

Total befuddlement can be averted, however, if a pre-agreed budget and plan are used as criteria. The question on stewardship becomes answerable when it is sub-divided as:

- (a) What did you spend relative to the budget we agreed on?
- (b) What did you accomplish relative to the goals we agreed on?

In a perfect world, the manager who had accomplished 80% of his goal would have spent just 80% of his budget. More typically, on the first time round at least, we will find that the manager has spent 99% of his budget and accomplished 20% of his goal. But he and his superior have a real need to discuss performance in any case and this result provides a focus and a rational basis for the discussion. A result as lopsided as this one would be a reflection on the adequacy of the effort made by the manager in the previous year. But, the first few times it happens it will also be a reflection of the way the goals were set in the first place. They may not have been sufficiently inclusive to account for all of the directions in which the post or division spends its energies in a normal year. They may simply have been set unrealistically high.

Annual repetition, however, will improve the planning. With experience as a guide, tasks will be defined more accurately and goals set more realistically. Meanwhile, with increased awareness of what is expected of them, senior officers in the Department can be expected to direct their energies accordingly and produce a net improvement in the effectiveness of the total organization.

To obtain full value, an organization must build into its budget system this formal cycle of planning/post mortem/planning. This work would be easier and tidier if the goals of posts and divisions were