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DEPARTMENT: ACCOUNTING

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ASSIGNMENT

* + 1a. Management by objectives (MBO) is a management model that aims to improve performance of an organization by clearly defining objectives that are agreed to by both management and employees. According to the theory, having a say in goal setting and action plans should ensure better participation and commitment among employees, as well as alignment of objectives across the organization.   
    1b. The MBO process can be divided into six and they are:

### i. 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.

### ii. 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.

### iii. 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.

### iv. Performance Evaluation

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

V. 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.

This continuous feedback is supplemented by periodic formal appraisal meetings which superiors and subordinates can review progress toward goals, which lead to further feedback.

### Vi. Performance Appraisal

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

1c. USEFULNESS OF MBO TO BUSINESS ORGANIZATIONS

* 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.
* Formulating clearer goals is a great way to lead the employees at all levels of organization to have a common direction.
* The process of MBO leads to greater motivation and commitment. Since it creates the sense that each and every employee is working for a common goal, it instills motivation and commitment in the attainment of objectives in a way as wanted.
* MBO facilitates effective control and monitoring the activities of the employees
* It’s through the process of MBO that the objectives are appraised accurately. It involves establishing performance appraisal for the whole team in a fair manner on the basis of the objectives that are intended to be attained within certain time frame and in a way that is expected of.
* The process of MBO can boost the employee morale greatly. Since the employees play an important role in setting the goals, this makes sense as to how they can perform better by finding their goals clearer.

2a. decision can be defined as a course of action purposely chosen from a set of alternatives to achieve organizational or managerial objectives or goals. Decision making process is continuous and indispensable component of managing any organization or business activities. Decisions are made to sustain the activities of all business activities and organizational functioning.

Decisions are made at every level of management to ensure organizational or business goals are achieved.

2b. 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.

They are five bold steps in rational decision making process and they are:

* 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.