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MATRIC NO.: 16/SMS02/037

DEPARTMENT: ACCOUNTING

COURSE CODE: BUS206

**ASSIGNMENT**

1a) What is Management by Objective (MBO)?

**Management by Objectives** (**MBO**) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members.

b) Describe the MBO Process.

### 1) Define Organizational Goals

Goals are critical issues to organizational effectiveness, and they serve a number of purposes. Organizations can also have several different kinds of goals, all of which must be appropriately managed.

### 2 Define Employees Objectives

After making sure that employees’ managers have informed of pertinent general objectives, strategies and planning premises, the manager can then proceed to work with employees in setting their objectives. The manager asks what goals the employees believe they can accomplish in what time period, and with what resources. They will then discuss some preliminary thoughts about what goals seem feasible for the company or department.

### 3) Continuous Monitoring Performance and Progress

MBO process is not only essential for making line managers in business organizations more effective but also equally important for monitoring the performance and progress of employees.

### 4) Performance Evaluation

Under this MBO process performance review are made by the participation of the concerned managers.

### 5) Providing Feedback

The filial ingredients in an MBO program are continuous feedback on performance and goals that allow individuals to monitor and correct their own actions.

### 6) Performance Appraisal

They are a regular review of employee performance within organizations. It is done at the last stage of MBO process.

c) What is the usefulness of MBO to a business organization?

1) improved planning: MBO involves participative decision-making which makes objectives explicit and plans more realistic. It focuses attention on goals in key result areas. MBO forces managers to think in terms of results rather than activities. It encourages people to set specific pleasurable goals instead of depending on hunches or guesswork.

2) coordination: MBO helps to clarify the structure and goals of the organization. Harmony of objectives enables individuals at various levels to have a common direction. Every individual knows clearly his role in the organization, his area of operation and the results expected of him. Interlinking of corporate, unit and individual objectives helps in the decentralization of authority and fixation of responsibility.

3) Motivation and Commitment: Participation of subordinates in goal setting and performance reviews tend to improve their commit­ment to performance. The corporate goals are converted into personal goals at all levels to integrate the individual with the organization Timely feedback on performance creates a feeling of accomplishment Job enrichment and sense of achievement help to improve job satisfac­tion and morale.

4) Accurate Appraisal: MBO replaces trait based appraisal by per­formance based appraisal. Quantitative targets for every individual ena­ble him to evaluate his own performance. Performance under MBO is innovative and future oriented. It is positive, more objective and par­ticipative. Emphasis is on job requirements rather than on personality.

2a) Define decision?

This is the act or process of deciding, determination, as of a question or doubt, by making a judgment.

b) Describe the Rational Decision-Making Process in Business.

The rational decision making process is a cognitive process which is made up of a logical step by step process. In this process the emphasis is on thinking things through and also on weighing the outcomes and alternatives before arriving at a final decision.

In general there are 5 broad steps in rational decision making process, through different models follow different methodologies.

 First  we must identify the situation and the decision that is needed to be made.

 Second all the important criteria must be discussed and identified.

 All possible situations must be carefully considered.

 All possible situations must be considered along with their outcomes to see which best fits the bill.

 The best option is then chosen.