

Chapter- 3

Principles and Techniques of Management

Managing is universal, important and useful in achieving desired and effective results. But the question comes in how effective management is done? How to create a good and effective manager? How to be educated-trained? The answer to these types of questions is - 'The principles of management'. Since modern management has been established as a branch of science and knowledge and is moving forward towards the future profession, therefore there is some fundamental principle of management science.

"On the basis of sufficient evidence in the context of a topic, the opinion or idea fixed after the argument, which satisfies the test of time, experience and observation, is called 'theory'."

Principles are effective rules or elements in the form of a guide in our activities, practice and decision making. Not being punished for not following rule or principle, only fear of uncertainty remains in the results of the work. When the rule or principle becomes impractical in the state of the country-time-period, it is amended or changed. This elasticity only makes acceptance of principles universal. Doctrines of management do not work completely like the principles of science, nor give a similar result. Because management is done for collective efforts, in which participation of human and human behaviour is greater and human behaviour is driven by its cultural background, which is different from each terrain or country, hence the principles of management neither apply equally to the nation and organization nor give

results equally. The practical application of the principles of management depends on the circumstances of each organization, society and country. Therefore some principles can be completely practical or impractical in a country or organization, then some can be implemented partially (limited) or even more than the fixed scale.

In general, keeping in mind the goals or results, the rules or theories are made for action plans, conduct and their successful operation. The pre-millennial organization, society and rulers (kings) aimed only for the service and welfare of the people and all the lives. The organization was conducted by keeping the goal based on the concept of Vasudev Kutumbakam “ Sarve Bhavantu Sukhinah.” whereby there is a sense of equality and cooperation in society.

The formula (theory) of management available in the mythological texts and para-scriptures of India and Shiya terrain is inspired by human and social welfare. But the changes that started from the 18th century, especially after the First World War, in the technical development, mechanization, industrialization revolution, communication and transport development, the entire system and philosophy (contemplation) in the whole world were completely reversed. Now the goal of the organization and society has been reversed by 'Vaasudev Kutumbakam' and the 'Survival of fittest' has become. In which every individual or organization attempts to prove himself the best in every work and results. As a result, competition is born.

The pace and volume of the work of technical and technology development has increased, the traffic became intense and facilitated by the development of transport technology, the Communication and Information revolution made the whole world a global village. Because of this, the market and the industry also became global, in which competition also became from domestic to global. So how is the successful operation of the organization in global competitive and modern scientific era? And how to achieve the desired results (more profit and market leadership), it has been challenging. The principles of modern management and management are being useful in making this challenging task simple and easy.

Modern management is also called scientific management. The concept of this scientific management emerged - developed by Henry Fayol - 'Administrative Management Model', in which Henry Fayol demonstrated the principles of management. Then F. W. Taylor, Max Weber, Elton Mayo, etc. and many management scholars or thinkers did research work on workers and employees, on their different practices and behaviour in different factories, and rendered about 6 to 54 different management principles. In scientific age, theories have emerged as a research-based and model; nevertheless its results are influenced by the times of the country. Due to the diversity of different nations of the whole world, it is not possible to use all the principles universally. But as a general guide, Henri Fayol's management theory, being more flexible, has been universally accepted and used.

The Principles of Management help in improving the efficiency of the work and the right attitude towards the work, the teaching of management

(teaching - training) becomes easier, effective and valid from the principles of management, by which the management is developing into a profession. Continuous research work is being carried out on the principles of management to maintain and enhance the effectiveness and efficiency in the changing environment, and efforts are made to make it acceptable by changing and expanding as required. Therefore, the universal accessible principles of management are as follows:-

1. Division of Work - Fayol has used the principle of Division of Work to take advantage of the specialization. According to this principle workers and managers engage in specific tasks. Therefore, to increase the work capacity, the work should be divided so that the work and the worker are in harmony and the full capacity of the workers can be utilized. It is necessary that the manager be engaged in managerial functions and labours be engaged in the execution functions.

2. Authorities and Responsibilities Authorities and responsibilities are related to each other, so there should be uniformity in both. When a person is given a task in the organization, then the responsibility for the execution of that work is on that person. The execution of the work can be done appropriately only if the person gets the proper authority. If there is no equality in accountability and authority, then there is unnecessary centralization of rights in the organization or the person responsible for the work has to be dependent on other persons. In both these situations the overall efficiency of the organization is reduced.

3. Discipline - The principle of discipline is implemented on the employees to create such behaviour, which is helpful in fulfilling the organization's objectives. Disciplined behaviour

requires that the inspection system is appropriate in the organization, proper contract between the employee and the organization, and provision of penalty for non-disciplined behaviour. Fayol has expressed this view in relation to the penalization that all those situations should be kept in mind while giving the punishment due to which the behaviour of indiscipline is generated in the employees, so that employees do not feel oppressed by themselves

4. Unity of Command - This means that an employee should receive orders from only one senior officer, not from many high officials. Due to the orders received from many officers and especially differences in those orders, not only create confusions for employees, but he or she also gets distracted from his or her responsibilities. According to Fayol, if the principle of unity of orders is dissolved then the organization faces problems such as defiance of the officer, increase in conflict, conflict in the system decreases in discipline.

5. Unity of Directions- Unity of Directions states that all those activities of the organization whose objectives are the same should be kept under the one manager and one plan. Unity of direction is different from unity of orders. The unity of direction is related to the division of actions and grouping, whereas the unity of order reflects the organizational relationships of individuals. The main purpose of the unity of direction is to reconcile in different aspects of the same task. Fayol has said in a laughable manner regarding the importance of the principle of direction that, "The two-headed body is considered to be a monster in the social and animal world and experiences difficulty in survival."

6. Subordination of Individual interests for collective interests- In an organization if there is a conflict between the interests of the organization and the personal interests, then the interest of the organization should be paramount and for this, personal interests should be abandoned. Conflicts between organizations and personal interests can be for many reasons.

Managers should keep in mind that such conditions should not arise which can cause conflict in the organization and personal interests. This is necessary for the advancement of the organization.

7. Employees' Remuneration - Employees are rewarded for their performance in their work. This reward is in the form of wages and salaries, various types of financial motivations and non-financial motivation. While determining the remuneration it is necessary to ensure that it is fair and rational.

8. Centralization- According to Fayol, there should be necessary reconciliation between the centralization and decentralization of rights in an organization. This cohesion depends on the organization's size and management system, like decentralization of rights in a larger organization is more appropriate, while centralization of authorities in smaller organizations is more appropriate. While deciding the centralization of authorities in the larger organization, the issues of the organization's welfare, the feelings of the employees and the nature of the work should be considered, so that the proper authority can be redistributed at each level of management.

9. Scalar Chain - A link between the highest authorities and the officials below should be a link and the message should flow by this link. This link is shown in the picture:

According to the picture A is at the best level of the organization and it has two direct subordinate B and L. Similarly, the subordinate of B and L and the subordinates of those subordinate are stuck which ends at G and Q. The message sent from A will be approached by G, C, D, E, F by G.

Similarly, if G is to send a message to upper level, then it will reach through A by F, E, D, C, B,. According to Fayol, this system keeps structure in the organization, but in certain circumstances, communication through this system is delayed. In these special circumstances, officers of the same level who are in separate link, can communicate with each other. As shown in Figure is relation to F, P. In such a situation, the concerned officer should inform his direct superior about the purpose of this kind of dialogue and its contents - what was the content?

10. Order-Order means that 'there is a fixed place for each object and every object should be at its place and the right person should be in the right place.' The purpose of this principle is that the proper function should be assigned to the appropriate persons, The work is properly executed and the execution is in proper control, thereby increasing the working capacity of the organization.

11. Equity - Equity is a mixture of justice and kindness. Equity means that all persons should be looked after in equality and there is no discrimination in their remuneration and punishment system. This creates loyalty towards the organization among the employees.

12. Stability of tenure of Personnel - According to this principle, the appointment of employees on one task must be made at least for a certain time. One benefit of this is that the employee becomes

familiar with the nature of his work, the circumstances of the work, etc., which increases his work capacity. With more interchange (change) of employees, employees cannot create proper harmony between themselves and their actions, which have adverse effects on their efficiency.

13. Inspiration - Keeping in view the authorities and discipline, managers should inspire their subordinates to take initiatives in any work. This not only creates new ideas, but there is a feeling of satisfaction in the subordinates.

14. Esprit de Corps (Spirit of cooperation) - The success of an organization depends on the spirit of mutual cooperation of the employees. This principle is based on 'Unity is power'. It is necessary for the manager to take such steps which can create a sense of mutual trust and cooperation in the employees .

The above list of theories of management is not ultimate; Fayol has described these 14 principles as an example. Contraction and expansion is possible as per the requirement. In the field of management, Taylor, koontz O'Donnell, Harry, Urwick etc. and other management thinkers or theorists also rendered many theories. Such as the principle of expansion of control, theory of purpose, theory of exception, principle of weighting, theory of social responsibility, theory of participation etc.

Henri Fayol's contribution in the Development of Management

It is possibly better to name French Engineer Henri Fayol as the father of modern or administrative management principles. Fayol spent his entire executive life in the company Commentary-Four Chambault, and on this long experience, wrote several books on the subject of management and

related topics, including the publication of '*Administration Industrielle et Generale*' 1916 in the French language is special, and in this various aspects of management were made clear. Due to the fact that the book was in French, there was not a wide spread of ideas of Fayol. The English translation of the book was published in 1929, but its distribution was restricted to European countries. After that the English translation of the book was published in the United States in 1949, and only after that the contribution of Fayol to the management was accepted.

Fayol studied the problem of management from the point of view of upper level of management. He divided the activities of an industrial organization into 6 classes:

1. Technical Actions - Activities related to production.
2. Commercial Activities - Purchase - Activities related to sales and exchange.
3. Financial Actions - actions related to the receipt and utilization of capital.
4. Protective actions - actions related to property and safety of goods.
5. Accounting Activities - Activities related to stock valuation, preparation of financial records, statistics etc.
6. Managerial activities - planning, organization, direction, coordination and control activities

According to Fayol, all the above mentioned activities are performed in any industrial organization. They found that proper knowledge exists in relation to the first five activities. Therefore, he focused his attention on managerial actions. Regarding managerial actions, Fayol has divided his ideas into three main parts:

1. Managerial Qualifications and Training

2. The Elements of Management and
3. Theories of Management

Managerial qualifications and training

In order of Management development, Fayol was the first person to influence managers' competency and their training. According to him, a manager has the following 6 characteristics: -

1. **Physical**- Health, Amiable temperament and vitality
2. **Mental** - ability to understand and learn cautiousness, vigilance and decision-making ability.
3. **Virtue** - Ability to accept responsibility, ability to take initiative, loyalty, magnificence.
4. **Academic**- Knowledge of actions related to the subject matter and their rendering.
5. **Technical** - Knowledge of matters related to work.
6. **Experience** - Having skill by working.

Elements of management

According to Fayol, the management should take the form of a process in which five elements are essential - planning, organization, direction, coordination and control. According to him, planning is the most important act of management, because on the basis of which all the work is outlined. In the absence of proper planning, doubt is maintained in the performance of new tasks in any enterprise. Organization structure is required for the execution of the tasks determined by the planning, through which the work is distributed to different individuals. After distribution of the activities, proper instructions are made to the subordinates. One action is performed by many persons, so coordination is required in their work. Control is required to ensure that the

work is done according to planning. Fayol believes that all these functions are executed at all levels of management, although according to the level of management, the importance of these functions is wide-ranging.

21st Century Management Guru-Peter Drucker (1909- 2005; Born in Austria, 2002- American Presidential Award)

American Magazine Business Week and McKinsey have embellished 'Peter Drucker' as 'the most respected guru', the most widely-read, and most respected master in the field of management.

Drucker gave new direction to managerial behavior and ideology. Attracting the attention of the communist world, he was probably the only management thinker of the Western world (America). Drucker was initially opposed to bureaucratic management, he considered management as creative action, that the main function of the manager is creation and innovation. They believed that the person only manages, not 'powers' or 'fact'. Drucker writes-Managing is not a value-free science. Management is tied in culture and should be. Management itself provides a direction and structure to the entire society and culture

In the book 'Managing in Trubulent Times' written by Peter F. Drucker in 1980, he described the present challenges of management. Indicating the increasing importance of management, he wrote that 'management is part of various institutions' a part that converts the crowd into an organization, and converts human efforts into consequences.

According to Drucker's opinion, the main task of management is to achieve goals and objectives;

Productive work and labour achievement; Social impact and social responsibility; Time Dimension, Administration and Entrepreneurship. The ideology of management by objective or technique of management is considered to be a significant contribution by the Drucker in 1954.

Considering the present crisis of the present generation due to the changing environment, he described organizational reality and gave rise to the new principles of organization structure.

Management: Techniques (innovative trends)

The effects of changes in the environment on the operation and existence of personal life and organization falls directly or indirectly. At present, all components of external environment (geographical, legal, technology, political, socio-cultural, economic) are changing at a rapid pace. The effect of which is on the life philosophy and abilities of the human being and also on the internal environment of the organization. Geographical distances are decreasing, the geographical environment is uncertain; technology is inventing innovation at every second. Society's beliefs are changing, consequently political leadership and constitution are changing, and transparency and accountability are being taken care of. Global treaties (SAARC, BRIC, WTO, G-20) have been experiencing intense competition in business and industry. The effect of these changes is also on the managerial efforts for the achievement of organization's objectives. Consequently, to complete managerial work with success and ease, every day new practice or techniques have to be adopted. Now the new dimension of new management techniques or managerial work has

emerged as necessary in the managerial field

1. Managing by Objectives
2. Management by Exception
3. Strategic Management
4. Productivity Management
5. Technology Management
6. Management Information System
7. Managing Changes
8. Management of Conflict
9. Operational Management
10. Management of knowledge
11. Mechanism Approach
12. Contingency or Conjunctive Approaches

Management by Objectives

In the twentieth century, many new concepts and techniques have been developed in the management world. 'Managing by Objectives' is one of the most important management techniques and ideas. In 1956, Drucker had presented this idea, which was later presented by Professor Saleh as 'Management by Results'. The creation of each organization is done to achieve some results. According to Terry, "Managing is purposeful; it is done to accomplish some achievements." The success of management depends on a number of objectives, determining objectives and achieving results accordingly. Objective focused management is the real management. According to Koontz and Donnel, "Managing without explicit purposes is a chaotic and inattentive task."

In simple words, the purpose of all managerial actions is to be oriented towards the objectives. In other words, by determining management by objectives, the management process is done on this basis.

According to the management by objective, the

objective is to arrange a systematic philosophy and technique of management, at each stage of the organization, determining objectives, goals and obligations jointly, planning effective work and evaluating performance in the context of achieving goal. In other words, management by objective is a time-bound, organized method, to determine the general objectives mutually by management and subordinates, to define the area of □□ responsibility of each person in the context of the expected outcomes (target) and on the basis of it subordinates create their own action plan and its progress and performances are evaluated by the authorities to evaluate the progress and results of their work.

"Management by Objectives" is defined by various scholars as follows: -

According to Anne Raya, *"The management by result is the oriented philosophy which emphasizes on achievement and results."*

Generally, its goal is to increase individual and organizational effectiveness.

According to Aureen Uris, *"Fundamentally, management by objective is a simple concept; it is guided or path-directed work performance and achievement by the desired results."*

According to Cast and Rosensgev, *"MBO is one of the most comprehensive approaches to integrating personal and group goals with broad organizational goals". 'Managing by Objectives' attempts to structure this type by including all the levels of management in the goal-setting process. In each of these programs, each manager works with his subordinates in setting specific action plans for setting up and achieving goals. "*

It is clear from the appropriate definitions that "Managing by Objectives" is a process and

system in which all levels of managers and subordinates jointly determine institutional, departmental and individual objectives, and then conduct managerial activities for their achievement. By which resources can be used effectively, and integration into the person, organization and environment can be established.

Managing by Objectives: Nature

The nature of 'management by objectives' can be understood by its characteristics-

1. This is a functional concept, which gives utmost importance to the process of objective determination.
2. This concept emphasizes the process of determining objectives, not on the means of their implementation.
3. This outcome is an ideological philosophy.
4. This ideology is based on the idea of participation, which believes that people are more committed to the objectives set by them.

Managing by Objectives: Benefits or Attributes

The management system has many benefits through objectives. In this, the entire institution, the higher managers and the subordinate employees are benefited. The following is the description of the benefits they receive -

(A) Advantage to the Organization: By adopting the management by objective, the institution can have the following benefits:

1. Best Management: - The management system improves managerial skills and performance according to the objective. By adopting this system, the managers achieve their organization's goals.
2. Best planning: Effective planning is possible through clear determination of purpose,

construction of action plans and determination of liabilities.

3. Clarity of the organization: The position of organizational roles, structure, power, delegation, work, etc. with this system becomes very clear.

4. Committed Execution: 'Management by Objectives' creates commitment among employees in their work and objectives. Their goals are clear before each employee, and he is working to get something.

5. Effective control: Effective control over employees, goals, plans, activities, work progress etc. due to 'management according to purpose' remains.

(B) Advantages of higher managers: - Managers benefit from 'Management by Objectives'. These advantages are as follows:-

1. It is easy to guide subordinates.
2. Assessment of the functions of the subordinates gets the proper basis.
3. Subordinate can be easily motivated.
4. Coordination between departments and employees becomes simpler.

(C) Advantages of subordinates: -

The subordinates receive the following benefits from 'management by objectives': -

1. The employee gets the knowledge of his goal, so his attainment becomes simpler.
2. Work satisfaction increases, and disappointment ends.
3. Subordinates are motivated to do more work.
4. They can understand the expectations of their managers well.
5. Due to continuous interaction with senior managers, misconceptions do not arise.
6. Personal initiative and capacity increase.

Managing by Objectives: Limitations

As with other management techniques, the system of management is also not free of limitations. Many scholars have criticized it, and have mentioned the shortcomings. The following are some of the major limitations:

1. **Difficulty in Objective Determination:** The object elements of management by objective are 'objects', but there are many difficulties in determining the exact and verifiable objectives. The task of objective determination is not easy due to future uncertainty, difficulties of forecasts, dynamic environment, government policies, interventions of objectives etc.
2. **Balance Problems:** To maintain harmonization and balance between short-term and long-term objectives is also an important problem of management.
3. **Difficulty of insecurity:** In spite of rapid changes in policies, priorities and conditions, it is not possible to make any changes in the objectives according to them. As such, the employees continue to follow the unrealistic purposes, but such objectives are meaningless.
4. **Other flaws**
 1. Lack of participation and cooperation of higher managers.
 2. Increasing pressure of excessive time on subordinates. Preferences are not fixed.
 3. subordinates are not properly motivated. Absence of proper rewards and accreditation.
 4. Individual conflicts among the senior manager and subordinate.
 5. Managers lack the true integrity of the program.
 6. According to some scholars, excessive time is spent on 'management by purpose'.
 7. The main thrust of the management according

to the objective is 'outcome', so the proverb that "can prove the justification of the objective resources" applies in this regard. As a result, employees also adopt wrong means for achieving results.

8. It ignores long term planning and emphasizes short-term goals.

Management by Exception- MBE

Business management has become a very complex task in modern times. Increasing competitions are compelling managers that they should focus on the contribution of cost and benefits in all areas of business. In the absence of the organizer's organized and systematic plan, the manager can be loaded with the bulk of the information, and the management work can be beyond his ability, even if he work for hours. In these circumstances, the technique of "management by exception" can contribute significantly. Because this technique of management emphasizes the need to present only the information before higher managers, which they need, and their attention also needed to attract specific problems and circumstances only when it is required. This technique is adopted in all areas of business management equally. Depending on the important managerial function like 'exception by management principle', the unnecessary managerial intervention in the working area of the subordinates also ends, and the purpose of control is also fulfilled. This system emphasizes the need to focus on complex, important, necessary and creative matters, by removing attention from unnecessary and secondary importance.

"Managing by Exception" is the technique, which states that the attention of the higher managers should not be attracted in all those tasks and

matters, which are regularly giving the results of the prescribed outcomes. Those tasks should be done by the subordinate managers only. The attention of the higher officials should only be attracted to the circumstances and matters which are arising out of the exception. According to Lester R. Betel, MBE is "the system of identification and communication that gives a signal to the manager at the time when his attention is needed.

On the contrary, this system remains calm till that time, that the management's attention is not necessary. "The primary purpose of such a system is to simplify the management process so that the problem can be addressed as quickly as possible, and on those individuals and matters higher managers do not have to spend time on which their subordinate are already paying good attention to.

According to Raymond McLeod - "Most managers have so many responsibilities that paying proper attention to all matters is impractical or difficult. Managers should focus their attention on very good and extremely bad execution."

According to the management scholar Star - "When the program is going on well, the manager does not work there. When the exception (problem, obstruction, importance) arises, then the manager is required, and he uses his discretion. This work or process is called 'Management by Exception'.

In short, we can say that the management by the exception of "precedent" is the system that encourages managers to search for those exceptions, which allow them to use their creative abilities. Thus "This is not only the technology of control but also the method of finding opportunities".

Management by Exception: Importance

The history of the application of this technique is quite old, but its application in the field of business was identified at the end of the 19th century. The credit for the identification of the application is given to the father of the scientific management Taylor. Taylor and other leading people of scientific management have considered this technique as useful for effective management and prevention of excessive management.

In essence, the importance of this system can be understood in terms of the following benefits being received from it-

1. The personal time of managers saves.
2. Executive efforts can be focused on the desired time and place.
3. Complex problems and cases cannot escape the attention of high officials.
4. It is easy to provide broad coverage to the managerial sector.
5. Decision-making frequency can be reduced.
6. The full use of information available for synchronization, history and trends is possible.
7. People with more Qualified and High Salaries can be employed on higher affluence.
8. Crisis and difficult problems can be known quickly. Management can be cautious about opportunities and difficulties.
9. Qualitative and quantitative criteria are set for evaluation of circumstances and individuals.
10. It is easy for Experience-less or less experienced managers to complete new tasks without training.
11. Extensive information about all aspects of business activities and encourages effective

communication between different parts of the organization.

Management by Exception: Limitations

The major limitations are as follows-

1. This organization enhances personal views of the individual.
2. It is often based on incredible synchronization.
3. It requires extensive observation and reporting which is not possible.
4. It increases paperwork.
5. It often follows an inauspicious stability in business matters, while such stability is not noticed.
6. This system assumes that all the work is being done properly in the absence of presentation of exceptions. This gives false security to management
7. This system does not properly measure many components such as human behavior.

Strategic Management

It is a matter of determining the nature of various actions keeping in mind the internal and external components for achieving the objectives of the organization. According to the U.S. Stanford Research Institute, Strategy is a methodology in which the organization uses its main resources and efforts to achieve the objectives in view of the environment. "Strategic management means the future direction for the organization to achieve pre-determined objectives. It is about making decisions and implementing those decisions.

According to Stoner & Freeman- "strategic management is such a management process, which forces an organization to plan strategies and execute those plans"

According to Gulick, "Strategy is a stream of

decision-making and action, which paves the way for the development of effective strategies to help in achieving corporate objectives. It is the path of strategic management process in which the strategist decides the objectives and makes strategic decisions.

Thus, the meaning of strategic management is such a managerial process of determining the objectives of the organization, formation, implementation and execution of the composition, and the appropriate corrective steps related to them are taken from time to time.

Strategic Management: Characteristics

The following are the strategic management features.

1. **Formal Managerial Process:** - Strategic management is a formal managerial process, because under it the remedial steps related to the organization's purpose, design, and implementation are taken.
2. **Managers' Commitment:** - It manifests the commitment of managers in such a way that they will adopt certain strategies and will provide such resources so that the purpose of the organization can be met.
3. **Systematic Process:** - It is a systematic process because rational and sequential steps are used to achieve the pre-determined objective of the organization such as analyzing the environment, determining objectives, constructing strategies, implementing, evaluation and follow-up etc.
4. **High Level Management:** - The purpose of strategic management is done by the high level management in the organization. For this, they develop the overall organization's objectives and strategies, manage operations and develop

administrative management.

5. Means and Instrument: - Strategic management is related to both the means and the instrument. The reason for this is that it emphasizes the management of an organization as a means of achieving its goal, keeping in mind the relationship with its environment.

6. Instructional Planning: - Since strategic management is done keeping in mind the long-term goal.

Therefore, it is the instructional planning to inspire the organization's efforts in a certain direction. Therefore, in order to guide the organization, policies are created, short-term and long-term objectives are established and strategy is decided so that the objectives of the organization can be achieved.

7. Dynamic Process: - Strategic management is a dynamic process because changes in business objectives, policies, decisions and evaluation are done in accordance with changed circumstances in the different areas outside the organization and within the organization. Not only this, it is also needed due to the interest of the various interests groups of organizations within the organization.

8. Future-oriented Process: - Strategic Management is the process of forward-looking, because under it future events, opportunities, challenges and vulnerabilities are estimated. Apart from this formulation and implementation of strategies are according to the future assessment. In relation to this, Pierce and Robinson said, "This is a future-oriented plan adopted by managers to interact with their competitive environment."

Strategic Management: Importance

The success of modern business depends on

winning the tough competition. Today, in this cut-throat competition and globalization environment, the importance of strategic management has increased due to defeating other companies. Apart from this, making a profit in competitive environment is also not an easy task. For this, the institution has to resort to strategic management. The importance of strategic management is as follows: -

1. Efficient operation of business: - Efficient operation of any business is possible by strategic management. The reason for this is that changes can be easily assessed with this type of management, innovation can be done to take advantage of new opportunities and by estimating the future, the business risk can be reduced, its Additional business opportunities can be availed

2. Clarity of Objectives: - Through strategic management, the employees of the organization are aware of the objectives of the organization, so that they can follow them and be motivated to achieve objectives. Thus, it is known to the employees that what is the organization hoping for them, and where is the organization going?

3. Facing environmental challenges and the benefits of opportunities: - With strategic management, managers are able to cope not only with environmental challenges, but also qualify to take advantage of special occasions. In the same way, this task also helps to managers to better manage and continuous adjustment with the environment.

4. Help in the best decision: - Strategic management helps in making best decisions, because-

(a). He provides them with essential elements and information.

- (b). Helps investigate the main problem of the institution.
 - (c). This is a safe way to make important decisions.
 - (d). It shows the best option.
 - (e). Force managers to think of the future.
5. Increase in the ability and capacity of the organization: - The ability of the organization to increase through competency management and capacity is the reason that it establishes optimal coordination with the environment, helps in reducing conflict in performance, and ensures success at low line level. In addition, it also reduces the interval and repetition between the actions of different individuals and groups, as it explains the role of each person under participation.
6. Improvement in Employee motivation: - By strategic management, the essential steps contained in strategic planning, the purpose and goal is clarified, inherent productivity - prize relations are praised by the employees. As a result of these entire employee - motivation increases.
7. Decrease in Resistance of Changes: - Strategic management reduces the resistance of changes because it removes their misconceptions, rumours, false assumptions by providing interaction with employees, discusses with them, gives economic inspiration, explains the benefits of appropriate changes and develops the competitive spirit and makes the changes even easier.

EXERCISE

Very Short Questions:

1. What is the nature of the principles of management?
2. What does the principle mean?

3. Who is the founder of 'Managing by Objectives' idea?
4. What is the original mantra of management by exception?
5. Which principles of management have been accepted universally?
6. What is the meaning of 'system of law'?
7. What condition or situation of the market has emphasized the adoption of Strategic management techniques?
8. What is 'Management by Objectives'?
9. What is called Strategic management?

Short Answers Questions:

1. In the case of "mutual interest conflict", what kind of interest did Fayol suggest?
2. Instructional suggestions for the delegation of the authority are inherent in which of the principles of Henri Fayol?
3. When was the publication of the English edition of the famous book of Henri Fayole in America?
4. In what six categories Fayol has divided all the activities of the industrial organization for the research work of management problems?
5. Who is the leader of 'Management by Exception'?
6. The focus of managers is concentrated on complex and necessary matters; what management techniques should be used for this?
7. Which management technique includes mutual determination of objectives of the organization,

department and individual?

8. Explain any two benefits of management by objectives.
9. What managerial techniques should be used to take advantage of the opportunities available in the environment and to meet the challenges appropriately?

Essay Type Questions:

1. What does the principle of management mean? Describe Fayol's management principles.
2. Describe the contribution of Henri Fayol in the field of management.
3. Discuss the idea of 'management by exception'.
4. What do you understand by 'management by objective' technique? Explain its advantages and disadvantages.
5. Write comment on strategic management in detail.