Management by Objectives (MBO)

SMART ← Time Bound.   objectives between
↗   ↑ ↑ ← Relevant   manager and
Specific Attainable   subordinates.
     measurable
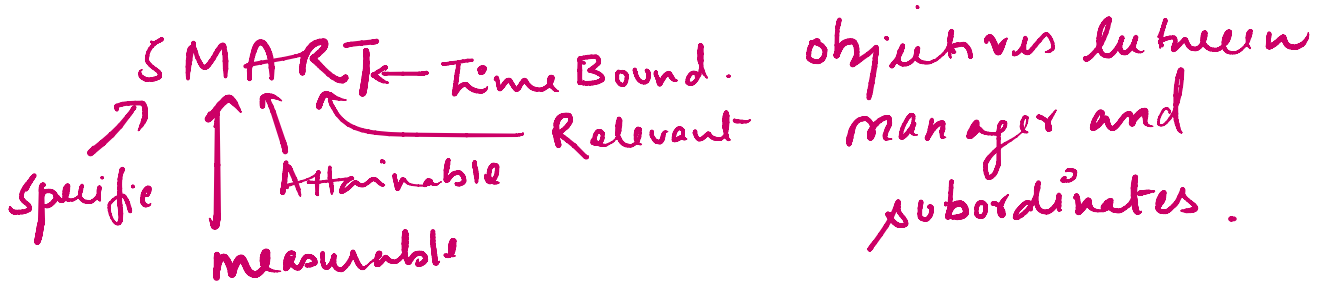
Key concepts: 1) Goal setting
2) Participative Process
3) Performance Measurement
4) Feedback and coaching
5) Rewards and Recognition.
6) Flexibility and Adaptation.

Benefits of MBO: a) improved communication
b) increased employee motivation
c) better allignment of individual efforts with organisational goals

Some key points related to objectives in planning and organising process:

1) clarity and specificity → well defined, clear and specific

2). Measurability → to be able to track the

2). <u>Measurability</u> → to be able to ~~~~
progress

3) <u>Time-bound</u> → frame or deadline.

4) <u>Alignment with overall goal</u>
      ↳ in sync with the main goal.

5) <u>Realistic and Attainable</u>
      ↳ challenging but realistic

6) <u>Relevance:</u>

7) <u>Hierarchy of Objectives:</u>
      ↳ In larger organisa-
tions, objectives are often
cascaded down from top-level
to middle management.

What is a policy in management?
     ↳ A policy is a predetermined
course of action or a set of guidelines established
by an organisation to guide decision-making
behaviour and actions of its members.

→ Policy provide a framework for consistent &
~~~~~~~ decision-making, ensuring that the

→ Policy provide
effective decision-making, ensuring that the
organization's objectives are met while
adhering to legal, ethical and
operational requirements.

→ Why do a company need a policy/policies?

⇒ to solve a purpose, to cover a wide range
of areas within an organisation, ex ethics,
safety, information etc.

⇒ Better communication.

⇒ flexibility at work

⇒ implementation & enforcement.

Examples of organizational policies include:

a) Human Resources Policy

   ↳ Covering areas such as hiring practices,
   employee benefits, performance evaluation,
   disciplinary procedures.

b) Information Technology Policy:

         ↳ addressing issues related to
   data security, internet usage, software

data security, internet usage, software licensing and hardware procurement.

c) <u>Environmental Policy</u> : Outlining the organisations commitment to sustainable practices, waste management, and environmental compliance.

d) <u>Financial Policy</u> : Defining guidelines for budgeting, spending, financial reporting, internal controls etc.

So having well-defined policies, organisations can promote consistency, transperancy and fairness in their operations. Policies provide a road map for employees to follow, reducing uncertainity and ensuring that the organisation functions effectively and ethically.

<u>PROCEDURE</u>: it refers to a set of established and documented steps or guidelines that individuals or teams follow to carry out specific tasks or activities in a consistent

individuals or teams follow specific tasks or activities in a consistent and efficient manner.

↳ it provides a structured approach to handling routine or repetitive tasks, ensuring that They are executed in a standardised way, reducing risk of errors, and promoting uniformity across organisation.

Some key aspects of procedures include:

a) Clarity and specifity ⇒ clear, concise, specific

b) Repeatibility ⇒ for tasks performed regularly or frequently.

c) Efficiency & Effectiveness

d) Compliance & Standardization

e) Training and Knowledge transfer

f) Continuous Improvement.

Example of procedures across industry & organizational context:

1. Employee Onboarding Procedure
2. IT support Ticket Procedure

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3. Purchase Order Approval Procedure
4. Emergency Evacuation Procedure
5. Performance Appraisal Procedure

STRATEGIES DECISION-MAKING APPROACHES:

① Rational Decision Making:

   ↳ systematic and logical analysis
   of all available information &
   alternatives.

② Intuitive Decision Making:

   ↳ It is a decision-making approach
   where the manager relies on their
   instincts, past experience and gut feelings
   to make a choice.

③ Bounded Rationality:

   ↳ Herbert Simon

   ↳ in this approach managers
   make satisfactory decisions that are

make satisfactory decisions that –
good enough   given the constraints
of time, resources and information
availability.

④ Political Decision Making:

↳ in this approach, decision
making considers interests and power struggles
and decisions are made through
negotiation, bargaining and
compromise.

⑥ Collaborative Decision Making

↳ involves multiple
stakeholders.

⑦ Decision Trees and Models

↳ Managers can use decision
trees and models to map
out different alternatives

⑧ Group Decision Making:

(8) Group Decision Making:

↳ involving a group of individuals in decision making process can lead to colletive intelligence & better decision. However it can also be time consuming & prone to conflicts.

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