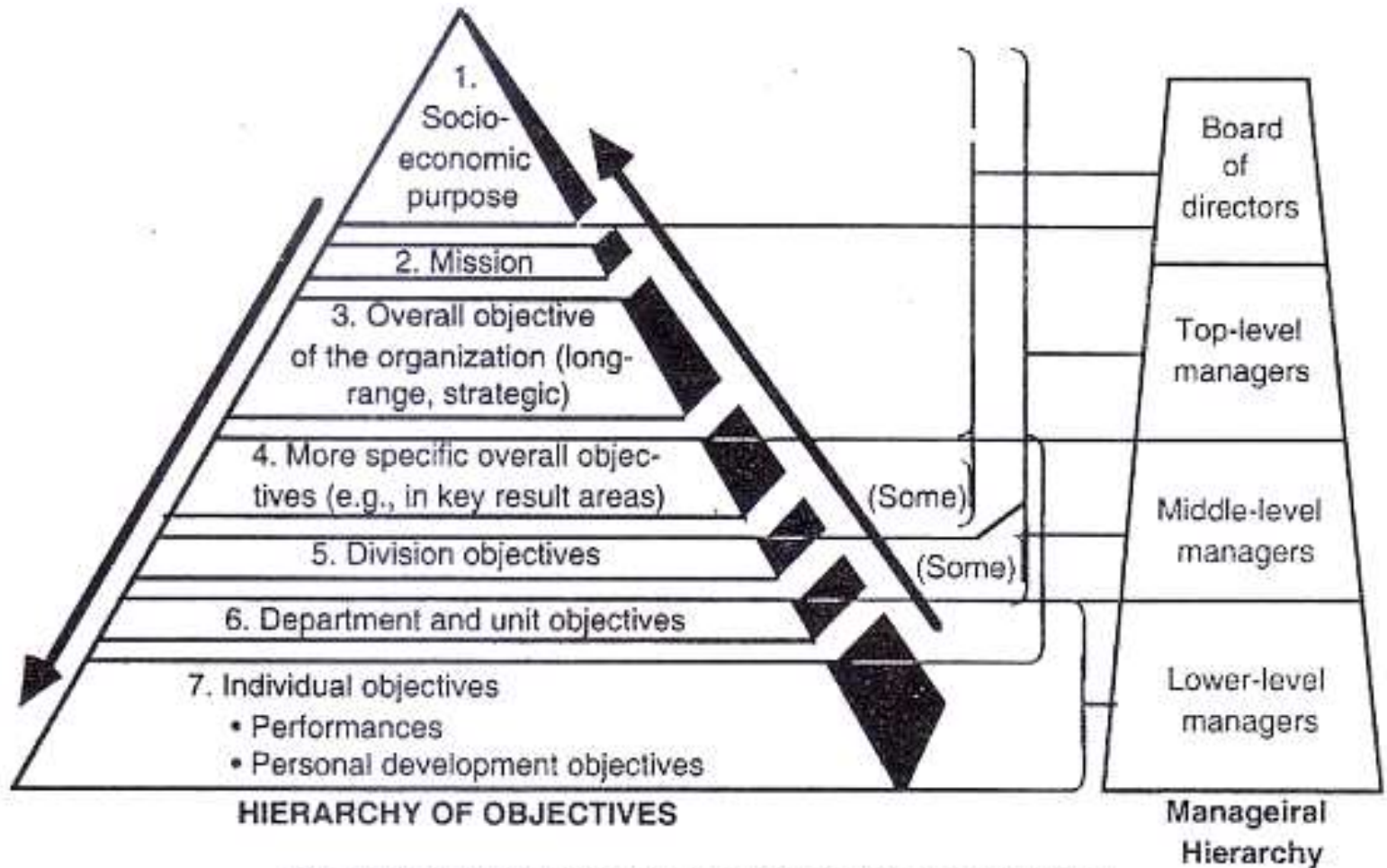# Objectives and MBO

Session 8

Objectives

- A specific result that a person or system aims to achieve within a time frame and with available resources.

- Objectives are basic tools that underlie all planning and strategic activities.

- They serve as the basis for creating policy and evaluating performance. Some examples of business objectives include minimizing expenses, expanding internationally, or making a profit

Hierarchy of objectives

HIERARCHY OF OBJECTIVES

Relationship Of Objectives And The Managerial Hierarchy

Socio-economic purpose of TCS

- "Our company believes that corporate sustainability extends to the triple bottom line of people, planet, and profit. We have increased the radius of business responsibility beyond immediate benefit to long-term good, while ensuring the sustainability of the organization. TCS enables an environment of greater consciousness through a process of collaboration with employees, suppliers, customers, and the community at large".

Mission of TCS

- TCS Technology will provide products and services that not only meet but exceed the expectation of our customers through planned and continuous improvement of our Services, Products, Processes and People.

Objectives of TCS

- **TCS serves large and fast-growing organizations who share a common set of objectives:** Increase profitability and efficiency by doing more with less and effectively respond to the changing market demands, thereby improving organizational agility, Use IT to maximum advantage as a strategic driver for competitive advantage, not just as a business utility.

Key Result Areas

- The **key** vertical clusters are: Banking, Financial Services & Insurance (BFSI), Retail and Consumer Business, Communication Media and Technology (CMT), Manufacturing, Travel, Transportation and hospitality.

Division objectives

- Objectives of Banking and financial services of TCS:

  We enable digital transformation with an innovative suite of financial solutions, which include mobile-based applications, banking-specific RPA components, web-based debt management, and fraud management solutions, among other services.
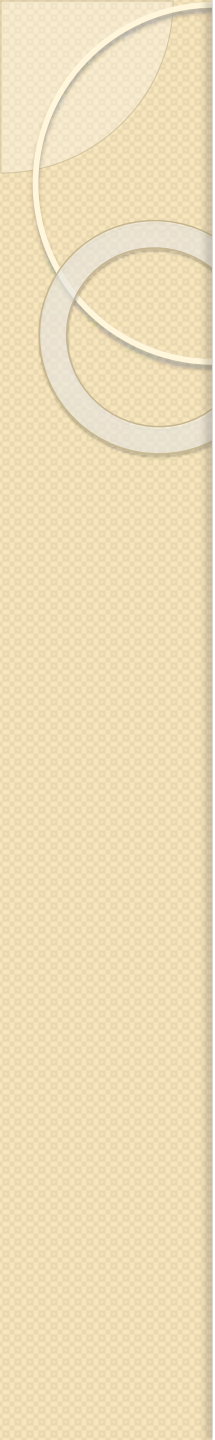
Departmental/Unit Objectives

- Mobile based applications:

"We envision apps to supplant browser-based interfaces — not just on mobile phones, tablets, kiosks, IoT-connected devices, but also on desktop PCs in a single code base. The vision for BaNCS ADK is to transfer flexibility and speed of development to the Bank, leveraging a library of business aware financial widgets and components."

Individual Objectives

- Android SDK with development experience in a medium to complex application enterprise/consumer mobile application, Google Play Frameworks,etc.,

- An objective is verifiable when at the end of the period, one can determine whether or not it has been achieved.

How to set Objectives

Non verifiable Objectives

- To make a reasonable profit

- To improve communication

- To improve productivity of the production department

- To develop better managers

Verifiable Objectives

- To achieve a ROI of 12% at the end of the current fiscal year
- To issue a two page monthly newsletter beginning July 1, 2010, involving not more than 40 working hrs of preparation (after the first issue)
- To increase production output by 5% by Dec 31, 2010 without additional costs by maintaining the current quality level
- To design and conduct a 40 hr in house program on "management", to be completed by October 1, 2010, involving not more than 200 Whrs of the management dev staff and with at least 90% of the 100 managers passing the exam

Guidelines for setting objectives

- Do the Objectives cover the main features of my job?

- Is the list of objectives too long? If so can I combine some objectives?

- Are the objectives verifiable, that is, will I know at the end of the period whether they have been achieved?

- Do the objectives indicate:

a) Quantity (how much)?
b) Quality(how well, or specific characteristics)?
c) Time(when)?
d) Cost(at what cost)?

- Are the objectives challenging yet reasonable?
- Are priorities assigned to the objectives(ranking,weight etc.,)?
- Have I communicated the objectives to all those who need to be informed?
- Are the objectives expressed clearly, and are they in writing?
- Do the objectives provide for timely feedback so that I can take any necessary corrective steps?

- Are my resources and authority sufficient for achieving the objectives?
- Have I given the individuals who are expected to accomplish the objectives a chance to suggest their objectives?
- Do my subordinates have control over the aspects for which they are assigned responsibility?

Management by Objectives(MBO)

○ Management by objectives (MBO) is a model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.

○ According to the theory, having a say in goal setting and action plans encourages participation and commitment among employees, as well as aligning objectives across the organization.

Process of MBO

Benefits of MBO

1. • Better Utilisation of Resources
2. • Development of Personnel
3. • Makes Planning Effective
4. • Better Team Work
5. • Concentration on Key Result Areas
6. • Objective Evaluation
7. • Result Oriented
8. • Sound Organisational Structure

Failures of MBO

- Failure to Teach MBO Philosophy(Self control and self-direction)
- Failure to Give Guidelines to Goal setters
- Difficulty in Setting Verifiable Goals
- Emphasis on Short Term Objectives
- Danger of Inflexibility