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DEPARTMENT: ACCOUNTING

1a.) **Management by objectives** is the process of defining specific objectives within an organization that management can convey to organization members, then deciding on how to achieve each objective in sequence. This process allows managers to take work that needs to be done one step at a time to allow for a calm, yet productive work environment.

b.) - Define organizational goals

 -Define employees objectives

 -Continuous monitoring performance and progress

 -Performance evaluation

 -Providing feedback

 -Performance appraisal

Let’s briefly look at each of these;

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.

And a number of different kinds of managers must be involved in setting goals. The [goals set by the superiors are preliminary](http://iedunote.com/kinds-of-organizational-goals), based on an analysis and judgment as to what can and what should be accomplished by the organization within a certain period.

1. **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.

Also, Read [Four Common Ingredients that makes up an MBO Program](http://iedunote.com/management-by-objectives-ingredients).

1. **Continuous Monitoring Performance and Progress**
2. 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.

For monitoring performance and progress the followings are required;

* + - Identifying ineffective programs by comparing performance with pre-established objectives,
		- Using [zero-based budgeting](http://iedunote.com/zero-base-budgeting),
		- Applying MBO concepts for measuring individual and plans,
		- Preparing long and short range objectives and plans,
		- Installing [effective controls](http://iedunote.com/desiging-effective-control-system), and
		- Designing sound organizational structure with clear, responsibilities and decision-making authority at the appropriate level.
1. **Performance Evaluation**

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

1. **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.

1. **Performance Appraisal**

[Performance appraisals](http://iedunote.com/how-performance-appraisal-work) are a regular review of employee performance within organizations. It is done at the last stage of MBO process.

C.) 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 decision making which enables to attain the goals and objectives in a way as intended and planned.

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.

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.
In this way, it allows everyone to verify the performance whether or not it is being done in accordance with the set standards which have been established already to be followed.

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. At this point, it is to be noted that the process of MBO leads to assess the leading employees to greater acceptance of what results should be produced.

It is worth mentioning that the process of MBO enhances the morale of the employees as opposed to the supposition that MBO, being also known as MBR- management by results is just result oriented and that it needs employees to focus their attention on goals without specifying the behavior. As a matter of fact, 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. It also leads them to be more efficient and effective thereby increasing their morale.

2a.) Decision is a choice made between alternative courses of action in a situation of uncertainty.

## b.) Step 1: Identify the decision

You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

Step 2: Gather relevant information

Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.” Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and from other sources.

Step 3: Identify the alternatives

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

Step 4: Weigh the evidence

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

Step 5: Choose among alternatives

Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.

Step 6: Take action

You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

Step 7: Review your decision and its consequence

In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has *not* met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.