

**17/sms02/065**

**BUS206 assignment**

1. Management by objective is a management model based on the democratic style of leadership, in that it aims to improve performance of an organisation by clearly defining objectives that are agreed to by both management and employees. It was first outlined by Peter Drucker in 1954 and his theory suggests that if employees have a say in goal setting and planning then it should ensure better participation and cooperation from them.

2. The practical importance of objectives in management can best be seen by summarising how efficient MBO is using these steps:

- Define organisational Goals
- Define employees objectives
- Continuous monitoring performance and progress
- Performance evaluation

- Providing feedback
- Performance appraisal

3.-It ensures efficient results as employee morale will be high

- It helps to formulate clearer goals
- It facilitates objective appraisal
- It raises employee morale
- It brings more efficient planning methods
- Acts as a motivational force
- It facilitates effective control
- It facilitates personal leadership

4. Decision is defined as a choice made between alternative courses of action in a situation of uncertainty

5.Rational decision making is a method for systematically selecting among possible choices that is based on reason and facts.In a rational decision making process, a business manager will often employ a series of analytical steps to review relevant facts, observations and possible outcomes before

choosing a particular course of action.