

Management by Objectives (MBO)

- MBO may be defined as an approach of management in which specific targets are established for each member on the basis of overall objectives of the organization. Actual results are measured against the target which each member knows is responsible for achieving.
- MBO is a dynamic system which leads to effective utilization of resources by integrating the individual with the organization and the organization with its environment.

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- MBO has passed through the following stages of development.
 1. MBO for performance appraisal.
 2. MBO for integrating the individual with the organization.
 3. MBO for long range planning.
- The main elements of MBO are:
 - 1.Active participation and involvement of subordinates, in planning and implementation.
 - 2.Focus on results than activities.
 3. Emphasis on team spirit and team approach.
 - 4.Open interpersonal communication.
 5. Continuous review of performance, personnel counselling.

Management by exception(MBE)

- Management by exception is a control technique that allows only significant Variation between planned and actual results to be brought to a managers attention. This principle recommends that subordinates handle routine organizational matters, leaving managers free to deal with non-routine or exceptional organization issues.
- Establishing rules: some organization relay on subordinates or managers themselves to detect the significant deviations between standards and performance that signals exceptional issues.
- Other organization establish rules to ensure that exceptional issues surface as a matter of normal operating procedure.