

Peer Gelsner on MBO

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Unlike many management fads of the 60s and 70s, there is still a lot of value in setting objectives. MBO should not be lumped together with assessment centres, transactional analysis, (many parts of) organisation development, and the Managerial Grid. Those were fads which, for several thousand JDs a pop, gave us a new vocabulary but little else. MBO, on the other hand, still remains a good proactive mechanism to be used within the processes of planning and control.

Although I include a section on objectives-setting in my performance reviews, I never said it was the method for evaluating performance. In most work organisations employee performance is not measured but rather is evaluated or appraised.

Let's face the fact that most performance cannot be measured and is evaluated based on a number of questionable but real criteria including personal characteristics such as "loyalty," "appearance," and "demeanour" or "attitude." Many supervisors or managers appraise performance based in part on how well an individual meets the supervisor's own personal/professional agendas. (This is not a criticism; it's part of human nature. We have a partiality for those who are perceived to be most like us and vice-versa.)

Rating the performance of others is at times, at least in the service sector, quite subjective. In many industries, that's the way it has to be. For example, would you rather rate a surgeon on the number of operations performed on a given day or on the survival of the patients on which the surgeon operates?

If MBO is outmoded just because it's old, I wonder what your thinking is about the over-50 group in your organisation.

During my lifetime of training and experience, I have consistently taught the concept of Management by Objectives (MBO). This concept leads one to always approach everything in life, by first, determining objectives, second, planning methods or processes necessary to efficiently reach those objectives, and third, implementing the plan. Usually complex plans consist of various sub-levels of sub-objectives, time tables, etc.

Plans and objectives are continually monitored, evaluated, and modified as they are implemented and circumstances change and additional information becomes available.

I have learned during the last few years that most people and institutions do not manage in this way. It could even be said that they do very little planning or management. This has become one of my pet peeves and this article is written to give some examples of this lack of management and its consequences.

The important points of this article are these:

1. Objectives must be properly defined.
2. Plans for achieving objectives must be detailed.
3. There must be a mechanism for monitoring the implementation of plans and making appropriate modifications.
4. Ongoing processes must be eliminated when objectives are achieved. (Don't keep the railroad commission when there are no longer railroads to regulate.)

I think of substance as anything which is either an objective or a necessary or desirable step toward achieving an objective and form as anything which is superfluous. If my objective is to eat an apple, a sub-objective leading toward the larger objective of maintaining life, a peeling knife may be substantive but flourishing the knife above my head before beginning to peel may be only form meant to draw attention and therefore superfluous. On the other hand, if one of my objectives is to draw attention to myself, perhaps to enhance my ego, then the flourish may be substance. The important point is that one should know what he is doing and why.