

**Principles of Management**  
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**Module – 04**  
**Lecture - 17**  
**Concept, Importance and Steps of Management by Exception**

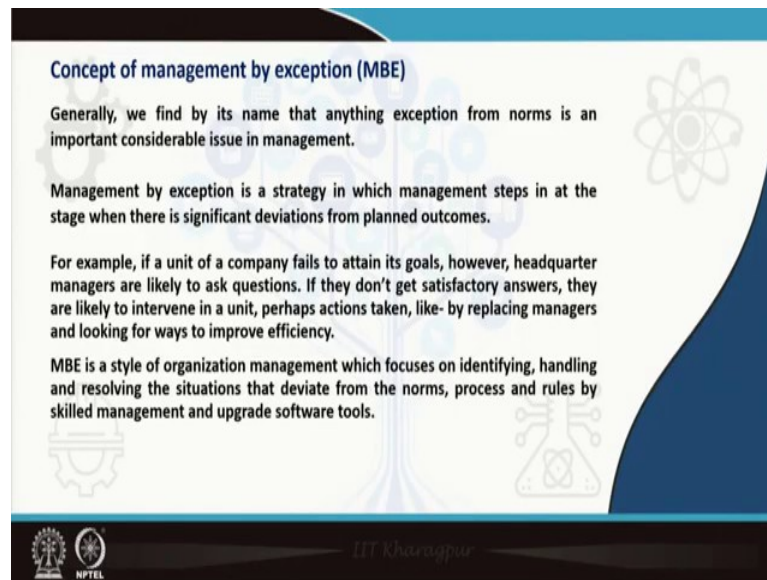
Welcome to lecture-2 of module-4; in the lecture-1, we discussed about management be objectives. Today we are going to discuss about the concepts and importance and steps of management by exception.

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Let us get into the lecture ok.

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**Concept of management by exception (MBE)**

Generally, we find by its name that anything exception from norms is an important considerable issue in management.

Management by exception is a strategy in which management steps in at the stage when there is significant deviations from planned outcomes.

For example, if a unit of a company fails to attain its goals, however, headquarter managers are likely to ask questions. If they don't get satisfactory answers, they are likely to intervene in a unit, perhaps actions taken, like- by replacing managers and looking for ways to improve efficiency.

MBE is a style of organization management which focuses on identifying, handling and resolving the situations that deviate from the norms, process and rules by skilled management and upgrade software tools.

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Now, what is management by exception? Now, in general, in any scenario or in any organization, we always say you know if anything exception from the norms. Let us say there is a deviation from the norm is an important considerable issue in the management.

Let us say you know one person is actually deviating from the trajectory way of doing things, let us say you know this is the trajectory way of things and then if you are deviating, then it is actually a considerable issue in the management. Anything deviates from the you know set road map, then it is actually an issue in the management. It has to be actually addressed.

So, management exception is a strategy in which you know management steps in at the stage where there is a significant deviation from the planned outcomes ok. So, management may object you know exception is one of the strategic actions of the management. So, where in the management will jp in when there is a significant deviation. Let us say you know this is the you know set planned road map to achieve the goal, and if you are just going this way, you know then it is not significantly differing.

So, it yours parallel going there, there is a deficiency. But if let us imagine a situation where this is the planned you know road map to achieve your outcome, but there is a deviation where it is here, then it is actually a signal then you know management has to intervene to ensure that you know this has to brought in here, so that you know there is no deviation.

So, that is the concept of management you know exception which is a strategy where in management will step in to ensure there is you know this actually you know addressed, and there you have brought into the similar track and right track, so that there is no deviation from the planned outcomes or the norms set.

For example, let me give an example. If a unit of a company fails to attain a goal, what will happen? When the moment you know when the unit has failed to attain a goal, generally you will expect you know somebody from the headquarter will call you and ask you, why, why you did you are not able to attain this goal.

Then what will happen know, you will be if you are in a responsible person or if you are a manager for the particular unit or the particular business organizations, you have to respond right. The moment your response his satisfactory which are reasonable, then organization what do they do they give you an opportunity to you know correct yourself.

In case whatever the response provided by the person who is responsible in you know managing the particular unit, then what will happen you know it is likely that know this management will intervene the unit, so that they will take an corrective action to ensure that know there at you know this organization able to perform well, they are able to improve from their existing situations.

And they will you know able to ensure that efficiency is coming up. You know there can be a now take multiple ways, they be they may be even replacing the mangers, and they also look for you know the possible ways to improve the efficiency ok. This is the management by exception.

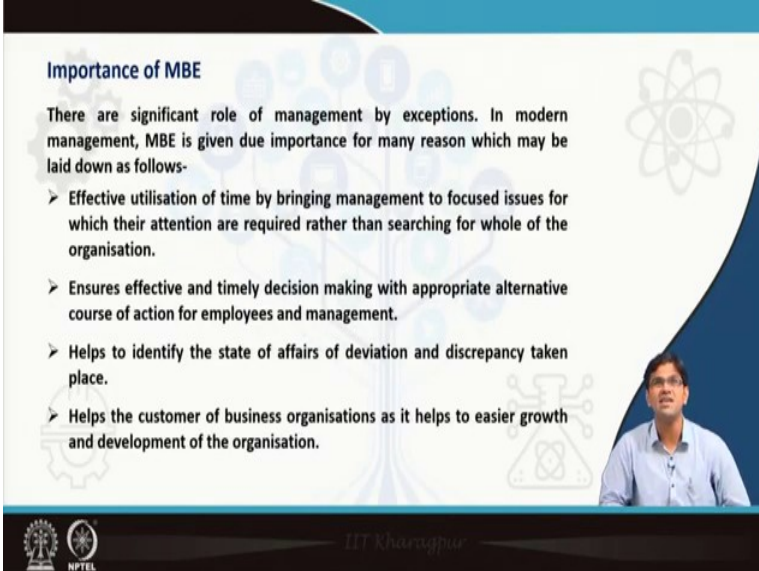
So, it is actually a style of organization management, whereas you know management by objective waves you know it is also seen as a personal management technique. Whereas now management by you know exception is a style of organizational management which focuses on identifying and handling and resolving the situations that deviates from the norms.

So, generally this MBE happens when there is a you know significant deviation from the norm, then it actually requires the intervention from the top-level people, so that they can quickly setup.

For example, let us talk about some you know of course, you know unethical incidences done by the you know ICICI, ICICI bank or let us say talk about some situations happened in the other you know banks or we talked about the Yes bank situations.

What will happen, you know now it requires the board of directors to intervene or even sometimes the government organizations also to intervene to fix up the situations, so that you know this actually this organizations are back into their track and all right way right that is what you know management exception is talking about ok.

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**Importance of MBE**

There are significant role of management by exceptions. In modern management, MBE is given due importance for many reason which may be laid down as follows-

- Effective utilisation of time by bringing management to focused issues for which their attention are required rather than searching for whole of the organisation.
- Ensures effective and timely decision making with appropriate alternative course of action for employees and management.
- Helps to identify the state of affairs of deviation and discrepancy taken place.
- Helps the customer of business organisations as it helps to easier growth and development of the organisation.

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Let us you know also understand the importance of this MBE ok. So, there are significant role of this management by exceptions. In modern management, you know MBE is given due importance for many reasons, you know we will look at it one by one.

First, now effective utilisation of time by bringing management to focus issues for their attention rather than searching for the whole of the organisation. Now, it is not always requiring the you know top level intervention for you know day-to-day operations. It only requires when there is a failure in the system or when there is a deviation or there is an inability in a particular set of or section of the organisation to perform, then it is actually requiring an intervention from the top management.

Actually you know it effectively utilizes the top management and expertise to address this specific issue rather than you know managing day-to-day operation there you going

to come and see every day to observe you are you doing in a right way or wrong way then it is actually become a micro managing, then you know you do not need a manager at all. So, this actually you know effectively to raising top management only to a specific issue rather than focusing on in general issues right general aspect.

Then it also ensures effective and timely decision making with appropriate alternative course of actions for employees and management. Because you know when there is a deviations it actually know requires the in you know intervention from the top management, they will make up a right intervention at the right time, and they also make the you know timely decision making to fix up the problem right rather than you know allowing the problem to you know evolve as a even bigger one. So, it actually you know you require you know the top management will intervening and make a right decision at the right time ok.

So, now it also MBE also helps to identify the state of efforts of deviation and discrepancy taken place ok. So, it actually you know helps to identify how far the deviation is ok. So, what is this resulting in is it actually impacting in terms of you know customer perspective, in terms of the business, or in terms of the financial perspective, it also talks about the discrepancies taken place you know why this discrepancy in you know what does actually happened.

It also helps the customer or business organisation as it helps easier growth and development of the organisation. And this MBE is actually you know intervention by the top management. So, it is actually you know helping me as an organisation to grow right, because you know you cannot allow the there is a particular deviation to even to you know widen up, and then that to have a larger impact on the whole system. It is important that know you intervene and set you know fix up the problem right.

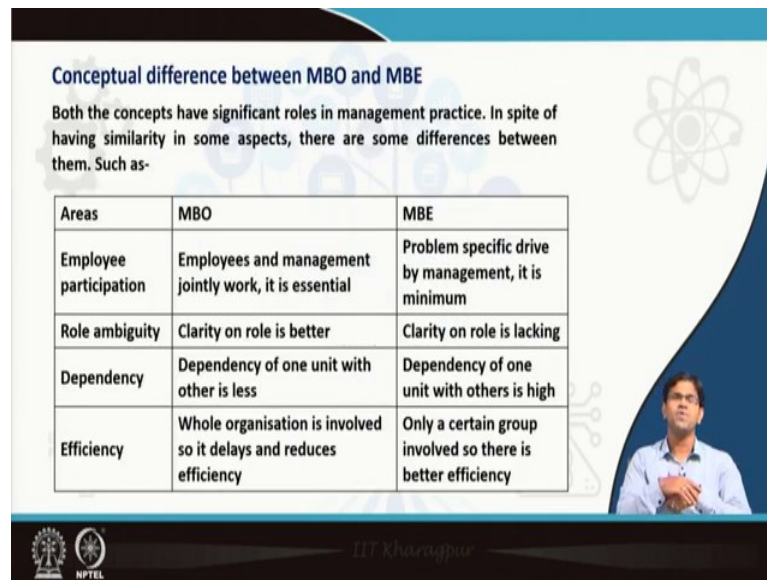
So, it helps an organization to grow and develop the organisation ok.

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**Conceptual difference between MBO and MBE**

Both the concepts have significant roles in management practice. In spite of having similarity in some aspects, there are some differences between them. Such as-

Areas	MBO	MBE
Employee participation	Employees and management jointly work, it is essential	Problem specific drive by management, it is minimum
Role ambiguity	Clarity on role is better	Clarity on role is lacking
Dependency	Dependency of one unit with other is less	Dependency of one unit with others is high
Efficiency	Whole organisation is involved so it delays and reduces efficiency	Only a certain group involved so there is better efficiency



Now, we will try to understand the difference between the management by objective and management by exception ok. So, if you look at you know both the concepts of significant roles in the management practice.

There are some similarities, but you know you should also differentiate between these two practices because you know people should not you know actually you know interchangeably use the MBO and the MBE ok. Then now were we will look into different areas; we will divide into you know different functional areas and then try to understand the difference between these two concepts of MBO and MBE ok.

Now, at the employee participation level, whereas, in the management by objective we have seen in the last lecture that know it actually requires employees and management work together, and it is one of the pre request two to conduct is you know exercise to set the objectives.

Whereas, in the MBE you know this problem specific driven by the management and the employee participation is minim, because already there is a failing in a system where there is a deviation from the planned outcomes or the planned road map that is where the intervention is required where the participation employee participation is very minim, where it is only you know let us say task force or the top management team or the strategic team or the leaders are the one who is engaged in you know setting up you

know I know actually analyzing the situations and trying to make the possible decision making.

So, that know this deviation is actually fixed right. So, the employee participation is very minim; it is only the top management who is engaging in fixing up it right. Whereas, in the MBO both management and employee participate; equally, and it is also a pre request.

Now, role ambiguity, in terms of MBO, the role clarity is very good because both the parties are engaged in setting the goals and targets, so they know there you know demarcation and they know their space and their roles and responsibilities.

Whereas, in incase of you know MBE in the role clarity is lacking because you know unless otherwise there is a you know deviations, then the deviation happens then top management intervention there is lack of clarity you know who does what, and what has to be done by the management, what has to be done by the employees, what has to be done by the manager, that is no clarity on it because it is it is only a time when there is deviation right.

So, when the deviation happened, it requires a special effort. So, then the clarity role clarity is very you know I would say you know very least and there is no much clarity on the MBE perspective.

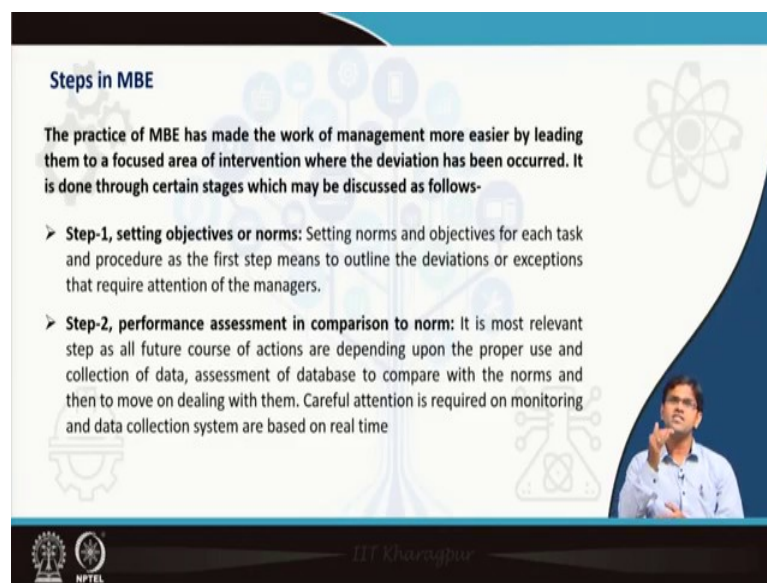
Then dependency in case of you know MBO dependency of one unit with other is less because you know you are setting your goals at an individual level, but the collectively of course, you are able to achieve, but the dependency is less. Whereas, in terms of you know MBE dependency of one unit with others is a very high because you know the deviation will actually you know it is kind of a repellent it will impact the other units' dependency is very high.

You know the corrective actions will also cut through multiple functional areas and multiple divisions are the different business unit also. So, dependency with one unit with the other is very high in management be exceptions. Whereas, in the MBO it is very less because it is a you know very independent unit where decides on their goal.

Now, efficiency - so in terms of MBO the whole organisation is involved. So, it delays and reduces efficiency because as I said you know the disorder of the MBO is also at the same thing where you know it requires you know multiple reports, it requires lot of time you know to participation, and then deciding their weekly target, monthly target, and yearly targets, then it consumes lot of time then the efficiency might go.

Whereas, here it is only a task force or the certain group is evolved. So, the efficiency delaying because it is not going to engage everybody in the organisation to set, because whereas in MBO even the each individual employee is involved in setting their own goal, whereas in this case it is only a special task force or the special group is involved and their efficiency is going to be really high because there only focusing on a specific area of the action or where the intervention is required ok.

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**Steps in MBE**

The practice of MBE has made the work of management more easier by leading them to a focused area of intervention where the deviation has been occurred. It is done through certain stages which may be discussed as follows-

- **Step-1, setting objectives or norms:** Setting norms and objectives for each task and procedure as the first step means to outline the deviations or exceptions that require attention of the managers.
- **Step-2, performance assessment in comparison to norm:** It is most relevant step as all future course of actions are depending upon the proper use and collection of data, assessment of database to compare with the norms and then to move on dealing with them. Careful attention is required on monitoring and data collection system are based on real time

The slide features a blue and white color scheme with decorative icons of gears and a molecular structure. A small inset video shows a man in a light blue shirt speaking. At the bottom, there are logos for IIT Kharagpur and NPTEL.

Now, try to understand the steps in management by exceptions. The practice of MBE has made the work of management easier by leading them to a focused area of interventions where the deviation has occurred. So, MBE is very clear. It is only focusing on this specific intervention requirement you know for example, here let us say you know there is some you know deficiency at the let us say talk about I can give you an example here let us say you know in the production floor.

You are supposed to produce a 100 product daily ok, every day the finished product should be 100 in number. Whereas now you continue to see that know there only first



day they made 50, then second day 30, and then they continued to remain 30 in everyday, then there is now the point is very clear there is an intervention required to ensure that know they are able to produce 100 pieces a day, whereas, what is actually happening it is only 30.

Now, MBE allows me to focus only to the production area how I can increase the efficiency, so that you know and the productivity goes, and then I may be able to produce 100 pieces a day. Because when they said the 100, it is realistic in nature because it is achievable given the number of employees given the instruments provided, given the materials supplies. Now, MBE requires special attention to ensure that you know thirty becomes 100 in a day ok.

Now, let us see how you will set it now first step is setting the objective or the norms, setting the objective or the norms going to the example of setting producing 100 pieces a 100 product daily that is the target. So, that is the norms you are setting. So, then this is the first step to outline because you know you need to know the set norms, so that you know you will be known what is the deviations.

Second step is performance assessment in comparison to norm very simple I am the same example I have gave. So, 100 is a target I have given the target. Now, I measuring let us say day 1 let us say 60 is the produced product. What is my set norms, 100? Now day 2, I measuring what is the number? it is 50. Let us say now day 3, it is 40. Now, day 4, it is 30.

Now, what is the deviation? It is 70 deviation is minus 70, because 100 has to be done. Now, what is your you produce only 30, then the difference is 70. Now, 5th day is also 30; 6th day also 30. Now, deviation seems to be constant, and it is 70 at the time, then I am able to make a comparison against the set norm ok. Now, that is a step 3, now I am actually monitoring the progress now.

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**Steps in MBE**

- **Step-3, analysing the deviation:** It is done to analyse how far the deviation is significant and whether it is acute as it might seem. Analysing is also, done to see the deviation occurred because of the changes in specific procedure. In that case, management can decide whether deviation is necessarily required correction or not.
- **Solving the exceptions to the norms:** After analysing the deviation, it is clear on where lies the deviation or exceptions or the state of performance which were not met as per setting objectives. Rectified actions needs to be decided keeping in mind about its impacts on other issues/targets.

These are the steps through which exceptions are taken care of and modified in light of objectives and goals set to achieve from it.

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What will now we be going to see the step 3? Now, I am actually analyzing the deviations, what is the deviation from the norms, how far the deviation is, is the deviation significant is the, now go back to the example of 100. Now, 100, a first day is 60, and second day is 40, the deviation is you know first day deviation is 40, now the second day deviation is 60.

Now, the 3rd day, 4th day, 5th day, and 6th day is all deviation is 70. Is there significant? Yes, definitely it is significant, because it us supposed to be 100, but the deviation is 70 where I am only making 30. Now, it is a very significant deviation.

Let us say another example 100, but I made 90 and 85, and it is 88 in 3rd day, and again 90 on 4th day and 95 on 5th day and the 90 on 6th day. Now, do you see a significant deviation? I would not say that it is a significant deviation. Whereas in the first case, yes, definitely a significant deviation because 30 to 100 is 70 is the difference, so there is a significant deviation right.

When there is a significant deviation it actually indicates that in a yes you need an intervention. And management will decide what kind of an action is required and you know how I can intervene to ensure that you know this you know deviations can be fixed right.

Now, solving the exceptions to the norms' now, after analyzing the deviation, it is very clear where lies the deviation, yes, what is the deviation here. Now, it is only 30; I making instead of 100. Now, I say the performance deficiency is 70. Now, what will happen, I have need to set a target is 100 right.

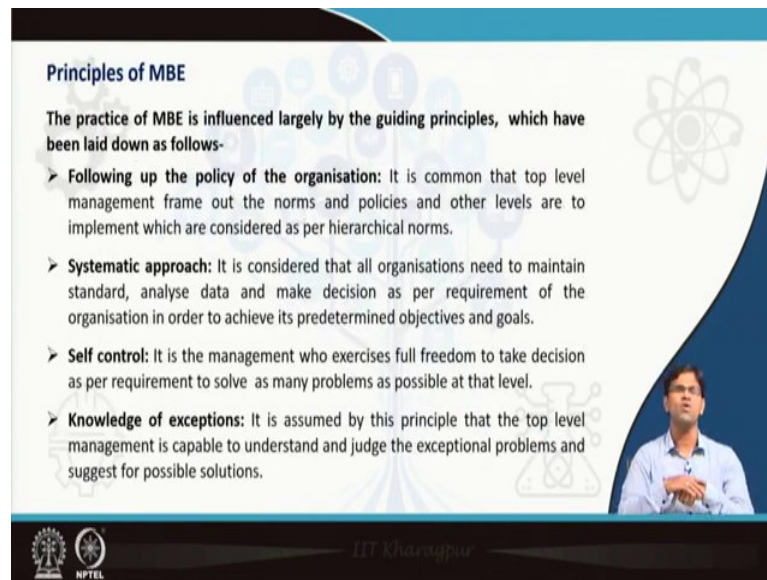
Now, organisation will make an action plans you know the management team will intervene and see why this 30, not 100, then they will see the capability of the people, and the efficiency of the machinery, and the material supply. Now, they will see all collectively and then they will try to see let us say machineries are fine well and fine, now the material supply is also there is no scarcity, so there is a sufficient liability of the resources.

Now, becomes third question comes the capability of the employees, where they not able to, they where they not trained enough to handle it to produce 100. Now, let us say they found that you know out of you know 50 people working on the production force, they found only 40 are capable, 10 are let us say 30 are capable, 20 are not capable.

Now, you need to train the people or replace the people, then organisation intervened. Then the following week if you see if they are able to bring it to 30 to 80, then there is an improvement. Now, this is how the management by exceptions works in an organisation.

This is actually always a specific intervention to a specified problem when there is a deviation from the set norms ok. So, I have we explained the by with the steps then with the examples also how the management by exception happens.

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**Principles of MBE**

The practice of MBE is influenced largely by the guiding principles, which have been laid down as follows-

- **Following up the policy of the organisation:** It is common that top level management frame out the norms and policies and other levels are to implement which are considered as per hierarchical norms.
- **Systematic approach:** It is considered that all organisations need to maintain standard, analyse data and make decision as per requirement of the organisation in order to achieve its predetermined objectives and goals.
- **Self control:** It is the management who exercises full freedom to take decision as per requirement to solve as many problems as possible at that level.
- **Knowledge of exceptions:** It is assumed by this principle that the top level management is capable to understand and judge the exceptional problems and suggest for possible solutions.

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Now, we will also see the principles of you know management by exceptions. So, first is following up the policy of the organisation. So, what is it? It is common that top level management frame out the norms and policies. The other levels have to implement the norms.

You know it is always you know it is a very general and it is always understood that top level management decides the policy and rules. When the rules and policy are laid down by the top management it is the responsibility of the lower level management middle level or the employees to follow it hierarchically you know to implement it. So, it is period, then it is very clear. So, it is done and you have to implement it.

Now, systematic approach it is always considered as that you know now all organisation need to maintain a standard, analyze the data, and make decision as per the requirement of the organisation in order to achieve its pre determined objectives and goals. It is always a systematic approach.

Now, self control, it is a management who exercises a full freedom to take decision as per requirement to solve as many problems as possible at that level ok. So, there is a self control were the management will decide they have a discretionary power to take decisions and to solve any problems.

Knowledge of exceptions; so knowledge of exceptions it is always believed that you know the top level management is capable of handling or having a better exception to you know handle the problem than the people at the lower level right, and then they are able they are in a good position to suggest the possible outcomes or you know suggest the better alternative solutions than the people who are working in the you know shop level or the middle level managers right.

So, it is always you know knowledge of exceptions where the top-level managers will have a higher knowledge or the exceptional knowledge or the judgmental skills to provide adequate support.

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**Principles of MBE**

- **Differentiate between routine and exceptional activities:** It is in this principle considered that the top level management will take care of exceptional activities while routine works are taken care of by the middle or subordinate levels.
- **Delegation of authority:** It is important principle that allows management and subordinates to exercise adequate power and authorities to perform necessary duties at their level best.
- **Hard labour and discipline:** It is to point out that all level managements and subordinates should perform their duties in the organisation as per disciplined manner.
- **Continuous supervision:** It is observed for better work and understanding of given directions.

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Now, then the principles of differentiate between routine and exceptional activities. It is in this principle considered that you know top level management will take care of exceptional activities while the routine works has to be taken care by the you know subordinates and the managers' very simple right.

You know when there is an extraordinary deviations or extraordinary situations goes where you need an you know intervention by the management for the day-to-day routine activities, it has to be managed by the manager middle level manager or the subordinates.

Now, delegation of authorities, it is important that you know you know management actually allows certain delegations to their you know middle level managers subordinates

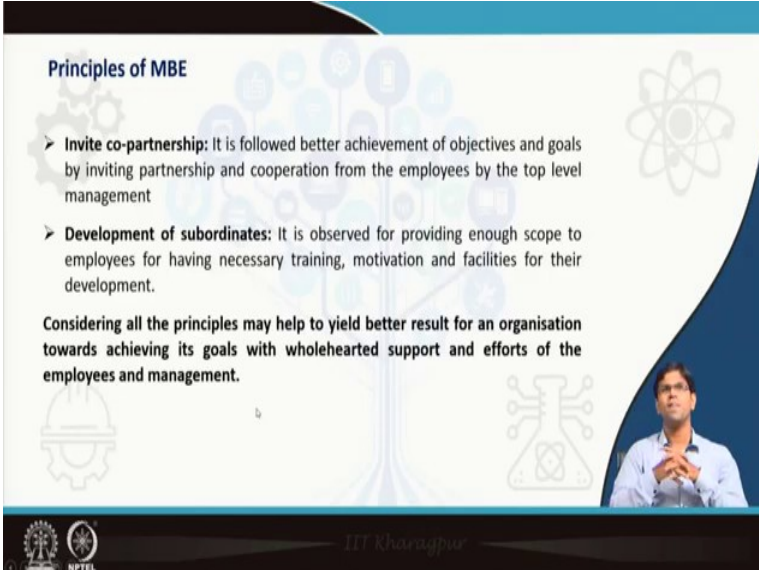
and subsequently powers are also associated with that ok. Let us for example, let us say you know if you go to a bank, you always see that you know assistant manager will have a certain capacity to sanction loans, and there is branch manager will have a certain capacity to sanction loan.

And this only manager will have a you know I think you know they will have a better you know power because they will be able allow you know sanction larger amount, let us say assistant manager can allow you know sanction a loan up to 5 lakhs, then branch manager can allow a loan up to 30 lakhs, and then the only manager can be beyond 30 lakhs. So, this is the just an example I am giving you an example. So, there is a delegation of authority.

Now, hard labor and discipline; it is to point out that you know all level managements and subordinates should perform their duties in the organisation as per disciplined manner. It is very simple. So, everybody who is occupied their position they have to perform their duties in a disciplined manner. There should not be any deviations they have to obey and follow and perform their task in a disciplined manner.

And the principle of continuous supervision; there needs a you know continuous supervision observations on anybody who is performing the task against the set norms, so that know you will be able to get the signal when there is a deviation ok.

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**Principles of MBE**

- **Invite co-partnership:** It is followed better achievement of objectives and goals by inviting partnership and cooperation from the employees by the top level management
- **Development of subordinates:** It is observed for providing enough scope to employees for having necessary training, motivation and facilities for their development.

Considering all the principles may help to yield better result for an organisation towards achieving its goals with wholehearted support and efforts of the employees and management.

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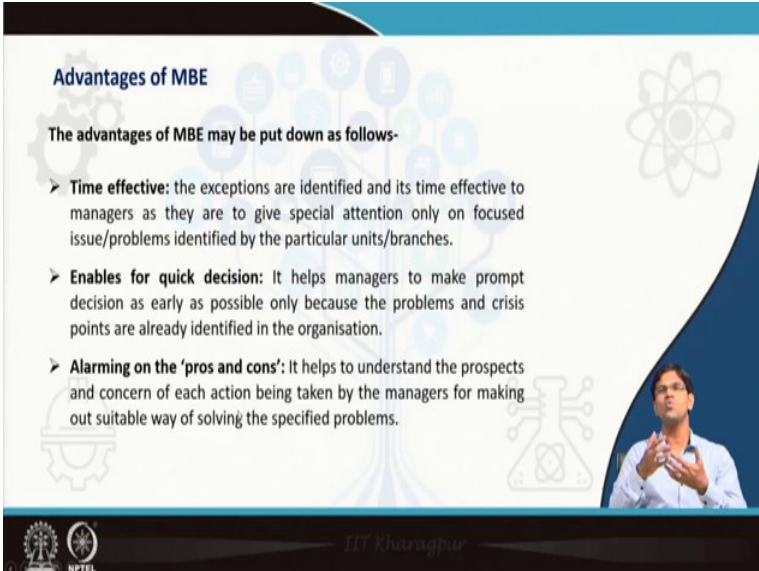
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Then invite co partnership principles of inviting co partnership it is always you know followed that know organisations management level people they invite partnership and cooperation from employees by the top level management they expect their participation and cooperation to you know run the organisation or to address the specific problem also they always invite co partnership to with the top level management in you know running the business or in addressing the specific situations right then.

Development of subordinates you know it is observed for providing enough scope for employees having necessary training motivation and facilities for their development. So, you know management also should ensure that you know they are providing enough scope to train their subordinates and increase their capacity to perform better ok. So, considering all the principles it will yield the better results for the organisation.

So, management by objectives are governed by lot of principles. So, when you are able to follow these principles in your management practices it will actually you know increase the better improvement of the organisation it will actually improve the performance of the organisation right.

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**Advantages of MBE**

The advantages of MBE may be put down as follows-

- **Time effective:** the exceptions are identified and its time effective to managers as they are to give special attention only on focused issue/problems identified by the particular units/branches.
- **Enables for quick decision:** It helps managers to make prompt decision as early as possible only because the problems and crisis points are already identified in the organisation.
- **Alarming on the 'pros and cons':** It helps to understand the prospects and concern of each action being taken by the managers for making out suitable way of solving the specified problems.

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We will go and see the advantages of management be objectives ok. So, now we have seen that you know MBE always you know where there is a specific intervention from the top management. Now, we will let look at the you know advantages. What is time effective? The excisions are identified and it is you know time effective to managers so

that you know they are able to give a special attention only on the focused issues right rather than you know going on you know general activities you know it is very you know time effective.

It is actually saving the time of the top management because top management not necessarily to engage in managing the day-to-day carouse of the organisation rather they will only intervene as and when required, and when the you know the magnitude of the problem is high where you need an intervention of the top management.

Let us say you know if the magnitude of the problem is low where it can be handled by the manager by themselves rather than bringing the top management people, so that know it actually saves the time of the top management ok.

Then, it enables for quicker decision. So, when there is a deviation and the manager cannot handle, then you require the top management people. Actually, you know when the top management people involve it, it actually now takes lesser time to make a decision its quicker in nature because you know for example if a decision taking by the manager, it has to subsequently gone to the top-level management for their subsequent approvals also right.

Whereas, if the top-level management is actually engaged in addressing the problem or the crisis management, then they do not need somebody else's approval because they are actually into the problem, they make the possible alternate choices and decisions, and then they quickly approve it. So, it enables the quicker decision making rather than the against you know where the managers or the lower level subordinates make any decisions that has to subsequently get approved from the higher ups. So, it takes a longer time ok.

Now, it also alarms on the pros and cons. It helps to understand the prospects and consents of each actions being taken by the managers for making out suitable way of solving these specified problems. So, you know when we are talking about management by exceptions, it also talks about what are the pros and cons of the each of the actions.

And you know then it also says the you know ways to solve this specific problem. And only when there is a you know larger deviations, then it requires the support ok. So, it



provides the pros and cons of each of the action. It also allows the managers to make a specific action for a specified problem now.

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- **Use of suitable scales:** As per database and fact finding study, managers may use statistical tools to draw the significance for judging the progress qualitatively and quantitatively.
- **Helps to use span of control:** It is the manager who can decide as per strategy set at the top of the organisation in order to increase the volume of activities to the management as well to the employees.
- **Prevents from over managing:** As this approach involves use of statistical tools and techniques, it is therefore, very helpful to control over managing the resources, money and manpower.

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It uses of a suitable scale. As per the database and the fact-finding study, the managers always use a statistical tool to draw the significance for judging the process qualitatively and quantitatively. So, they use a specific scale to measure, so that know they will be able to analyze and make a better decision making on addressing the problem ok.

So, they, they chose a right you know measurements scales to collect the sufficient data and analyze the data, and then address the problem specifically, you know they can also do it both quantitatively and qualitatively ok.

And MBE also use a span of control. It is the manager who decides as per the strategy set at the top of the organisation in order to increase the vole of activities to the management as well as to the employees ok, ye. Now, it also prevents from over managing ok.

As this approach involves use of statistical tools and techniques, it is therefore, you know very helpful to control over managing the resources, money and man power ok. See you know why we say you know it prevents from over managing let us say you know the problem or the amplitude of the problem is really high where the capacity of the manager is very limited or the knowledge or the information provided to the manager is very limited.

Where in that manager do not have the sufficient capacity to handle the problem you know, when what will happen know, it is actually you know increases the burden of the manager to handle the problems.

So, when it is being handled by the you know management – top management people, they have the better access to the resources, they have the better information, they have the adequate capacity or they have the highest authority to handle the situation and make the decision quicker. So, it actually prevents from over managing right.

So, managers if they are not able to handle the situation, it is better that you know it is left to the top level management to handle it rather than you know they try to handle something and then that takes in a different direction at actually fails, and then it is actually going to impact the organisations prosperity as whole.

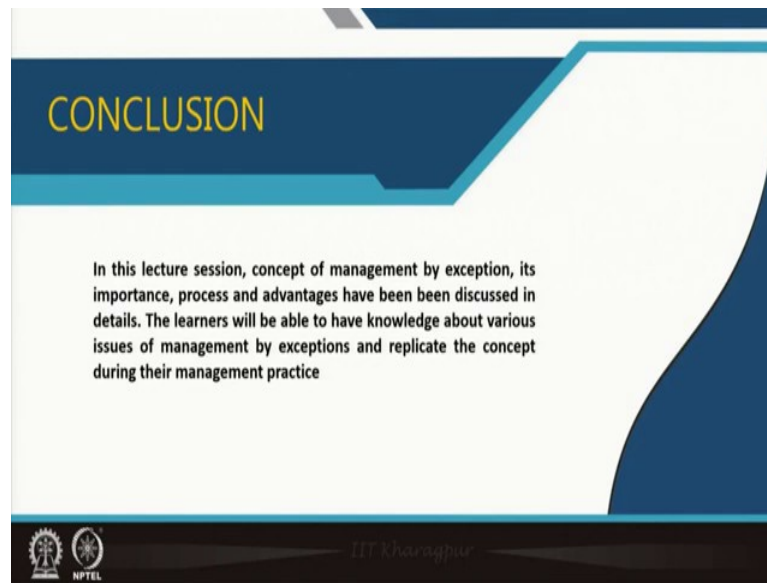
So, it is important that you know top level management quickly get into the action and address the problem right so rather than you know managers over managing it ok.

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And today we learnt about the important concept which is you know management by exceptions. It is very interesting you know most likely people would have heard about this management by objectives, but this management by exception is very rare, but you know we always see that it is lot of you know applications and very specific to the current management practices.

Because they always feel that you know you do not require a top management for you know managing day-to-day effects where you require you know middle level managers are the subordinates to run your businesses.

But you know when there is a significant deviation from the set norms when that actually demands the in our intervention from the management because for multiple reasons. One is that you know management will have a better decision making capacity, and they will have a better acts to the resources, and they do not need the approval of the another level of the people to intervene the problem because when you fail to intervene at a right time it will actually impact your business in a longer way or in a bigger sense.

You know it will you know even you know cause a huge loss for your company in terms of the revenue, in terms of your image, in terms of your you know identity perspective, but it is so that you know it is important then organisation get into place. So, the top-level management intervenes and address.

For example, as a given in example like you know what has happened in Yes bank, where there are you know corporate governance issues where requires the board of directors to engage in a you know and then try to address and resolve the problems, and allow the particular organisation to come back to their position.

In order to address as I gave an example like you know when there is a deviation in the production also, it is also requiring the management top management intervenes and sets the you know practices in right place, so that you know everything can be handled in a better way.

So, we learnt the concept of management by exceptions and we also looked at the difference between the management by objectives, and the management by exceptions.

Thank you.