

## Management By Objectives

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classmate  
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## Features OF Management By Objectives [Peter F. Drucker]

- MBO is an approach and philosophy to management and is not just a technique of management.
- The basic importance of MBO is on setting of objectives or goals of an organization.
- MBO focuses on the integration of goals. It relates the long-~~term~~<sup>range</sup> goals with short-range goals.
- MBO places emphasis not only on the setting of goals but also ~~also~~ on their achievements.

## Management By Objectives :-

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## Process of Management By Objectives

- ① Define Organizational Goals
- ② Define Employee Objectives
- ③ Monitoring performance and progress
- ④ Performance Evaluation
- ⑤ Providing Feedback
- ⑥ Performance Appraisal

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→ There are five steps :-

- (i) Define objectives
- (ii) Share them with employees
- (iii) Encourage to participate
- (iv) Monitor progress

(v) Evaluate performance and reward achievement.

## Process of MBO (Management By Objective)

- ① Setting Organizational Goals
- ② Joint ~~Setting~~ Goal Setting
- ③ Performance Reviews
- ④ Set Check Posts
- ⑤ Feedback

OR

- ① Defining Organizational Goals
- ② Defining Employee's objectives
- ③ Monitoring of Performance and Progress
- ④ Evaluating Performance
- ⑤ Rewarding the Employees.

① Defining Organizational Goals:- The initial step of the MBO is critical because it helps in determine desired outcomes and guides managers on creating new reasonable goals. Managers need to consider setting achievable objectives within the set timeline when setting the new goals.

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- ① Defining the Organizational Goals:- The initial steps of MBO is critical because it helps in determining desired outcomes and guides the managers to create reasonable objectives. Managers should consider making achievable goals/objective within the given period of time while setting new goals.
- ② Defining Employees Objectives:- Subordinates play a vital role in this second step. Each staff gets the chance to ~~not~~ set personal goals in relation to the firm's overall goals. This crucial step involves employee in decision making and planning. Thus the process ensures that the employees remain motivated and engaged throughout the MBO cycle.
- ③ Defining Employee's Objective:- Subordinates play a vital role in second step. Each staff gets a chance to set their personal goals in relation to firm's overall goals. This crucial step helps in engaging involving the employees in decision making and planning. Thus, the process ensures that the employees stay motivated and engaged throughout the MBO cycle.
- ④ Monitoring the Performance and Progress:- Monitoring performance is crucial to ensure employees stay on track to reach MBO goals. It should be ongoing. Supervisors who check progress can prevent any action from deviating from the main objective.

④ Evaluating Performance :- The primary role of the step is to judge employee and provide feedback. A Performance evaluation may take many forms. Some of the most effective methods of conducting evaluation include using interviews, filling in forms and compare the expected versus achieved results.

⑤ Rewarding the Employee :- This step holds the motivation and helps maintain the staff's enthusiasm for achieving the management objectives. Good examples of rewards include compensating employees with bonuses and offering employees chances for promotion.

### Planning Process

- ① Setting objectives
- ② Determining Premises Developing Premises :- (Assumption about future)
- ③ Identifying Alternative Courses of Action
- ④ Evaluating Alternative Course :- (Pros & Cons)
- ⑤ Selecting Alternative
- ⑥ Implementing The Plan
- ⑦ Follow up Action