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Bus 206 assignment

Define management

HOME SUBJECTS

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management

The organization and coordination of the activities of a business in order to achieve defined objectives.

Management is often included as a factor of production along with? machines, materials, and money. According to the management guru Peter Drucker (1909-2005), the basic task of management includes both marketing and innovation. Practice of modern management originates from the 16th century study of low-efficiency and failures of certain enterprises, conducted by the English statesman Sir Thomas More (1478-1535). Management consists of the interlocking functions of creating corporate policy and organizing, planning, controlling, and directing an organization's resources in order to achieve the objectives of that policy.

What is Management By Objectives?

Management By Objectives (MBO) is an performance management approach in which a balance is sought between the objectives of employees and the objectives of an organization. The essence of Peter Drucker ’s basic principle: Management By Objectives is to determine joint objectives and to provide feedback on the results. Setting challenging but attainable objectives promotes motivation and empowerment of employees. By increasing commitment, managers are given the opportunity to focus on new ideas and innovation that contribute to the development and objectives of organizations.

Planning is an essential part of management – it is not taken offhandedly, but after a careful and extensive study as well as based on required experience. Planning enables the organization to design the activities in such a manner that the goals and objectives can be attained effectively while providing the sense of involvement and team spirit among the employees. This way, employees are supposed to contribute their part in a positive manner. Thus, MBO, being extremely result oriented, involves making realistic plans and participative making which enables to attain the goals and objectives in a way as intended and planned.

DECISION IS

The act or process of deciding; determination, as of a question or doubt, by making a judgment

Formulating clearer goals is a great way to lead the employees at all levels of organization to have a common direction. MBO, aiming at effective utilization of human resource seeks to achieve the coordinated structure of activities by Formulating clearer goals is a great way to lead the employees at all levels of organization to have a common direction. MBO, aiming at effective utilization of human resource seeks to achieve the coordinated structure of activities by integrating the individuals with the organization provides harmony of objectives by making every employee more effective that in turn leads to attain the predefined objectives effectively and efficiently.

Rational Decision Making

Rational decision making is a multi-step process, from problem identification through solution, for making logically sound decisions.

Key Points

Rational decision making favors objective data and a formal process of analysis over subjectivity and intuition.

The model of rational decision making assumes that the decision maker has full or perfect information about alternatives; it also assumes they have the time, cognitive ability, and resources to evaluate each choice against the others.

This model assumes that people will make choices that will maximize benefits for themselves and minimize any cost.

Key Terms

Rational decision making: A logical, multi-step model for choosing between alternatives that follows an orderly path from problem identification through solution.

perfect information: A situation in which all data that is relevant to a particular decision is known and available to the decision maker.

The Process of Rational Decision Making

Rational decision making is a multi-step process for making choices between alternatives. The process of rational decision making favors logic, objectivity, and analysis over subjectivity and insight. The word “rational” in this context does not mean sane or clear-headed as it does in the colloquial sense.

The approach follows a sequential and formal path of activities. This path includes:

Formulating a goal(s)

Identifying the criteria for making the decision

Identifying alternatives

Performing analysis

Making a final decision.

image

Rational-decision-making model: This flowchart illustrates the process of rational decision maki