

MANAGEMENT BY OBJECTIVE

Management by objective improves the motivation of an employee by setting a specific goal for their work. It also improves the commitment and allows for better communication between employee and management. This process also helps the members of the organization to see their accomplishments as they achieve each objective. This in return reinforces a positive and work-friendly environment.

The process of management by objective focuses more on results rather than the activities involved. For this reason, it is also known as Management By Results, MBR. Therefore, management by objective is a management practice which aims to increase organizational performance by clearly defining the goals and subordinate objectives of the organization that are agreed on to both management and employees.

The Process of Management By Objective

1. *Define the goals of the organization:* Defined organizational goal helps managers and supervisors to guide employee's effort in a strategic way and they work to achieve it.
2. *Define the objectives of the employees:* the employees are being informed of the general objectives, plans and strategies after which the managers proceed to work with and guide employees in achieving those objectives.
3. *Continuously monitoring performance and progress:* It helps identify mistakes and errors. It also allows for a brainstorming session about what the company might need to change to meet its main objectives in the future.
4. *Performance evaluation:* it lets an employee know where they stand compared to other employees in the organization.
5. *Feedback:* it makes it easy to correct, monitor, or improve actions that affect the product or organization as a whole.
6. *Performance appraisal:* recognizes the input and rewards it accordingly.

Advantages of Management By Objective

- ✓ It forces the manager to simplify the plan and activities for the best results
- ✓ Employees commit themselves to give their best to realize the set goals.
- ✓ It helps the management team to formulate better management training programs based on performance reviews