**Answer of Project Management -Summer final examination-22**

**\*\*\*Answer to the question n. 1**

**Conflict and conflict behaviour:**

Conflict is an internal misunderstanding or disagreement that can occur between colleagues or leaders. These kinds of disagreements can lead to a lack of cohesion and collaboration in the workplace.

There are six causes of conflict; these are task interdependence, differences between values and beliefs, the absence of/or ambiguous rules, resource scarcity, ineffective communication, and incompatible goals.

Behavior that results from experiencing two incompatible motivational states at the same time. It commonly occurs as a result of an approach–avoidance conflict, as when a hungry animal must leave shelter to feed in the presence of a predator.

Mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands. There are five main causes of conflict: information conflicts, values conflicts, interest conflicts, relationship conflicts, and structural conflicts. Information conflicts arise when people have different or insufficient information, or disagree over what data is relevant.

The immediate effects of conflict are starkly clear. They include deaths and injuries, population displacement, the destruction of assets, and the disruption of social and economic systems.

Organizational Conflict also known as workplace conflict, is described as the state of disagreement or misunderstanding by individuals or groups within the organization resulting from opposing needs, ideas, beliefs, values, or goals.

The conflict process has five stages: potential opposition or incompatibility, cognition and personalization, intentions, behavior, and outcomes. The first stage of conflict is the appearance of conditions—causes or sources—that create opportunities for it to arise. These conditions need not lead directly to conflict, but one of them is necessary if it is to surface. We group the conditions into three general categories: communication, structure, and personal variables.

Everything you need to know about organizational conflict. Conflict can be defined as a difference that exists between needs, values, and interests of individuals or groups in an organization.

Conflict can be constructive, and it can be destructive. The distinction is based on how the conflict is managed. Conflict cannot always be avoided. Many positive outcomes can result from working through conflict. Properly managed conflict can help in bringing constructive change.

Conflict is any situation in which two or more parties feel themselves in opposition. It is an interpersonal process that arises from disagreements over the goals or the methods to accomplish those goals.

In simple words organizational conflicts may be defined as “a situations in which there is a breakdown in decision making, just because of irrational and incompatible stand taken by one or all concerning parties to decision making.”

According to Morton Deutsch, conflict as a “situation whenever incompatible activities occur.” James D. Thompson defines, conflict as organizational conflict is that behaviour by the organizational members which is expanded in opposition to other members.

It is observed from the above definitions that if the individual employee, managers, department heads, top managerial people, trade union leaders opposes certain issue the smooth running of business organization gets obstructed and moreover it disturbs the routine work of the organization.

It is called as a conflict situation. Strike, lockout, slow tactics, high rate of absenteeism, labour turn over etc. are the example of conflicting situations in an organization. It is necessary to handle these situations carefully and tactfully.

Conflict can be defined as a difference that exists between needs, values, and interests of individuals or groups in an organization.

According to Chung and Meggison, “Conflict is the struggle between incompatible or opposing needs, wishes, ideas, interests, or people. According to them conflict arises when individuals or groups encounter goals that both parties cannot attain satisfactorily”.

According to Pondy, “Conflict has been defined as the condition of objective incompatibility between values and goals; as the behavior of deliberately interfering with another’s goal achievement; and as emotionally in terms of hostility. Descriptive theorists have explained conflict behavior in terms of objective conflict of interest, personal styles, reactions to threats, and cognitive distortions.”

People at work vary in their ideas, skills and thinking. These differences may lead to individual and group differences. Such differences are the basis of organizational conflict. Conflict is inevitable in an organisation. In any business or personal relationship of any depth, conflict will occur at times. The seriousness of the conflict is dependent on the nature of conflict. Not all workplace conflicts are bad.

Conflict has three elements. The first element of conflict is the existence of a struggle of some type. Secondly, the involved parties must have, or think they have, incompatible goals. Lastly, there must be some degree of interdependence between the people who are involved.

Conflict can be constructive, and it can be destructive. The distinction is based on how the conflict is managed. Conflict cannot always be avoided. Many positive outcomes can result from working through conflict. Properly managed conflict can help in bringing constructive change.

Organizations have people with different interests, perceptions, personalities, attitudes, values and views. This leads to difference of opinion in the organization. Disagreement is the basis of conflicts in the organisation. This happens mainly because of the conflicting interests of the individuals or groups.

Conflict is any situation in which two or more parties feel themselves in opposition. It is an interpersonal process that arises from disagreements over the goals or the methods to accomplish those goals. Therefore, conflict may be defined as an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources, and interference from the other party in achieving their goals.

As example- the moment there were  two automobiles on the highway, there was a potential for a vehicle crash. This is true not only of the network of open roads, but also in an organization, where just two employees can just as easily “crash” in some sort of conflict.

No matter what the size of the business, conflict is going to be a natural part of its existence. So, naturally, we need to understand how to dissect and navigate conflict and be prepared to have those conversations that lead to conflict resolution. Otherwise, conflict could result in a stalemate that stifles the purpose of the organization.

**Explication different levels and types of conflict in organizations:**

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According to S. R. Robbins defines conflict as “a process in which an effort is purposefully made by a person or unit to block another that result in frustrating the attainment of others goals or furthering of his or her interests.”

It is observed from the above definitions that if the individual employee, managers, department heads, top managerial people, trade union leaders opposes certain issue the smooth running of business organization gets obstructed and moreover it disturbs the routine work of the organization.

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Conflict can be defined as a difference that exists between needs, values, and interests of individuals or groups in an organization.

Organizational Conflict – 6 Main Types: Task, Role, Process, Directional, External and Relationship

Task, roles, process, organisational direction, external pressure, and relationship issues, all create conflict.

The types of organizational conflict are discussed as below:

Type # 1. Task Conflict:

Task conflict relates to the content and goal of the work. According to Graves, task conflict arises among members of team and affects the goals and tasks they are striving to achieve. It can be based on differences in vision, intention, and quality expectation. It is essential to focus and channel any task conflict so that these differences become collaborative and lead to improvements in the way and go about accomplishing current and future task. Converting conflict to friendly competition might be one way of taking the best from both sides.

Type # 2. Role Conflict:

Conflict surrounding roles and responsibilities are especially common during or immediately following organisational change, particularly restructurings. People may be unclear on who is responsible for which decisions and outputs.

For example, after an international strategic business consulting firm restructured its managerial staff, an individual who formerly managed two key customer segments was unwilling to relinquish all the responsibility to the new manager. He continued to question staff and issue orders while his replacement was trying to set a new direction. With two managers giving input, employees were stuck in the middle, which created conflict among them as well as between the managers.

To identify the root cause of a role conflict, each party needs to examine his or her responsibilities as well as the other persons. One or both may need to change their perception, and then they will need to collaborate to clarify who will handle what.

Type # 3. Process Conflict:

This is related to how the work gets done. This form of conflict centres around, the process, procedures, steps or methods used to reach goal. One person might like to plan many steps ahead while others might like to dive in headfirst. These differences in approaches or processes can lead to communication break downs and ultimately conflict. Healthy differences in approaches to process will often lead to improved way of doing job.

Process conflict commonly arises when two departments, teams, or groups interact on a process. They may view the process differently and disagree on how it should be accomplished or point fingers rather than communicating effectively when problems arise.

For example, at a global manufacturer of heavy lifting equipment, three shifts were involved in the production of a machine, which often suffered from poor quality or low production rates. No standard process existed to build the machine, and each shift believed its approach was best. If one shift ended before the product was completed, the next group would either send the machine through without completing it – which resulted in poor quality – or take it apart and rebuild it – which slowed production.

To identify the root cause of process conflict, examine the process controls in place and how employees interact with them. Get teams or individuals to collaborate to define the process more effectively and establish communication channels to address problems.

Type # 4. Directional Conflict:

Directional conflict arises when organisations are forced to rethink their strategies and focus on shorter-term activities, as many did during the economic downturn. Employees may not know how to prioritise long-term versus short-term needs, or one department may work tactically while another remains strategic.

For example, a regional insurance brokerage, representing several prominent insurance providers, was developing a succession plan and selected several managers to be groomed as next- generation leaders. This action resulted in directional conflict because the managers were unclear whether to focus on meeting their short- term goals or on the longer-term succession efforts.

To identify the root cause of directional conflict, individual employees should ask themselves-What do I believe our direction is or should be? Is that aligned with what others are saying? What are senior managers saying? Answering these questions will enable individuals to change their own direction if necessary and help others change theirs.

Type # 5. External Conflict:

External conflict arises when pressures from customers or other stakeholders impact internal decisions. Recent economic challenges compelled organisations to adjust and adapt, for example, by lowering prices while providing enhanced customer service. Sales or customer service personnel advocating for customers’ needs may have come into conflict with operations trying to meet internal goals.

For example, a health care software company was pushing to bring a new product to market. Sales and customer service employees continued to bring customer input to the programming group, which did its best to incorporate the ideas into the product. As the requests continued to come in, it extended the development process beyond the planned release date. When management finally decided to release the product without further enhancements, additional conflict arose because customers now complained that their inputs are not incorporated.

To identify the root cause of external conflict, ask if anyone internally has the control to resolve the problem. It may be possible to create a can- do list, which may answer questions such as-What can we do to address the external demand? The solution might involve collaboration among several departments to adjust to the external pressures more effectively.

Type # 6. Relationship Conflict:

It focuses on interpersonal relationship. They are directly between people and may be over roles style, resources or even personalities. This conflict can penetrate and damage all aspect of an organisation. Relationship conflict can quickly demand all the attention and energy.

Although poor chemistry between individuals can exist, most interpersonal conflict tends to grow from the other five sources of conflict. For instance, when two managers attempt to direct the same department or when employees see external circumstances differently, interpersonal conflict builds.

However, at times, genuine interpersonal conflict may exist. For instance, a national business services firm hired a new vice-president whom the divisional personnel disliked because they felt he was not as open and direct as his predecessor. This created conflict between the leader and the team, which affected performance.

To find the root cause of interpersonal conflict, look for a particular bias or prejudice. Can negative emotions be overcome? An open, direct conversation is always the best way to bring issues out in the open and begin working on a resolution.

Organizational Conflict – 3 Main Levels: Individual-Level, Group-Level and Organizational-Level Conflicts

Conflict may arise at any level in an organization starting from individual level to organizational level.

Three main levels of conflict are discussed below:

1. Individual-Level Conflict:

Individual-level conflict indicates that human behavior is directed by needs, which guide the activities of an individual. Before joining an organization, the individuals try to match their needs with the organization’s offerings in terms of salary packages or other benefits. However, if they observe any inequity with their colleagues in the organization, then it may result in a conflict at the individual level. Such a conflict may lead to tension, frustration, and unpleasant behavior in individuals.

The individual-level conflict can be bifurcated into two categories, which are as follows:

a. Intra-Individual Conflict:

Arises within the individual and is considered psychological in nature.

It can be of two types:

i. Goal Conflict – Refers to a conflict where an individual or a group has to compromise its goals for the achievement of organizational goals. In goal conflict, the individual or group goals are not aligned with the organizational goals.

ii. Role Conflict – Occurs when individuals realize that their expected roles are different from actual roles.

b. Inter-Individual Conflict:

Refers to a type of conflict that occurs between two individuals. Generally, this conflict arises due to availability of scarce resources or rewards. It can also occur because different people have different opinions, attitude, value system, and style of working.

2. Group-Level Conflict:

Group-level conflict refers to the divergence, competition, or clash between two groups of the organization, such as management and staff.

Group-level conflict can be categorized into intra-group conflict and inter-group conflict, which are mentioned as follows:

i. Intra-Group Conflict – Refers to a conflict that occurs within a single group.

ii. Inter-Group Conflict – Refers to a conflict that occurs between two or more groups. Intergroup conflicts are frequently seen within an organization when two departments are in conflict with each other to get scarce resources.

3. Organizational-Level Conflict:

Organizational-level conflict refers to the conflict which occurs at the level of the entire organization.

It is of two types, which are as follows:

i. Intra-Organizational Conflict:

Refers to the conflict occurring within an organization.

Intra-organizational level conflict can be of three types, which are as follows:

a. Horizontal Conflict:

Indicates that there can be conflict between two functional groups at the same hierarchical level. It can happen because of various reasons, such as shared resources and interdependency, and goal incompatibility. For example, at times, the resources, such as printers, may be used by different departments at the same time, leading to a long queue of documents to be printed.

This may result in delay in operations. Similarly, any mismatch in data and figures of the reports that are shared by two interdependent departments may also lead to conflict. Likewise, the goals of one department may interfere with the goals of another department, leading to goal incompatibility and conflict.

b. Vertical Conflict:

Refers to the conflict between different hierarchical levels, such as between a superior and subordinates. Vertical conflict can occur because of inadequate or ineffective communication and distorted perceptions. For example, if a superior delegates some responsibilities to the subordinates but fails to give clear instructions then a conflict may arise between the subordinates and the supervisor regarding the responsibilities.

ii. Inter-Organizational Conflict:

Refers to the conflict occurring between two or more organizations. Organizations belonging to same industry may indulge in unethical practices and unhealthy competition because of inter-organizational conflict.

Organizational Conflict – Top 5 Stages given by Louis R. Pondy: Latent, Perceived, Felt, Manifest and Conflict Aftermath

Louis R. Pondy in his book Conflict, “Organisational Concepts and Models” has written that there are five stages of a conflict and they may be mentioned as follows:

1. Latent conflict;

2. Perceived conflict;

3. Felt conflict;

4. Manifest conflict; and

5. Conflict Aftermath.

1. Latent Conflict:

In this kind of conflict, competition forms the basis, when the aggregate demands of participants for resources exceed the resources available to the organisation. There are four basic types of latent conflicts and they are – (a) competition for scarce resources, (b) drive for autonomy, (c) divergence of sub-unit goals, and, (d) role conflict.

Autonomy needs form the basis of conflict when one party either seeks to exercise control over some activity that another party regards as its own province or seeks to insulate itself from such control. Goal-divergence is the source of conflict when two parties which must co-operate on some joint activity are unable to reach a consensus on the concerted action. Two or more types of latent conflicts may also be present at the same time.

2. Perceived Conflict:

Another are of his view that perceived conflict occurs due to the parties misunderstanding of each other’s true position. Conflict may sometimes be perceived when no conditions of latent conflict exists and latent conditions may be present in a relationship without any of the participants perceiving the conflict. Such a conflict can be resolved by improving communication between the parties.

3. Felt Conflict:

The important distinction between perceiving conflict and feeling conflict is that x may be aware that he is in serious disagreement with y over some policy. But this may not make x tense or anxious and it may have no effect whatsoever in x’s affection toward y’. The personalisation of conflict is the mechanism which causes many people to be concerned with dysfunctions of conflict. In other words, it makes them feel the conflict.

There are two explanations for the personalisation of conflict – (i) The inconsistent demands of efficient organisation and individual growth create anxieties within the individual. Anxieties may also result from identity crisis or from extra-organisation pressures. Individuals need to vent these anxieties in order to maintain internal equilibrium, (ii) Conflict becomes personalised when the whole personality of the individual is involved in the relationship.

4. Manifest Conflict:

By manifest conflict we mean any of several varieties of conflictful behaviour such as open aggression, apathy, sabotage, withdrawal and perfect obedience to rules except for prison riots, political revolutions and extreme labour unrest, violence as a form of manifest conflict is rare. The motives towards violence may remain, but they tend to be expressed in less violent forms.

5. Conflict Aftermath:

The aftermath of a conflict may have either positive or negative repercussions for the organisation depending on how the conflict is resolved. If the conflict is genuinely resolved to the satisfaction of all participants, the basis for a more co-operative relationship may be laid; or the participants in their drive for a more ordered relationship may focus on latent conflicts not previously perceived and dealt with.

On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in a more serious form until they are rectified. This conflict is called “Conflict aftermath”.

**\*\*\*Answer to the question n. 2**

**Idea on MBO:**

Yes. I have idea of MBO that is mentioned as follows.

Management by objectives (MBO) is a management technique for setting clear goals for a specific time period and monitoring the progress.

Management by objectives (MBO) uses a set of quantifiable or objective standards against which to measure the performance of a company and its employees. By comparing actual productivity to a given set of standards, managers can identify problem areas and improve efficiency. Both management and workers know and agree to these standards and their objectives.

A company can set various goals with its employees. In the case of a call center, an MBO could be to increase customer satisfaction, say, by 10%, while reducing call times by one minute. The onus is now on finding ways to achieve this goal. Once that's decided on, it's important to get employees on board and then monitor their progress, provide feedback, and reward those who do a good job.

Management by Objectives, otherwise known as MBO, is a management concept framework popularized by management consultants based on a need to manage business based on its needs and goals. MBO goals are tailored to meet the needs of today's fast-growing businesses and fast-paced work environments.

MBO is the process of defining top company goals and using them to determine employees’ objectives. MBO processes are intended to identify an employee’s main objectives, later graded with group input. This helps all company contributors see their accomplishments in connection to the company’s top priorities as they carry out their tasks, reinforcing alignment between activity and outcome, which dramatically increases productivity.

Though MBO is intended to help define and manage a set of objectives, the objectives themselves will be at least a little bit different for every company. It allows companies to express their individuality as well as their top priorities and, most important, to [execute](https://business.adobe.com/project-management/life-cycle/executing) on them.

MBO examples:

To help you get a handle on what MBOs look like, we’ve provided some MBO examples for different industries below. Here, we give you an idea of what the actual MBOs might be for a CEO, team leader, and a sole contributor.

Company performance MBO example:

Become the market leader

Achieve cash flow of $500,000 per month

Become a member of the fortune 500

Increase CSAT to 90%

Increase customer retention rate to 92.5%

Decrease OPEX by 5%

Expand sales abroad by 10%

Increase Gross Margin by 10%

Increase assets to debt ratio by 15%

Reduce carbon footprint by 5%

Raise brand profile by 25%

Promote or hire one new departmental executive

Achieve payback period of 1.5 year for new products

Increase win ratio by 10%

Marketing MBO examples:

Generate 1,000 new Marketing Qualified Leads (MQL) per month

Earn 40% of overall company revenue from marketing efforts

Increase annual product subscribers by 35%

Increase marketing ROI by 7.5%

Triple social media following

Double newsletter subscriptions

Double unique web traffic

Increase regular weekly website visitors by 45%

Increase landing page conversion rates by 30%

Increase surveyed brand awareness by 25%

Get 10 media placements

Hire 5 new account executives

Implement continuous A/B testing of landing pages

Collaborate with sales department to devise quality lead definition.

Sales MBO examples:

Achieve the new bookings target of 50 per month

Hit the win rate of 20%

Achieve average deal size of $150 000

Decrease sales cycle to 3 months

Human resources MBO examples

Maintain employee satisfaction index of 85%

Keep quarterly retention rate at 97%

Increase employee engagement to 85%

Maintain compensation at 10% above industry average

Meet with sales department to define sales hiring requirements

Hold a minimum of three interviews for new hires

Increase rate of meeting new hire deadline to 80%

Get 15% of hires from employee references

Hire a training agency for the sales department

Implement 1-on-1 automation system in Q2

Increase departmental ROI by 5%

Hold two company-wide events

Implement a leadership training program

Give at least 1/3 of all managerial positions to internal applicants

Software engineering MBO examples

Complete 350 story points per team

Complete at least 400 points of review

Migrate completed story points less than a week after completion

Launch 3 new product features

Develop 20 new front-end software tests

Launch alpha testing phase

Meet with customer service and product departments for development coordination

Increase system architecture speed by 25%

Maintain system architecture up-time of 99.9%

Maintain rate of no more than 3 P-0 and P-1 bugs at once

Participate in one hackathon

Prioritize blocker bugs

Optimize UI for 15% faster onboarding process

Conduct review of programming team optimization.

Product management MBO examples:

Successful product launch ($500k in quarterly revenue)

Grow subscriber revenue by 20%

Maintain 85% CSAT score

Maintain Net Promoter Score of 80

Ideate for three new product features

Meet with programming and marketing departments to collaborate on new features

Maintain production consistency ratio of 99.8%

Meet with 10 high value clients ($50k+) for product feedback

Complete survey of 250+ new customers to gauge new product interest

Complete assessment of customer product usage behavior through software monitoring

Contribute 50k in revenue by collaborating with the software engineering team to complete a product demo.

Create annual product plan to integrate competitors’ strongest product features

Identify 5 leading competitors’ product strategies

Complete market projections of product life cycles.

Customer success MBO examples:

Earn $100k in customer-success-related revenue

Increase customer-success-related CSAT score to 90%

Decrease onboarding time to three days

Decrease customer service tickets during onboarding by half

Achieve 20% higher customer satisfaction with onboarding process

Increase customer references of qualified leads by 20%

Maintain detailed profile of each premium client ($25k+)

Increase contribution to premium client acquisition ($25k+) by 10%

Monitor premium client ($25k+) software usage behavior to detect challenges

Decrease customer success related quarterly churn rate by 15%

Collaborate with sales department to increase upselling by 10%

Collaborate with sales department to increase cross-selling by 10%

Collaborate with marketing department to develop new target segment

Devise annual customer success plan.

Customer support MBO examples:

Maintain CSAT rating of 85%

Decrease average first-response time to less than 10 minutes

Meet customer-support related SLA agreements

Increase customer service call capacity by 40% (open new call center)

Decrease tickets per resolution by 20%

Reduce call abandonment to 3.5%

Hire and train 8 new outsourced workers

Reduce incidence rate by 10%

Reduce manager call intervention by 15%

Maintain customer service feedback database

Complete 5 new customer service script scenarios

Collaborate with product department to help fix product issues

Collaborate with customer support department to provide excellent service to premium customers ($25k+)

Finance MBO examples:

Help raise $1m in new funding through investment preparation

Finish financial planning and revenue projection

Develop annual operating budget

Develop annual procedures for cash handling and budgeting

Complete independent financial audit

Increase rate of debt collection by 25%

Increase financial automation by 5%

Finish reviewing and approving compensation agreements

Research and approve the use of some crypto-currencies.

Resolve 50% of outstanding contract conflicts

Maintain regulatory financial compliance

Conduct patent research, application and resolution

Increase asset to debt ratio by 2.5%

Help increase quarterly shareholder value by 2.5%

Operations MBO examples

Create annual operational plan

Project seasonal consumer demand prediction

Reduce software development cycle by 2 weeks by instituting Agile

Hold bi-weekly meetings to adapt planning throughout software engineering process

Reduce software testing time to one week

Reduce product failure rate to under 2.5% (5/1 ROI)

Reduce product sourcing and logistics expenses by 5%

Reduce logistics shipping travel time & distance by 5% (local sourcing)

Deliver 98.5% of products on time

Fulfil 98.5% of SLAs

Fulfill 100% of warranty obligations

Help facilitate the fixing of new P-0 and P-1 bugs within 72 hours

Contribute to 1.5% quarterly growth in company shares.

Seek one independent operational consulting report.

Sculpture and explanation of the MBO process:

A strategic or managerial model that defines clear and concise objectives that are accepted by management and employees to improve the performance of the organization is called MBO or management by objectives. There are 6 steps in the process of MBO that we are going to discuss in detail in this article.

This approach was first proposed by [Peter Drucker](https://en.wikipedia.org/wiki/Peter_Drucker%22%20%5Ct%20%22https%3A//www.businessstudynotes.com/hrm/principle-of-management/steps-in-process-of-management-by-objectives/_blank) in 1954, and by definition, the process of management by objectives show a personnel management system, where the organization set, plan, monitor and achieve specific objectives with the mutual cooperation of both high level and low-level employees.

In management by objective, also known as management by planning or management by results, approach employees and managers work together to set realistic and achievable organizational goals for a specified period of time.

During this time, managers evaluate the actual performance by comparing it against the defined objectives to see how far their employees have performed. In MBO, superiors reward employees rather than punishment.

It means the central idea of MBO is that it helps the employee to grow their skills while increasing the performance of the organization. Through this approach, managers can keep their employees motivated and committed to the work by rewarding them.

In the MBO approach, employees get feedback on daily basis rather than at the end of the work. This method ensures that employees and managers have a good channel of communication.

This channel of communication is very vital for the success of the organization because employees can perform better only when they get clear and achievable objectives direct from the top management. Then trained managers are appointed over those employees to implement those defined objectives.

The most important part of MBO that makes it successful is monitoring and evaluating the progress against the objectives.

Information: MBO focuses on effectiveness rather than the efficiency of an organization. In other words, quality of performance rather than speed. This makes MBO a result-oriented framework.

In this approach, the work is divided into smaller units to make employees comfortable while finishing them.

Let me present this whole concept in simpler words.

MBO is a management system where managers, subordinates, and employees work together to define clear and achievable objectives for an entity to make it successful.

According to Peter Drucker’s theory, when employees are involved in setting the organization’s goals, they participate fully and it keeps them motivated because they get a clear action plan with a clearly defined target to chase.

This is how the concept of MBO works in simple words.

But it doesn’t end here. We still have to explore a lot about MBO and the steps in the process of MBO. We will also cover the advantages and disadvantages of MBO, types of objectives, and real-life examples, etc. So, keep reading.

Elements of Management by Objectives

Note: These are general elements of MBO, not the steps of MBO. We will cover the steps in the process of MBO shortly.

1. Goals

Goals are the most important and fundamental elements of the MBO management process. They are set for all contributors of the organization including managers, employees, CEO, team leaders, and other contributors.

They make them all responsible for their part of contribution and everybody in the organization has a sense of what he/she is supposed to do to fit into the big picture. It means that there is no confusion left and everybody knows their responsibilities.

2. Objectives

Objectives are also the most important elements of the MBO process. They are set for the organization or we can say for work. Objectives are the target that each contributor has to chase by using his/her goals.

Objectives also help evaluate the performance of contributors. If contributors have easily achieved the objectives in a defined period of time, then managers try to make them challenging yet motivating to further improve their performance.

3. Performance Reviews

Performance reviews help managers to evaluate the weaknesses and strengths of their employees so they can open a channel of communication to appreciate the performance or fix the errors. This element also opens up brainstorming sessions for both managers and employees so they can fix the problems or modify the objectives (if possible).

Principles of MBO

The following are the most important principles of the MBO process.

Focus on growth and development instead of failure and punishment.

Open a channel of regular feedback instead of static weekly or monthly reports.

Make objectives more challenging but motivating as well for better results.

Employees must involve while setting objectives for a particular entity.

Make performance-oriented reviews rather than speed-oriented. It means it is the performance that counts.

Focuses on goals rather than methods.

Features of MBO

After defining MBO, the principles of MBO, and how it works, we are now able to list out the main features of the MBO system. Following are the most important features of the MBO.

MBO is a philosophy, not a technique that provides a path to organizational success. It means MBO is not just limited to a certain area, but it is a philosophy that fits every aspect of management.

Managers and employees define the objectives of the organization or individuals by working together to set a target that is to be chased later.

Later, these defined objectives become the scale of evaluation on which managers evaluate the performance of their employees.

Every contributor has a clear sense of what he/she is supposed to do.

MBO defines what is to be achieved instead of how it is to be achieved.

It is a result-oriented managerial approach.

MBO Objectives

Although, we define objectives are the different steps in the process of MBO but following are the general types of objectives that we must know before involving in the MBO process. The 3 types of objectives are:

Strategic Objectives – Board Related: These are the top-level objectives defined by superior management of the organization. They are at the top of the pyramid from where the flow of objectives starts.You can say strategic objectives define the bigger picture of the company and describe what the company is going to do to achieve its mission. Some examples of strategic objectives are:

Launching new product,

Increasing sales of existing product,

Increase profitability,

Grow market shares.

Tactical Objectives – Team Related: These types of objectives work within the organization. These objectives are set by a group of people or a team that is going to work together to achieve a common goal.

Operational Objectives – Individuals Related: Operational objectives are defined by an individual employee during objectives setting meetings. The employee sets these objectives according to his/her competencies and the available resources. As these objectives are set by individuals, therefore, these objectives vary from person to person. A department can also set operational objectives for its operational staff.

**Process of Management by Objectives – Step by Step Infographic:**

The process of MBO involves 6 key steps that incorporate managerial plans in such a systematic way, which is directly influenced by the efficient and effective achievement of individuals and organizational objectives.

In case you want to analyze the practical importance of [Management by Objectives](https://www.businessstudynotes.com/hrm/management-by-objectives-and-its-key-concepts/%22%20%5Ct%20%22https%3A//www.businessstudynotes.com/hrm/principle-of-management/steps-in-process-of-management-by-objectives/_blank), then it is good to summarize all the objectives of the organization together with individual goals.

The 6 steps involved in the process of MBO are determining organizational goals, determining employees’ objectives, constantly monitoring progress and performance, performance evaluation, providing feedback, and MBO performance appraisal.

The 6 steps of the MBO process are:

Determining Organizational Goals,

Determining Employees’ Objectives,

Constant Monitoring Progress and Performance,

Performance Evaluation,

Providing Feedback,

The Performance Appraisal.

Overall, the purpose of management by objectives is to increase the productivity and efficiency of employees by setting result-oriented, time-bound, and achievable objectives. It means MBO’s purpose is to motivate the employees rather than controlling them. In other words, to manage by objectives.

**\*\*\*Answer to the question n. 3**

**Description the procedures of monitoring and controlling project:**

Monitoring and control processes continually track, review, adjust and report on the project's performance. It's important to find out how a project's performing and whether it's on time, as well as implement approved changes. This ensures the project remains on track, on budget and on time.

Through the process of monitor and control, the project manager must be in a position to balance the requirements that arise from different knowledge areas. For example, the project manager can undergo situations, where a project is completed on time, but, has failed to meet the quality standards mentioned in the [Project Management plan](https://www.invensislearning.com/blog/project-management-plan/). Likewise, the project might have a significant scope, but unfortunately, it has exceeded the time and cost limit. Hence, the process of monitoring and controlling project work is considered extremely important.

Monitor and Control Process – Inputs

1. Project Management Plan:

The subsidiary plans and the project baselines form the basis of controlling the project, as it mainly involves focusing on all the aspects of the project. The PMP includes the following subsidiary plans which are explained under the process of developing a project management plan.

2. Project Documents:

Assumption log – The assumption log contains information about expectations and pain points identified as affecting the project.

Basis of estimates – The basis of estimates indicates how the various estimates were borrowed and can be used to decide on how to respond to the difference of opinion.

Cost forecasts – Based on the project’s previous performance, the cost forecasts are used to determine if the project is within defined tolerance ranges for budget and to identify if any necessary change requests arise.

Issue log – The issue log is used to document and monitor who is responsible for resolving specific issues within the scheduled date.

Lessons learned register – The lessons learned register might contain information on effective responses for variances and corrective and preventive actions.

Milestone list – The milestone list shows the scheduled dates for particular milestones and is also used to check if the planned milestones have been accomplished.

Quality reports – The quality report includes quality management issues; which are also known as suggestions for the process, project, and product improvements; corrective actions recommendations (includes rework, defect/bugs repair, 100% inspection, and more); and the summary of findings from the Control Quality process.

Risk register – The risk register provides details on the threats and opportunities that have occurred during the execution of the project.

Risk report – The risk report provides information on the overall project and specified individual risks.

Schedule forecasts – Based on the project’s earlier performance, the schedule forecasts are used to determine if the project is within the defined tolerance ranges for the schedule and to identify any necessary change requests.

3. Work Performance Information:

Work performance data is an output of the [direct and manage project work](https://www.invensislearning.com/blog/direct-and-manage-project-work/) process where the data is collected, analyzed, and integrated to produce work performance information for providing a sound foundation for making project decisions. With the performance information, the project manager can gain knowledge on status deliverables, and implementation status for change requests, and provide forecasted estimated time to complete.

4. Agreements:

The procurement agreement includes terms and conditions, and may also integrate other items that the buyer specifies regarding what the seller is to perform or provide. If the project is outsourcing part of the work, the [project manager](https://www.invensislearning.com/blog/role-of-project-manager/) needs to oversee the contractor’s work to make certain that all the agreements meet the specific needs of the project while adhering to organizational procurement policies.

5. Enterprise Environmental Factors:

The enterprise environmental factors are conditions that are not under the control of the project team. They vary widely depending on the nature of the environment and are as follows:

Government or Industry Standards – Includes aspects like regulatory agency regulations, codes of conduct, product standards, quality standards, and workmanship standards that influence the process of monitoring and controlling the project work.

Existing Human Resources – The level of skills, disciplines, and knowledge, such as design, development, legal, contracting, and purchasing capabilities of the organization that influence the monitoring and controlling process.

Stakeholder Risk Tolerances – A crucial aspect at any given stage of the project work. The project manager should understand the tolerance level of the stakeholder as to how much negative impact can he sustain during the project’s lifecycle.

Commercial Databases – Acquiring knowledge of standardized cost estimating data, along with the industry risk study information, and risk databases from the previously undertaken projects to have a better understanding of the current project working procedure.

Project Management Information System – PMIs are system tools and techniques used in project management to deliver information. Project managers use methods and tools to collect, combine and distribute information through electronic and manual means.

6. Organizational Process Assets:

The organizational process assets are the plans, processes, policies, procedures, and knowledge bases specific to and used by the performing organization. The assets may be grouped into two categories:

Processes and Procedures
The Processes and Procedures under the organizational process assets can be segregated into three stages:

Initiating and Planning: Implementing guidelines and criteria used for tailoring the organization’s standard processes and procedures to satisfy the specific needs of the project. Effective planning of organizational standards such as policies, product and project life cycles, and methods to maintain quality policies and procedures are necessary for monitoring and controlling the project.

Executing, Monitoring, and Controlling: A method to change the existing control procedures and also to document how the changes are approved and validated. The process also includes keeping a tab on the financial control procedures, issue and defect management procedures, organizational communication requirements, change and risk control procedures along with process measurement and lessons learned database.

Closing: During the closing stage, the project manager will monitor the project closure guidelines, which include focusing on the lessons learned, final project audits, evaluations, and product validations.

Corporate Knowledge Base:

The organizational knowledge base for storing and retrieving information includes:The knowledge base will comprise various versions and baselines of the policies, procedures, and project documents. The knowledge base also includes financial databases containing information on labor hours, incurred costs, budgets, and project costs overshoot.

A project manager should also know historical information and lessons learned from previous project records and performance. A project manager should also have corporate knowledge of the issues and defects so that he/she can control and resolute the same in any problems that arise.

Finally, the corporate knowledge base also should have information on components that include insights into the process measurement databases and information on the project files from previous projects (Ex. scope, cost, schedule baselines, and project calendars).

Changes will always occur during a project. There are scenarios where even those well-drafted plans, will have varied results when compared with the actual planned values. Hence, performing the monitoring and controlling project work process is essential to determine those changes. Monitoring and controlling the project work process is crucial to meeting the desired outcomes of the project. Because if one doesn’t measure the performance, they will not be able to know how the project is going. And this is a significant risk for the failure of the project.

**The statement of “Scheduling more important in projects than in production”:**

By proactively scheduling days and weeks, making sure spending enough time on what is important —most valuable tasks. This will make exponentially more productive than 90% of most others in field. It is a well-structured document that enables [project managers](https://www.saviom.com/blog/project-managers-manage-unplanned-leaves/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) to communicate all the necessary information to the stakeholders and the [workforce](https://www.saviom.com/blog/workforce-planning-how-to-master-it-for-business-efficiency/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) with utmost transparency.

In addition, the project schedule also entails data on required resources and skills to execute the project. [Managing the resources](https://www.saviom.com/blog/project-resource-management-an-ultimate-guide-on-how-to-master-it/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) and project timeline to ensuring that every task is paired with suitable personnel forms the crux of developing the proper schedule.

The science of project scheduling is, therefore, critical for an efficient [project management](https://www.saviom.com/blog/how-to-manage-resources-in-agile-project-management/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) process. This article takes through the definition of project scheduling and its key concepts, along with some tips to help ace it.

A comprehensive process of designing a project schedule that outlines the project phases, tasks under each stage, and dependencies is known as project scheduling. It also considers skills and the number of resources required for each task, their order of occurrence, milestones, [interdependencies](https://www.saviom.com/blog/project-interdependencies-span-portfolio/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank), and timeline.

Furthermore, it involves analyzing the [resource availability](https://www.saviom.com/blog/understanding-resource-availability-within-project-management/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) and implementing the [scheduling technique](https://www.saviom.com/blog/the-definitive-guide-to-resource-scheduling//%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) to ascertain timely delivery while maintaining the resource health index. Many project managers successfully generate the [right schedule](https://www.saviom.com/resource-management-software/resource-scheduling-software.php%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank), yet most of them find it challenging to [manage the resources](https://www.saviom.com/blog/manage-resources-effectively/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) intelligently.

It can cause delays and discrepancies in the deliverables as their talent pool is responsible for executing these tasks. Thus, they must master each aspect of project scheduling.

Now that we know what project scheduling is let’s understand its significance in the [project management](https://www.saviom.com/project-portfolio-management-software.php%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) realm.

Compare two scenarios– one, where your project details are all over the place, and second, where you maintain a centralized data repository of your project plan. Which one do you think will lead to proper project execution? Naturally, the latter.

This is what a project schedule does. It brings together all the project-related information in one place that opens doors for seamless communication between the [project manager](https://www.saviom.com/blog/cheatsheet-achieve-project-managers-career-goals-objectives/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) and stakeholders.

Project scheduling also enables [task prioritization](https://www.saviom.com/blog/resource-optimization-boosts-task-management/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank). The initial steps of project scheduling comprise forming a work breakdown structure and dividing the project into simpler tasks. Once the tasks are enlisted, the project manager can implement the appropriate technique to evaluate the criticality of the tasks and arrange them in order of precedence.

In addition, the detailed description of each task and skill demand against them makes it easy for managers to procure the [right resources for the right job](https://www.saviom.com/blog/resource-allocation-a-guide-on-how-to-apply-it-on-project-management/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank). Not just that, with real-time information of the project’s progress, they can gauge the resource performance and take remedial measures in case of any inconsistencies.

The internal team conflicts are minimized when the entire team, stakeholders, and managers are on the same page. Resources are aware of the task dependencies and work diligently to ensure that the overall delivery is not affected.

When managers opt for sophisticated [scheduling software](https://www.saviom.com/resource-management-software/resource-scheduling-software.php%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank), they get real-time updates on every [project metric](https://www.saviom.com/blog/top-project-metrics-you-need/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank), which promotes [proactive planning](https://www.saviom.com/resource-management-software/planning-allocation-software.php%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank), monitoring, and coherent [risk management](https://www.saviom.com/blog/enterprise-risk-management-framework-core-components/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank).

Overall, project scheduling is a key component that propels the completion and delivery of projects within time and budget.

Given the umpteen benefits of project schedule, let us now delve into the various techniques that are used to lead the project to fruition.

Project scheduling techniques are beneficial to secure the project timeline and budget without over or [underutilizing the workforce](https://www.saviom.com/blog/underutilization-of-resources-cues-and-how-to-mitigate-them/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank). Your resource pool is the success driver of the project, and thus, it is vital to keep their [productivity](https://www.saviom.com/blog/effects-of-low-productivity-business-growth/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) and well-being in check. These scheduling techniques come in handy to ensure that no resource is burned out or sitting idle.

Here’s a rundown of some of these techniques:

This technique is purely based on mathematical analysis and lets you calculate the longest and shortest possible project timeline. Let’s understand this better with an example. There are four tasks in the project – A, B, C, and D. Task B and D can only begin after task A completes, whereas task C has no such restriction.

In this case, since the progress of B and D banks on task A, it becomes the critical task. Task A will be time-sensitive as any delay in its completion can delay the entire project’s course. On the other hand, given that task C has no dependencies, it can be accomplished within a flexible deadline. Task C, in this case, will have a float time (also referred to as ‘slack’). A float-time is where one can prolong a task to a specific limit without impacting the overall project.

This is how a [manager can calculate](https://www.saviom.com/blog/how-to-measure-resource-capacity-and-demand/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) each task’s start and finish time, keeping in mind the reliance and coming to a precise conclusion. A CPM technique is applicable to project tasks when all the deliverables and [interdependencies](https://www.saviom.com/blog/project-interdependencies-span-portfolio/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) are clear.

Often you are caught in a predicament where the project runs on tight deadlines or gets delayed due to various internal reasons. In such situations, managers study and analyze the critical path and evaluate the tasks that can be done in parallel or overlapped. It allows them to finish multiple tasks at once without affecting the project’s scope and deadline.

A real-life example would be a software development project. If you have to fast-track the project, tasks such as designing and development can be taken up in parallel. Once the design of essential features is ready and approved, the development team can work on it. Meanwhile, the designing team will work on the remaining elements and functions. However, fast-tracking demands [meticulous planning](https://www.saviom.com/blog/the-holygrail-of-resource-planning-in-project-management/%22%20%5Ct%20%22https%3A//www.saviom.com/blog/what-is-project-scheduling-and-why-is-it-important/_blank) and supervision as managers have to deal with multiple tasks at once.

The schedule determines when work elements (activities) are to be completed, milestones achieved, and when the project should be completed. The budget determines how much each work element should cost, the cost of each level of the work breakdown schedule (WBS), and how much the total project should cost.

Scheduling is the art of planning activities so that can achieve goals and priorities in the time available. When it's done effectively, it helps- Understanding what can realistically achieve with time. It makes sure enough time for essential tasks.

Benefits of project scheduling:

Prioritization. A project schedule allows work to be prioritized,

Tracking. Schedules allow the project manager to track and monitor progress,

Resource management,

Risk management,

Stakeholder satisfaction.

Scheduling is used to allocate plant and machinery resources, plan human resources, plan production processes and purchase materials. It is an important tool for manufacturing and engineering, where it can have a major impact on the productivity of a process.

To allocate and prioritize demand (generated by either forecasts or customer orders) to available facilities.

Scheduling coincides with the time and date that the operation must be completed. Scheduling is an essential and crucial portion of production scheduling and lays the foundation and groundwork for all of the steps within the production process.

THE 6 KEY PRINCIPLES OF SCHEDULING:

Schedule an exhaustive Work Plan,

Define a weekly schedule and its priorities,

Design a program based on time and highest skills available,

Assign the work for every available hour,

Make a team leader manage the field operations,

Measure performance according to your schedule.

Production planning entails thinking in advance about what to do and how to do something. However, scheduling involves the allocation of resources or production facilities to process work orders. In this, various jobs compete for the limited available resources.

Scheduling is defined as a process of allocating resources over time to perform a collection of tasks.

A project schedule is a timetable that organizes tasks, resources and due dates in an ideal sequence so that a project can be completed on time. A project schedule is created during the planning phase and includes the following: A project timeline with start dates, end dates and milestones.

Characteristics of A Good Schedule:

It's easily communicated,

It's flexible,

It has the commitment of the project team,

It shows interrelationships among tasks very clearly,

It's prepared in calendar time, not in number of work days,

It forces early deadlines,

It allows for revision time following each review.

A smart business owner knows that planning and scheduling are crucial to success. In fact, these two activities form the basis for almost all processes and activities in the company. That’s why it’s important for you to take the time to learn why exactly these two are important to any builder who wants to level up.

Planning and scheduling go hand in hand. They need each other in order to achieve maximum results. Planning may involve creating a business plan, setting goals for the year, or listing down tasks that need to be done. When you plan, you map out your next course of action.

But of course, step two involves setting a timeline. It’s not enough to identify what needs to be done. It’s equally important to figure out when these things need to be accomplished. This is where scheduling comes in. When we talk about scheduling, we’re dealing with specific dates and specific timeframes.

**\*\*\*Answer to the question n. 4**

**Reason of managing cost:**

Cost management helps to analyse the positioning of business in terms of making an acquisition factoring the cost component involved; Cost management brings about better planning and financial management as well as more security and budget visibility, which allows for decisions to be made before getting into debt.

Managing cost can be defined as the process of planning and controlling the budget of the business. It assists in predicting the business expenses so that one can limit their spending within the budget, thereby being an integral part of the business management. Cost management for business involves different costs accounting methods that seek to improve the business cost efficiency by reducing costs or at least by restricting the growth of costs.

[Cost management strategy](https://enterslice.com/learning/detailed-analysis-of-strategic-cost-management/%22%20%5Ct%20%22https%3A//enterslice.com/learning/cost-management-for-business/_blank) is essential for business as it helps in pricing of the goods and services. The pricing should not be too low, nor should it be too high. Low pricing will not leave any profit for you, whereas high pricing will result in you losing the client.

It helps in managing costs and aligning the business strategy of an entity. In order to gain advantage in this increasingly modern competitive market, cost management and strategies are critical for any enterprise.

Before a project is taken up, it is essential to define the objectives to avoid any sort of cost over-runs. It helps in keeping away the over or underestimation of costs. A well defined project help in facilitating proper management of costs making the project profitable.  With cost management, unexpected costs can be dealt with easily as and when they occur.

* Cost management helps to control the project specific cost and also the overall business cost;
* With cost management, one can easily foresee the future expenses and costs that in turn helps in working towards the expected revenues;
* Predefined costs can be maintained for record purposes for the business;
* It helps in taking actions that are required to make sure that the resources and business operations aim to attain the objectives and goals;
* It helps to analyse the long term trends of business;
* It helps to compare the actual cost incurred to the budgeted to know if any component of business spends more than expected;
* Cost management helps to analyse the positioning of business in terms of making an acquisition factoring the cost component involved;
* Cost management brings about better planning and financial management as well as more security and budget visibility, which allows for decisions to be made before getting into debt.

To summarize, every business faces challenges, risks, and ways of doing things but cost management remains to be a core value that can drive success. The differentiation and competitive advantage for higher growth comes from its ability to innovate. Effective cost management for business supports and supplements business innovation.  What one should know is that there is no magic stairway, neither in life nor in business; therefore embracing a proper cost management framework is the ultimate key towards building a sustainable business.

Cost management is undoubtedly required for the success of any project or business. When may know the scope for the cost that the business can bear, then it becomes relatively easier to set goals and accordingly work for it.

**A project lifecycle:**

The project management life cycle is usually broken down into four phases: initiation, planning, execution, and closure. These phases make up the path that takes project from the beginning to the end.

The Project Life Cycle consists of four main phases through which the Project Manager and his team try to achieve the objectives that the project itself sets. The four phases that mark the life of the project are: conception / start, planning, execution / implementation and closure.

The project life cycle has great importance in terms of managing a project. It helps in managing the project time, cost, resources, and efforts of employees. With the use of the project life cycle, each aspect of a project is identified and planned initially, which helps strategize each sub-task at a low cost.

The world has been discovering better management techniques because of limited time and increased workload on individuals. Much work has been done to identify how management can be improved in an individual’s life and an organization.

In researching better management techniques, the project life cycle has been studied to ensure that each project can be structured, monitored, managed, and finished successfully for saving time, cost, and limited resources.

The project life cycle is the breakdown of a project into different stages for better management and results. Project lifecycle has gained maximum popularity over the last few decades because of the successful results it has been generating in terms of results, quality, and cost control.

The project lifecycle starts from the initial stage of brainstorming a project and ends once the project gets completed and is handed over to the authority who has assigned the project.

The project life cycle differs from project to project. It has the most important for a successful task as it rightly breaks down a project and subtasks associated with it, which helps properly manage the project and improve results.

A project life cycle is divided into five phases, from brainstorming to completion. The work done in five stages are:

1. Brainstorming:

Brainstorming is the stage before starting a project in which a project, its nature, the vision, scope, and stakeholders are identified. The project’s importance and relevancy are checked in this stage to ensure that no time is lost by starting a wrong project.

2. Planning:

Once brainstorming has been done, and the project and its objectives are identified, the next step in the project lifecycle is planning. In this phase, all the planning related to a project, the subtasks associated with it, the project’s schedule, the budget, risk, the completion date, and milestones are all predetermined for smooth working on a project.

Planning is a crucial phase in which the overall project and its approach are discussed. Alternative plans are also finalized in this phase to avoid any failure of the project.

3. Execution:

Dependent upon the previous phase, the next stage of a project lifecycle is execution. In this step, all the resources are utilized to work on the planned project based upon the schedule and guidelines.

The step is performed following the planning phase, and each step is linked to the planned schedule to ensure that risks and costs are minimized and the project is done as planned and expected.

1. Monitoring:

The next phase of a project life cycle is monitoring. The phase continues throughout the project so that the project is outclassed in terms of quality, reduced cost, and minimal risk.

The phase compares planning and execution stages to analyze what needs to be improved, which step requires more employees’ efforts, and how time can be balanced between tasks for expected results.

5. Completion:

The last phase of the project life cycle is complete. In this phase, the project is announced completed, and a report has been issued to identify how the overall project went and how successful the project life cycle was.

The stage highlights the difference between budgeted cost and actual cost and the difference between the dates for completion and the completion date.

The project life cycle has significant importance in assuring the delivery of a quality project on time with budgeted cost and minimal risk.The project life cycle helps better manage a project, which is crucial in assuring successful results for a given task. The importance of project life cycle includes:

The project life cycle is of great importance for project management and better project results. The life cycle has been used widely for [project planning](https://businessfinancearticles.org/importance-of-project-planning) and completing a project because of its colossal significance. To improve the project life cycle, many software has been designed to help track the project’s performance and maximize the project life cycle application.