Management by Objectives & SMART Goals

Chapter 5.3

Quotes

The reason most people never reach their goals is that they don't define them, or ever seriously consider them as believable or achievable. Winners can tell you where they are going, what they plan to do along the way, and who will be sharing the adventure with them.

Denis Waitley

Quotes

Goals are dreams with deadlines.

Diana Scharf Hunt

Quotes

Goals are not only absolutely necessary to motivate us. They are essential to really keep us alive.

Robert H. Schuller

Lesson Objectives

1. Define goals/objectives and understand their importance to management planning.

2. Identify the four step process of Management by Objectives.

3. Create SMART goals in reference to the remaining academic school year.

Key Definitions

Goals

- specific commitment to achieve a measurable result within a stated period of time
- also known as an objective
- strategic, tactical, operational

Action plan

 defines the course of action needed to achieve the stated goal

Management by Objectives

Introduced by Peter Drucker (1954)

 Converts general objectives to specific objectives for all members of an organization.

 Research shows that people perform better when objectives are specific rather than general.

Management by Objectives (MBO)

1. Jointly Set Objectives

Back and forth negotiation is essential

2. Develop Action Plan

Prepared by managers at each level

3. Periodically Review Performance

Frequent communication is essential

4. Give Performance Appraisal & Rewards

Reward those who meet objectives; Redefine and/or take action

MBO's main purpose is to MOTIVATE employees

Types of Objectives

Improvement Objectives

- Express performance to be accomplished in a specific way for a specific area
- Example "Increase sport-utility sales by 10%"

Personal Development Objectives

- Express personal goals to be realized
- Example "Attend five days of leadership training"

Maintenance Objectives

- Express the intention to maintain performance at previously established levels
- Example "Continue to meet the increased sales goals specified last quarter.

Cascading Objectives

1. Top Management must be Committed

2. MBO must be Applied Organization wide

- 3. Objectives must "Cascade"
 - Objectives are structured in a unified hierarchy
 - Objectives become more specific at lower levels of the organization

SMART Goals

Specific

Measurable

Attainable

Results-Oriented

Target Dates

SMART Goals

Specific & Measurable

Initial Goal: "As many planes as possible should arrive on time"

Smart Goal: "Ninety percent of planes should arrive within 15

minutes of the scheduled arrival time."

Attainable

Be sure goals are ambitious yet realistic

Results-Oriented

- Must support the organization's vision.
- Start with "To", follow with action word "complete, "acquire", "increase"
- Avoid using verbs such as "to develop", "to conduct", or "to implement"

Target Dates

Include deadlines or target dates when goals should be attained.

SMART Goals Worksheet

- 1. Write down a draft goal as a starting point for the exercise. Don't worry about language or content at this point.
- Read each questions and write out responses in the column. Not all of the information will be used in the final goal statement. However, it may be useful for other purposes, such as developing objectives or an action plan.
- Bring the SMART Goals Worksheet in to class tomorrow and write a detailed goal in the area for Final Goal.