Hence, in most business, the responsibilities for preparing the planning and demand forecast lies with the marketing or sales managers, rather than operations. So it is important to harness, marketing and operations managers' position, since forecasts are also major responsibility for operation managers; otherwise business will be in dilemma between the two departments. The purpose of this study is to highlight current organisational paradigms regarding budgeting, forecasting and financial planning and to assess whether organisations add value to their decision-making through budgeting, forecasting and financial planning.

Their study only centered only budget and forecast in an organization using manufacturing organization and most of the studies have been done in the western context. Therefore, this study tend to bridge this gap by inculcating (role of planning and forecasting) and how each of the variables lead to achievement of managerial effectiveness with specific reference to Adamawa State University, Mubi.

The following questions were raised to elicit useful information to be able to deal with the subject.

i. what are the strategic role of planning and forecasting in achieving managerial effectiveness in Adamawa State University, Mubi?
ii. what are the mediating factors influencing planning and forecasting in achieving managerial effectiveness in Adamawa State University, Mubi?
iii. what are the limitations to planning and forecasting in achieving managerial effectiveness in Adamawa State University, Mubi?

CONCEPTUAL CLARIFICATION

Concept of Corporate Planning

IBM (2009), states that planning is a strategic prediction of business performance at a summary level. Usually, planning is the province of a few savvy senior managers charged with making sure the company responds to changing market conditions and opportunities, balancing assets with opportunities. Accordingly, the process can be fairly frequent and must be completed quickly. According to Jackson, Sawyers and Jenkins (2009), planning is the cornerstone of good management and requires the development of objectives and goals for the organisation as well as the actual preparation of budgets.

According to Ilesanmi (2011), a strategic plan refers to the formulation of a unified, comprehensive and integrated plan aimed at relating the strategic advantages of the firm to the challenges of the environment. Its overall purpose is to assess the future implications of current decisions, to develop a framework for adjusting operations to changes in the wider business environment and to link and control the various elements of complex organisations.

Concept of Forecasting

Forecasting is essentially a re-casting of the budget, in summarized form, to reflect changing market conditions, strategic plan alterations, error corrections and revised assumptions in the original approved budget. Companies typically re-forecast monthly or on an ad hoc or event basis in this unpredictable economy, with the process executed by a handful of finance personnel (IBM, 2009).

According to Barrett and Hope (2006), a common approach to forecasting is geared at fiscal year-end and is aimed at helping managers 'keep on track'. This is often known as "3+9", "6+6" and "9+3", the second number representing the months remaining until the fiscal year end. In its simplest form, IBM (2009) argue that a forecast is a revision of the budget that reflects changing business conditions, reassessment of key budget assumptions or perhaps a significant review of the strategic plan. The increasing use of forecasts has meant that budgets have become more forward-looking and better linked to strategic planning (CIMA, 2004).

Concept of Managerial Effectiveness

Managerial effectiveness is often defined in terms of output - what a manager achieves. This result oriented definition leads us to look for the factors that contribute towards the "results". Studies find three factors to be responsible for the results that an organisation achieves through its managers. These are; (a) the efforts and ability of the managers, (b) the environment in which the managers and the organisation operates, and (c) the efforts and ability of the subordinates. Thus, the managers' ability is the key element in achieving the desired results. According to Campbell (2000), managerial effectiveness should reflect in organizational effectiveness as well. Even if it does not, the effectiveness of the individuals by itself should be a matter of concern; because performing well is a prerequisite to any subsequent positive organizational dynamics.

Sayeed (2002), defined managerial effectiveness as a function of behaviour as well as technical management process. It is a leader's ability to achieve desired results. How well he applies his skills and abilities in guiding and directing others determines whether he can meet those results effectively. If he can, his achievements are poised to help the organization gain a competitive edge against rival organizations heading into the future. Managerial effectiveness has always been the prime concern and motto of the business owners (Shukla & Mishra, 2010).

The concept of "managerial effectiveness" has been defined differently by different scholars due to its complex nature (Bao, 2009). For example, Reddin (2000), defined managerial effectiveness as the extent to which a manager achieves the output requirements of their position. Kirchoff (2001), perceived it as the act of fulfilling various goals rather than optimizing one. Bennett and Langford's (2002), described managerial effectiveness as the relationship between what a manager achieves (performance) and what he/she is expected to achieve (i.e. aims and objectives) within the constraints imposed by the organization and socio-economic environment. Boyatzis (2000), extended the term to include qualities, intrinsic abilities or personality strengths. Drucker (1988), concluded that effectiveness is the foundation of success.

The Roles of Forecasting and Planning Process

According to PricewaterhouseCoopers (2007), it is no longer sufficient to just measure past performance. Budgeting and forecasting have become a core competency for organisations to effectively plan, manage and execute strategy. KPMG (2010), argue that budgeting and forecasting is an essential component of their effort to create and sustain value in the business. The need for a value-adding budgeting, forecasting and financial planning process is becoming more and more evident in today's complex and rapidly changing business environment. The accuracy and timeliness of the information generated through these processes have serious implications for strategic decision-making.

i. **Importance of the strategic plan**
   A value-adding forecasting and financial planning process should be driven by the organisations strategic plan. According to Deloitte Consulting LLC (2010), when organisations do not have a clear business strategy, it is difficult to make budgeting

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and forecasting decisions. An effective strategic plan translates the business strategy into a simple story about the organisations future. This story is clear when people in the organisation understand what leadership has chosen to do, and not to do. This clarity is the foundation for a planning, budgeting and forecasting process that works.

ii. Develop an annual budget based on the strategic plan

CIMA (2008), states that the main purposes of budgeting as it relates to planning and control and supporting the achievement of strategic plans are as follows: translating the long-term plan into an annual work programme, co-ordinating the various departments of the organisation to ensure they work in harmony. A budget requires managers to consider the relationship between their operations and those of other departments. Otherwise, managers might make decisions in their own interests, rather than the organisation's best interests, communicating plans to those who will be held accountable. Each department or individual should understand what role they play in helping the organisation achieve its plans. One of the limitations of the traditional budgeting process is that financial plans are disconnected from the organisations overall strategic plans. According to IBM (2009), senior managers are concerned that the annual budget bears little relation to their carefully prepared strategic plans.

iii. Re-forecasting the annual budget

Preparing the annual budget is simply not enough in today's volatile and rapidly changing business environment. Barrett and Hope (2006), maintain that for this reason many organisations have adapted their budgeting process and are looking at other performance management methodologies such as re-forecasting. There are two basic approaches to re-forecasting the budget: the first approach is geared at fiscal year-end and often referred to as "3+9", the second number representing the number of forecast months left until financial year-end. This approach was briefly mentioned in chapter two, secondly, rolling forecasts are being used to manage businesses more effectively making planning a continual process. The following example is made by Barrett and Hope (2006), if the organisation was just approaching the end of the quarter one of the fiscal year. The management team gets the actuals for that quarter and starts to review the next four quarters ahead. Three of these quarters are already part of the original plan or budget but a further quarter needs to be added (quarter one of the following fiscal year). By definition, the fiscal year-end is always on a 12-18 month rolling forecast

iv. Performance measurement

According to Deloitte Consulting LLP (2010), too many companies put tremendous effort in the planning, budgeting and forecasting process, only to have much of that work wasted by not having the right information available to make sure they stay on track. The most fundamental planning, budgeting and forecasting value adding capability is the measurement of actuals against plan. Grigore, Bagu and Radu (2009), argue that the performance measurement process collects, processes, and distributes data to allow an effective execution of the other sub-processes. This information is presented in the form of key performance indicators (KPI's) and these KPI's must be guided by the strategic plan. Reviewing actual performance against planned targets ensures that timely preventative and corrective action is taken to keep the organisation on track.

This aspect of the budgeting and forecasting process is where the most value can be added to strategic decision-making. Reviewing actual performance against plan is very important, not to point out the inefficiencies in the plan and allocate blame but rather to learn from the variances and ultimately have them influence the organisations strategic direction.

Factors Influencing the Quality Planning and Forecasting Processes

Organisations that have moved away from the traditional 'annual' budgeting process and embraced a planning cycle that focuses on a budget with more frequent re-forecasting still face the challenge of ensuring the quality of information generated through the budgeting, forecasting and financial planning process. This information is useful for analysing trends, developing meaningful business insights and ultimately adding value to strategic decision-making. According to KPMG (2010), the key to reliable planning and forecasting is the ability to draw together culture, process and internal and external data into balanced and cohesive framework enabled by technology. Reliable planning and forecasting can have an incredible long-term impact on the business, helping to improve the ability to identify new opportunities and manage potential risks. Deloitte Consulting LLP (2010), states that a value-adding budgeting, forecasting and financial planning process provides the organisation with the following: aligns everyone to the same goals, provides both short-term and long-term targets, sets a framework with which to evaluate investment opportunities, guides the definition of key performance indicators (KPI's).

When it's done right, the planning, budgeting and forecasting process begins with the enterprise strategy (3-5 years) which drives decision-making about investments, capital allocation and resource deployments. Executives and business stakeholders are fully engaged in the process and drive initiatives to obtain funding. These initiatives drive highlevel financial plans (18-24 months) which set targets for operating plans (1218 months). Lessons learned from variance analysis drives re-forecasting which in turn feeds back to the strategic plan. According to Jackson, Sawyers and Jenkins (2009), a budgeting process that is clearly guided by a strategic plan makes managers more focused on important aspects of the budget and less worried about irrelevant details.

i. Corporate culture towards planning

According to CIMA (2004), organisational culture is by far the biggest influence on how formal systems and processes operate in practice. Fostering the right culture, whatever that may be in the context of individual companies, was recognised as one of the most important factors in the success of the budgeting and forecasting process. It is critical that a company's culture embraces and rewards planning. Excellent business management requires excellent financial management, which in turn requires a company-wide commitment to excellence in budgeting, forecasting and reporting (Adaptive Planning, 2005).

ii. Plausibility of assumptions

The use of assumptions is a vital element of budgeting, forecasting and financial planning and has a direct impact on the quality of information generated as a result of these processes. According to Steven-Jennings (2009). the key assumptions used in the plan must be tested thoroughly by researching the industry, speaking to colleagues and competitors and getting objective opinions. In a related publication, KPMG (2010), mention that the key to an effective budgeting and forecasting process is to validate all possible assumptions and factors so that executive management can weigh the validity of each and determine which to include and which to omit. Evaluating actual outcomes to what was planned is a very effective means of testing the assumptions used in the plan. Papenfuss (2012), mentions that the development, testing and discussion of forecast assumptions are now a critical part of the planning process. A longer range outlook in the budget or forecast process offers organisations the opportunity to test the plausibility of their assumptions. Organisations, operating in an international environment, which are affected by factors such as currency differences have to make significant assumptions in terms of the strength or weakness of their trading currency. Inflation and a deteriorating trading currency are often recovered through product pricing and marketing.

iii. A focus on improving forecast accuracy

The quality of financial information from the budgeting and forecasting process is largely dependent on the organisations attitude toward budget and forecast accuracy. The need for improved value and accuracy from budgeting, forecasting and financial planning led to a thorough research study conducted by PricewaterhouseCoopers in 2011. This study focused not only on the current challenges but also on the practises organisations are deploying to improve the financial budgeting and forecasting processes (PricewaterhouseCoopers, 2011). According to PricewaterhouseCoopers (2011), a key finding of this study is that increasing forecasting accuracy is at the top of the improvement agenda. Companies continue to struggle with the shared ownership between business and finance of the financial plan and the overall financial conservatism built into the planning process. Companies that formally measure and report on forecast accuracy have achieved a higher level of precision. KPMG (2011), states that a forecast is comprised not only of financial measures, but also key drivers of the business that affect current and future financial performance. The deeper the understanding of the relative impacts of each driver, the more accurate the forecast and the ability to make informed decisions. Achieving forecast accuracy improves the quality of financial information and increases the credibility of the finance department's financial evaluation. Organisations must however shift the focus from control and accuracy to how effectively they use this information as a tool for strategic decision-making.

iv. Frequency and level of detail

Organisations face the challenge of choosing the ideal frequency and level of detail for their budgeting, forecasting and financial planning. According to KPMG (2010), rolling forecasts, revised monthly, quarterly, or at least annually are key to understanding the company's current financial situation and also its future. The market, competitors and economy change constantly and at ever-increasing rates. Organisations are reacting by forecasting more frequently and reducing the amount of detail in each forecast. Barrett and Hope (2006), state that the frequency of updating forecasts would depend on the industry. However, if an organisation has got forecasting down to a slick process that takes up little time and involves little cost, more frequent re-forecasting will give better early warnings of emerging trends and enable organisations to be

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more responsive. According to Pricewaterhouse Coopers (2011), obtaining the right level of detail for an organisation means that that a company has to understand and focus on the real drivers of the business that significantly impact their financial statements and spend less time managing the detail that has little impact on decision-making. Developing the balanced level of detail in a company's planning environment translates into the following benefits: avoids giving the perception of false accuracy, allows financial planners and managers to focus on the most important accounts and their drivers, enables finance teams to perform scenario analysis and turn around 'what-if' challenges in a timelier manner.

iv.Technology

The technology used by organisations in the budgeting, forecasting and financial planning processes is a very important factor in whether these processes add value to strategic decision-making. CIMA (2004), state that new technology has helped organisations move away from a culture characterised by functional divisions and 'silo' mentality. Departments and managers using off-line spreadsheets can end up disconnected from other parts of the organisation that would impact on their planning. Research conducted by PricewaterhouseCoopers (2011), indicates that 27% of the organisations surveyed still rely on spreadsheets and manual processes for their budgeting, forecasting and financial planning. Whilst spreadsheets are flexible and relatively quick to update, IBM (2009), cite the following reasons why they are inadequate in managing a budgeting process of any significant size or sophistication. Spreadsheets are: two-dimensional, hard to maintain, don't integrate well with other systems, difficult to share and often hard to understand.

Limitations of the Forecasting Planning Process

i.Cost control versus value creation

One of the key limiting factors of the traditional budgeting and forecasting processes is the purpose for which the budget was prepared in the first place. Jackson, Sawyers and Jenkins (2009), highlight two purposes for which budgets are typically prepared: the use of budgets for cost control and performance evaluation and the use of budgets in strategic planning and operating activities. Many organisations still prepare an annual budget for the first reason, to control costs and evaluate performance. John and Ngoasong (2008), argue that this kind of planning encourages internal politics, gaming behaviour and a short-termist culture that focuses on achieving the budget figure or target. According to CIMA (2004), budgeting in this manner can stifle the entrepreneurial, risk-taking culture that can be responsible for value creation. When rewards and incentives are offered for achieving targets, managers may become reluctant to present an unbiased picture. This unbiased picture will therefore add little or no value as an informational tool in the strategic decision-making process. Jackson, Sawyers and Jenkins (2009), state that this kind of behaviour is unethical and is not beneficial to the company as a whole. Organisations can reduce incentives for this type of behaviour by holding managers accountable and punishing unethical behaviour with strong sanctions.

ii.Lack of departmental collaboration

A lack of cross-functional collaboration and the mind-set that the budget 'belongs' to finance is also one of the limiting factors of the traditional budgeting and forecasting processes. In most organisations, the finance department 'owns' and administers the budgeting process. Accountants are therefore first in the line of fire for its perceived shortcomings and are charged with making the necessary changes (CIMA, 2004). Akintoye (2008), argues that the finance department are often seen as traffic cops rather than strategic partners. Budgetary planning then becomes a mere exercise; consequently, the quality of information for budgetary planning and control is seriously compromised. This kind of organisational paradigm regarding the budgeting and forecasting process can have serious implications as to whether the process itself adds value to strategic decision-making. Departmental heads provide assumptions such as sales volumes, inflation and other key drivers to finance to use in the budgeting and forecasting process. According to Adaptive Planning (2005), because finance does much of the work themselves, line managers see little benefit and are dragged through the process. There is a lack of buy-in from the various functional areas and the finance department's plan loses credibility.

iii.Lengthy, inflexible and laborious planning cycles

The traditional budgeting and forecasting process is time consuming, inflexible and costly. According to Deloitte Consulting LLP (2010), the greatest threat to effective financial stewardship is a long, resourceconsuming planning cycle. Too many decisions are made without meaningful perspective and direction. PricewaterhouseCoopers (2011), states that organisations spend a great deal of time and effort on consolidating, summarising, communicating, explaining and reviewing information for financial planning. This argument is supported by IBM (2009), who mention that weeks and months are spent struggling with the mechanics of the process, chasing submissions, checking for incomplete or invalid data and trying to track and control versions. Another concern raised by IBM (2009), is that the finance department, even with enterprise resource planning software, is still doing too much manual work to fine-tune the budget thus adding to the inefficiency of the process.

iv. **Behavioural implications of budgeting**

When budgets are used for both planning and control purposes, conflicts invariably arise. If managers are evaluated and compensated according to whether they 'meet the budget', they may have incentives to pad the budget, thus making targets easier to reach (Jackson, Sawyers & Jenkins, 2009). According to Collier and Agyei-Ampomah (2007), the practise of reducing budgets where they have not been spent has led to managers spending their budget allocations at year end, whether the expenditure is needed or not to avoid budget cuts in the following year.

EMPIRICAL REVIEW

According to Song (2011), the empirical evidence suggests that more strategic planning and more new product development projects lead to better firm performance. Previous studies have attempted to determine the effect of the planning process on firm financial performance. These efforts have divided firms into those with formal planning systems and those without formal planning systems and related these to measures of financial performance (Wood and LaForg, 2000). These studies were based on the assumptions that formal planning leads to better financial performance and that the effectiveness of the planning process could be determined by looking at the financial returns of the firm. This theory has not been supported strongly by empirical testing. For both large and small firms the results have been mixed when planning formality has been related to financial performance (Kudla, 2001).

McCarthy and Minichiello (1996), note that a company's strategy provides a central purpose and direction to the activities of the organization and to the people who work in it. Adding to this argument, Kotter (1996) contends that the primary goal of strategic planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same.

Hugh (2002), study surveyed 10 companies, comparing performance of formal and informal planners over a 7-year period. Based on the survey results, He concluded that formal planners outperform informal planners and hence, supporting the results. Ansoff (1981), studied 93 firms using various variables of financial performance. The findings revealed that companies, which do extensive strategic planning, outperformed the other companies. Metropolis concluded that strategic management practices enhance both organizational profitability and company market share and therefore suggest that strategic planning concepts should be adopted by business organizations. Similarly, it has been argued that although there is a general perception and belief that strategic planning improves organization effectiveness, if wrongly pursued the anticipated value may not be tapped (Robert and Peter, 2012).

Theoretical Framework

There are two approaches to corporate planning prescriptive and emergent approaches.

Prescriptive Approach

According to Lynch (1997) a prescriptive corporate planning is one where the objective has been defined in advance and the main elements have been developed before the plan commences. Prescriptive corporate planning starts with the search for an agreed objective, then the environment in which the organization operates is then analyzed and projections made for the future. Based on this work, forecasts then form the background for the organization strategic plan. At this point the objectives may be reviewed. If the forecasts are particularly positive or negative, then the objectives may be changed.

Lynch states that after making a forecast of the expected environment, various option are identified to enable the business to achieve the agreed objectives, there is usually more than one way of achieving objectives. One options is then selected which has the ability to meet the objective. The chosen option is implemented by the organization's managers. The prescriptive corporate planning process is claimed to be logical, rational and capable of real insight into the problems of an organization. It focuses on the major issues that each company needs to address.

Emergent Approach

Emergent corporate planning is a strategy whose final objective is unclear and whose elements are developed during the course of its life, as the strategy proceeds. Lynch (1997) deriving from the observation that human beings are not always the rational and logical creatures assumed by prescriptive approach, various commentators have rejected the long-term prescriptive approach. They argue that strategy emerges, adapting to human need and continuing to develop overtime. Given this, they argue that there can be only limited meaningful prescriptive strategies and limited value from long-term planning. According to Gayle (2002) the advantages of emergent corporate approach are that which takes account of people issues such as motivation, allows the strategy to develop as more is learnt about the strategic situation and provides the opportunity for the culture and politics of an organization to be included in the process.

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For the purpose of this study the researcher has however, dwelled on prescription approach theory, the research for chosen this theory is because prescriptive corporate planning starts with the search for an agreed objective, then the environment in which the organization operates is then analyzed and projections made for the future i.e. it forecasts then form the background for the organization strategic plan.

METHODOLOGY

The paper adopted the use of non-experimental design with specification to descriptive research design: Descriptive research: This is a more in-depth research that answered the question what and how. This study was carried out in Adamawa State University, Mubi. The total population of the study is eight hundred and twenty four (824) which comprises of two hundred and thirty two Academic Staff (232) and five hundred and ninety two (592) non academic Staff of different carders. The sample size is 269 determine through use of Yamani (1964). Closed ended questionnaire is the major instrument for data collection in this study; this is because questionnaire has the capacity of collecting more relevant data from respondents. The questionnaire was design on five points likert scale ranging from strongly agree(5), to strongly disagree(1). The study however, used Statistical Package for Social Sciences (SPSS) for correlation analysis at 0.05 level of significance.

Hypothesis Testing

H_0 : Planning and forecasting does not lead to achievement of managerial effectiveness in Adamawa State University, Mubi;

		PF	ME
PF	Pearson Correlation	1	.888**
	Sig. (2-tailed)		.067
	N	241	241
ME	Pearson Correlation	.888**	1
	Sig. (2-tailed)	.065	
	N	241	241

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

Where:

PF : Planning and forecasting

ME : Managerial effectiveness

To evaluate whether there is a significant relationship between planning & forecasting, and managerial effectiveness in ADSU Mubi. Hypothesis shows a correction of 0.065 and which is higher than 0.05 level of significant. Therefore, the null hypothesis which states that planning and forecasting does not lead to achievement of managerial effectiveness in Adamawa State University, Mubi was retain and reject the alternate hypothesis.

FINDINGS

The major findings of this study have been derived from the analysis and presentation of data of this study:

i. Findings revealed that strategy roles of planning includes focus on improving forecast accuracy, it enables organisation to react quickly to conditions and alter long range plan. Also the finding revealed that planning and forecasting enhances the value of financial planning information used for strategic decision-making.

ii. From the above analysis, the finding revealed that planning and forecasting didn't helps in validation and testing of assumptions in ADSU, the institution attitude/culture towards planning in is not encouraging. A finding also shows that there is no focus on improving forecast accuracy in Adamawa State University, Mubi which can leads to effective planning and forecasting.

iii. Finding further revealed that there is lack of involvement from principal officers and top management in ADSU which affect planning and forecasting, budgets are prepared too far in advance, volumes and exchange rates will change; Finding also shows that in ADSU forecast are unrealistic when trying to achieve pre-determined targets,

CONCLUSION AND RECOMMENDATIONS

This research has provided an insight into the evaluating the role of planning and forecasting in achieving managerial effectiveness; the hypothesis established that planning and forecasting does not lead to achievement of managerial effectiveness in Adamawa State University, Mubi. The study further concludes that strategy roles of planning includes focus on improving forecast accuracy, enables organisation to react quickly to conditions and alter long range plan, enhances the value of financial planning information used for strategic decision-making.

Moreso, planning and forecasting didn't helps in validation and testing of assumptions in ADSU, the institution attitude/culture towards planning in is not encouraging. There is no focus on improving forecast accuracy in the University which can leads to effective planning and forecasting. Furthermore, there is no planning for uncertainty in the external environment that will lead to effective forecasting.

Lastly, limitation to planning and forecasting in ADSU includes lack of involvement from principal officers and top management in ADSU which affect planning and forecasting, budgets are prepared too far in advance, volumes and exchange rates will change; forecast are unrealistic when trying to achieve pre-determined targets. Inadequate training and development of staff on effective planning has negative effect on staff performance; also discouragement of information sharing in ADSU affects the level of planning and forecasting.

The following recommendations were derived from the above findings;

i. Since it is observed that strategy role of planning is very vital to survival of organizations, therefore there is need for management of ADSU to embrace the use of strategy planning in order to be able to forecast accuracy, to enable the institution to react quickly to conditions and alter long range plan, which can enhance the value of financial planning information to attain go strategic decision-making.

ii. The study further recommends that management of ADSU should give more priority to planning and forecasting in their decision making process, because management of ADSU didn't see planning and forecasting as instruments that can enhance the institution attitude/culture towards planning, improving forecast accuracy to achieve effective planning and forecasting.

iii. The study also recommends that in order to tackle the limitations affecting the performance of planning and forecasting in ADSU, there is need for involvement of principal officers and management in decision making process. Also there is need for the management of the institution to carry out proper forecasting analysis in preparing budgets in advance, because volumes and exchange rates may probably change; their forecast should be realistic when trying to achieve pre-determined targets.

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