

Q-10 Difference between Strategy and Policy →

Strategy

Policy

(1) Strategy is a comprehensive plan, made to accomplish the organizational goals.

Policy is the guiding principle, that helps the organizations to take logical decisions.

(2) It is a action plan.

It is a action principle.

(3) It is flexible in nature.

It is fixed, but they allow exceptional situations.

(4) They are related to the organizational moves and decisions for the situations which have not been encountered previously.

Organizational rules for the activities which are repetitive in nature.

Action Orientation.

Thought and decision based orientation.

Formulation based on top and middle level management.

Formulation based on top level management.

Extroverted Approach.

Intraverted Approach.

It describes by methodology used to achieve target.

It describes what should be done and what should not be done.

* Features / Nature of Business Policy :-

(1) Specific →

A business policy should be specific and definite.

(2) Clear →

Policy must be unambiguous. It should avoid use of jargons and connotations.

(3) Reliable / Uniform →

Policy must be uniform enough so that it can be efficiently followed by the subordinates.

* Nature of Strategy →

(1) Strategy is an action plan.

(2) Strategy is flexible in nature.

(3) They are related to the organizational moves and decisions for the situations which have not been encountered previously.

(4) Strategy is action orientation.

(5) Strategy is an extracurricular approach.